

**MINUTES**  
**Buffalo Fiscal Stability Authority**  
**April 5, 2005**

The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) was called to order at 1:08 PM on April 5, 2005, at the Buffalo & Erie County Public Library by Mr. Brian Lipke, Chairman of the Board. The meeting was convened by a Notice of Meeting sent to the Directors by Chairman Lipke and announced to the public and press.

**Directors Present:** Giambra, Faso, Lipke, Masiello, Tobe, and Stenhouse

**Directors Absent:** McCall (phone), Townsend (phone), Wilmers (phone)

**Staff Present:** Johnson, McPherson, Miller, Stefko and Tocker

**Opening Remarks:**

Chairman Brian Lipke delivered an opening statement welcoming all attendees and citing emergency exit information. In his opening remarks, Chairman Lipke first stated that Buffalo firefighter Staff Sgt. Christopher W. Dill had been killed while on duty in Iraq. He led the room in a moment of silence. He then announced that the BFSA will conduct a Public Forum on May 7, at the Buffalo Convention Center and encouraged public participation relative to the Financial Plan and Budget of the City, School District, the Buffalo Municipal Housing Authority and other covered organizations. Turning to the extensive agenda, he noted the City's 2005 Capital Borrowing and an update on the BMHA. Of primary importance is the review and consideration of Financial Plan Modifications to address the issues of School Nurses in the Buffalo Public Schools. He thanked the Governor and State Legislators for the additional State Aid included in the recently adopted State budget, but stressed that the aid does not solve the fiscal problem and reinforced the need to address the remaining fiscal challenges for the City and Schools.

Following his opening remarks, Chairman Lipke asked Secretary Richard Tobe to do a roll call of the Directors. Finding a quorum present, the BFSA Board started the meeting.

**Approve Minutes**

The Directors voted to approve Resolution 05-27 to approve the minutes of the February 23, 2005 Board Meeting and to ratify resolutions numbered 05-16 – 05-26. Motion by Stenhouse, second by Faso. Vote 6-0, to take effect immediately.

RESOLUTION NO. 05-27

APPROVING MINUTES AND RESOLUTIONS FROM FEBRUARY 23, 2005

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting of February 23, 2005 and ratifies and affirms fifteen resolutions numbered 05-16 through 05-26 that were approved on February 23, 2005.

### **Buffalo Public School Budget/ Financial Plan Modification:**

Ms. Johnson briefed the Board on the School District's Budget/ Financial Plan accompanied by a slide presentation. She noted that the current year was projecting a potential shortfall due to two factors: prior year audits of State aid and accounting for State pension payments. The potential current-year deficit of \$4 million is attributable entirely to the pension accounting issue. In light of provisions regarding school pension accounting in the State budget, however, the District now appears relieved of its current-year pension shortfall. The District will be receiving nearly \$25 million in additional aid from NY State in the 2005–06 school fiscal year. Still, significant fiscal challenges are facing the District. The re-projected baseline gap grows to \$110 million by 2007-08 due primarily to anticipated increases in charter school payments, health insurance, and pension costs. Ms. Johnson also pointed out enrollment has declined from almost 45,000 in 2001 to a projected 38,479 in the current fiscal year. The District projects a decline to 37,000 in 2005 and to 32,000 by 2007. Buffalo also has a disproportionate number of "schools in need of improvement" as determined by the New York State Department of Education.

At this point Director H. Carl McCall joined via phone.

Director Tobe questioned Chief Financial Officer (CFO) Gary Crosby regarding the declining enrollment in the District and the apparent irregularities in the projected rate of decline through 2007. Tobe stated that the decline appeared to be primarily due to choice, that parents are choosing to send their children to Charter Schools or to other school district for better quality of service as soon as new slots become available.

In August of 2003, the BFSA had identified three areas for cost-savings: single health insurance provider, eliminating retirement bonuses and reengineering of custodial services. Director Tobe questioned why the latter two have "fallen off the table". Mr. Crosby explained that those are contractual issues that must be negotiated. Mr. Tobe noted that the single health insurance provider issue was also contractual in nature, yet that was being discussed.

Director Richard Stenhouse did not understand the reluctance of administrators and teachers to switch to a single health insurance provider. He appealed to these groups specifically, not the unions, to send a message to their leadership to adopt this proposal. Stenhouse noted that it is a moral imperative to use every resource available to protect the quality of education for the school children. Extensive discussion followed regarding the single health insurance issue and the declining enrollment of students within the School District.

Mayor Anthony Masiello stated that the City converted to the single-health insurance provider within 60-90 days. The action has created \$7 million in savings for the City annually. He offered staff assistance to Gary Crosby to help achieve this goal for the District. The Mayor also requested a report from the School District to explain why Buffalo is falling so far below the State standard for academic achievement.

Director Robert Wilmers expressed doubts about the District's enrollment figures and requested a report by the District analyzing the impact on the schools if enrollment drops more than expected. Chairman Lipke asked that these projections be made available in time for the Board's July 20 meeting.

Director Tobe inquired whether the District could afford wage increases if the wage freeze was lifted. Mr. Crosby thought wage increases would put the budget out of balance necessitating more cuts in the budget and harming the effort to reduce class size and improve education. Chairman Lipke concluded the dialogue and sought a motion to approve the School District's financial plan modification to accept \$55,000 from the City to fund school nurses.

Motion by Stenhouse, Second by Faso. Vote 6-0, to take effect immediately.

RESOLUTION NO. 05-28

**MODIFICATION TO THE 2004-2005 FINANCIAL PLAN TO ALLOW FOR FUNDING FOR SCHOOL NURSES AND RECEIVE ADDITIONAL STATE AID**

WHEREAS, on April 4, 2005 the School District submitted a request for BFSA approval for a modification to the 2004-2005 Four-Year Financial Plan, and

WHEREAS, the 2004-2005 Four-Year Financial Plan originally contained a contribution of \$68,733,056 to the Buffalo Public Schools, and

WHEREAS, the modification that the School District requests is to fund school nurses under a contract with Erie I BOCES for \$110,000, and

WHEREAS, the School District has stated its intention to request approval of a contract for the provision of school nurse services by Erie I BOCES, immediately, should such a contract receive the approval of the Buffalo Board of Education, and

WHEREAS, the School District has \$55,000 in a contract line and is accepting \$55,000 from the City of Buffalo to fund school nurses for the remainder of the school year, and

WHEREAS, the State Legislature adopted a State budget that included more in State Aid than originally contemplated by the School District, and

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority approves the modification of the 2004-2005 Four-Year Financial Plan to accept the City's increased contribution to the Buffalo School District from \$68,733,056 to \$68,788,056 to fund school nurses, and

BE IT FURTHER RESOLVED THAT, the Buffalo Fiscal Stability Authority, having viewed a preliminary version of a financial plan modification, hereby requests the School District to reflect the actual amount of increased State Aid that has been approved by the State Legislature in the financial plan to be submitted to the BFSA on May 2, 2005.

**Capital Plan:**  
**Capital Bond Sale Summary/ City Plan**

Jumping ahead on the agenda, Ms. Johnson briefed the Board on the 2005 Capital Budget and Proposed Capital Bond Sale accompanied by a slide presentation. She noted that the City had submitted its 2005 capital budget and 2005 proposed capital bond sale for BFSA review and approval. She noted that it authorizes \$24 million in additional capital projects, though not all would be issued as bonds in the 2005 bond sale. She stated that the 2005 proposed bond sale includes projects authorized not only from the current fiscal year, but from prior years as well. She introduced Ken Friedman, Chairman of the Citizens Planning Council (CPC), which makes recommendations to the Mayor on potential capital projects. Mr. Friedman explained that the City Charter does not require the CPC to review amendments to the capital plan. Since this plan had been amended, he could not comment on the plan in its current form, other than to say that the timetable had been followed in the first instance.

Director Tobe was troubled by the fact that the City did not follow more of the CPC's recommendations. Mayor Masiello explained that decisions were made to add certain projects after the CPC had finished its process. He said that in the future he would submit budget changes to the CPC for its advice on changes to the capital budget so long as time allowed. Chairman Lipke sought a motion to approve the City's capital improvement program budget. Director Wilmers objected to the use of capital dollars to fund tree trimming. Motion by Giambra, second by Stenhouse. Vote 6-0 to take effect immediately.

RESOLUTION NO. 05-29

#### APPROVAL OF CITY OF BUFFALO 2005 CAPITAL IMPROVEMENT BUDGET

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 approve the City of Buffalo's four-year financial plan that encompasses the City of Buffalo, the Buffalo Public Schools and other covered organizations, and may include a capital budget, and

WHEREAS, the Charter of the City of Buffalo requires the Mayor to prepare and submit a capital budget and four year recommended capital improvement program after receiving a recommendation from the Citizens Planning Council ("CPC"), and

WHEREAS, after receiving CPC's recommendation, the Mayor submitted a capital budget to the Common Council for its consideration, and

WHEREAS, the Common Council has approved the Mayor's capital budget as amended, and

WHEREAS, there are sufficient revenues in the City of Buffalo's approved four-year financial plan to make the debt service payments required by this capital budget,

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby approve the City of Buffalo 2005-2009 Capital Improvement Program Budget as submitted by the Mayor on April 5, 2005, with the following caveats prior to submitting the 2006-2010 Capital Improvement Program Budget:

That the City of Buffalo submit a complete five-year capital program, fully fleshing out the out-years of the capital plan;

That the City of Buffalo reduce its use of capital borrowing for short-term operating expenses that are not supported by a long-term physical asset; and

That the City of Buffalo continue to rescind authorized but unissued debt whenever possible.

### **Mirror Bond Sale**

Ms. Johnson explained that with the approval of the capital budget, the City would sell a mirror bond, to be purchased by BFSA, to reflect the bonds issued by BFSA to finance the capital projects. A combination of City and School District projects totaled \$29.67 million. She then gave a slide presentation that explained the City's current debt status. City Comptroller Andrew SanFilippo felt this bond sale was a good opportunity to revitalize the City's infrastructure. Chairman Lipke sought a motion to authorize the City of Buffalo to conduct a mirror bond sale to the BFSA. Motion by Stenhouse, second by Giambra. Vote 5-0 to take effect immediately. Director Faso was not present for the vote.

RESOLUTION NO. 05-30

### **CITY OF BUFFALO 2005 MIRROR BOND SALE**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 requires, with respect to any proposed borrowing by or on behalf of the City of Buffalo (the "City") or any covered organization, the Buffalo Fiscal Stability Authority ("BFSA") to review the terms of and comment, within thirty days after notification by the City or any covered organization of a proposed borrowing, on the prudence of each proposed issuance of bonds or notes and no such borrowing may be made without the BFSA's review, consent and approval; and

WHEREAS, on March 29, 2005, the Mayor of the City of Buffalo presented a capital improvement program budget to the BFSA; and

WHEREAS, the Mayor's request calls for capital borrowing for new projects or for projects that were approved in a prior capital budget; and

WHEREAS, though the BFSA shall conduct the capital borrowing, the City of Buffalo must issue mirror bonds to allow the City to pay debt service on Authority obligations using real property tax dollars levied outside the two-percent limit established by Section 10, Article VIII of the New York State Constitution; and

WHEREAS, the Common Council has approved the necessary bond resolutions and the City Comptroller is ready to work with BFSA to successfully conduct the mirror bond sale;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby authorize the City of Buffalo to conduct a mirror bond sale to the Buffalo Fiscal Stability Authority through private sale, in an amount not to exceed \$40 million dollars; and

BE IT FURTHER RESOLVED, that the Chairman, Vice Chair or Executive Director of the Buffalo Fiscal Stability Authority be hereby authorized and directed to execute and deliver any agreements, certificates, documents, papers or other written instrument, to make any changes, modifications or amendments as he or she deems necessary, to do all other things and to take all other actions necessary and appropriate in their judgment, to consummate the transactions contemplated by this resolution.

### **Bond Sale Resolution - SEQRA**

Ms. Johnson quickly explained that this BFSA's bond sale, which would fund the capital program, was secured by sales tax and State Aid like the BFSA's previous borrowings. This particular sale would include authorization of a swap in a notional amount not to exceed \$25,000,000, though she did not think it likely to be used. Any swap would need to provide an additional 30 basis points in savings. The Directors first considered a motion on the environmental review of the authorization, sale and issuance of the bonds. Motion by Giambra, second by Stenhouse. Vote 5-0 to take effect immediately. Director Faso was not present for the vote.

### RESOLUTION NO. 05-31

#### RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX AND STATE AID SECURED BONDS, SERIES 2005 NEW MONEY BONDS

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 sales tax and state aid secured bonds (the "Bonds"); and

WHEREAS, the proceeds of such series of Bonds (the "Series 2005 New Money Bonds") 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) the costs of issuance of such series of Bonds; and (iii) capitalized interest on 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 2005 New Money Bonds 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; and (ii) the costs of issuance of such series of Bonds in each case 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 the application of the proceeds for such purposes; and further

RESOLVED, that no proceeds of the Series 2005 New Money Bonds 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 2005 New Money Bonds 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 Bonds; 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 2005 New Money Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

### **Bond Sale Resolution - Authorization**

The Directors then entertained a motion to authorize the sale and issuance of the bonds. Motion by Giambra, second by Masiello. Vote 5-0 to take effect immediately. Director Faso was not present for the vote.

RESOLUTION NO. 05-32

### **RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX AND STATE AID SECURED BONDS**

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 additional series of its sales tax and state aid secured bonds (the "Bonds") through the approval of appropriate documentation, including, without limitation, the approval of the Supplemental Indentures (as such term is defined below), 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 Bonds 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; (v) the costs of issuance of such series of Bonds; (iii) funding, to the extent necessary under the Indenture, the Debt Service Reserve Account; and (iv) capitalized interest on such series of Bonds; and

WHEREAS, the Authority is authorized by the Act to enter into interest rate exchange agreements or similar arrangements under such terms and conditions as the Authority may determine, and in accordance with such authority has adopted an Interest Rate Swap Policy (the "Swap Policy") and proposes to enter into one or more ISDA Master Agreement, Schedules and related Confirmations, to be dated as of the date of their execution, to complete one or more

variable-to-fixed rate interest rate swaps in connection with the issuance of the Series 2005B Bonds (as defined below); and

WHEREAS, the Authority is required to obtain the written approval of the State Comptroller for the sale of the Bonds 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 Bonds; 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 shall caused to be prepared forms of supplemental indentures entitled "Third Supplemental Indenture between Buffalo Fiscal Stability Authority and The Bank of New York, as Trustee Authorizing Up To \$40,000,000 Buffalo Fiscal Stability Authority Sales Tax and State Aid Secured Bonds, Series 2005A" (the "Third Supplemental Indenture") and "Fourth Supplemental Indenture between Buffalo Fiscal Stability Authority and The Bank of New York, as Trustee Authorizing Up To \$25,000,000 Buffalo Fiscal Stability Authority Sales Tax and State Aid Secured Bonds, Series 2005B" (the "Fourth Supplemental Indenture" and, collectively, with the Third Supplemental Indenture, the "Supplemental Indentures"), pursuant to which the Authority will authorize the issuance of the Sales Tax and State Aid Secured Bonds, Series 2005A and Series 2005B (the "Series 2005 New Money Bonds") (the General Indenture, as amended and supplemented, including by the Supplemental Indentures, 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 Series 2005A Bonds, to be issued as fixed rate bonds and the Series B Bonds, to be issued as auction rate securities; and

WHEREAS, the Authority shall cause to be prepared one or more Preliminary Offering Circulars (the "Preliminary Offering Circulars"), relating to the offering of the Series 2005 New Money Bonds; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circulars and the preparation of final Offering Circulars to be used in connection with the issuance and sale of the Series 2005 New Money Bonds (the “Offering Circulars”) and will negotiate the Contracts of Purchase therefor (the “Purchase Contracts”); 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 bonds from the City (the “City Bond Purchase Contract”); and

WHEREAS, the Authority has caused to be prepared a Buffalo Fiscal Stability Authority Bonds, Series 2005 New Money 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;

WHEREAS, the duly authorized officers of the Authority shall cause to be prepared an Auction Agency Agreement (the “Auction Agreement”) by and among the Authority, the Trustee and the Auction Agent to be determined by the Authority and set forth in the Fourth Supplemental Indenture (the “Auction Agent”), obligating the Auction Agent to conduct auctions for the Series 2005B Bonds bearing interest at an auction rate and calculate the interest rate that results from such auctions or default interest rates if such auctions are not held; and

WHEREAS, the duly authorized officers of the Authority shall cause to be prepared a Broker-Dealer Agreement (the “Broker-Dealer Agreement”) by and among the Authority, the Auction Agent and each Broker-Dealer to be determined by the Authority and set forth in the Fourth Supplemental Indenture (the “Broker-Dealer”), which obligates each Broker-Dealer to submit bids, sell orders or hold orders to the Auction Agent on behalf of the persons listed in their records as beneficial owners of the Series 2005B Bonds bearing interest at an auction rate or to submit bids on behalf of persons who wish to obtain the beneficial ownership of the Series 2005B Bonds bearing interest at an auction rate under certain conditions; and

WHEREAS, the duly authorized officers of the Authority shall cause to be prepared a Market Agent Agreement (the “Market Agent Agreement”) by and between the Authority and Lehman Brothers Inc. (the “Market Agent”), which obligates the Market Agent to provide index rates for the Series 2005B Bonds bearing interest at an auction rate under certain conditions; and

WHEREAS, the duly authorized officers of the Authority shall cause to be prepared an ISDA Master Agreement, Schedule and Confirmation thereto, in connection with the issuance of all or any portion of the Series 2005B Bonds to complete a variable-to-fixed rate interest rate swap with the counterparty selected by the Authority in accordance with the Swap Policy, which shall be the provider of such swap;

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

A. Third Supplemental Indenture

RESOLVED, that the form of Third Supplemental Indenture in substantially the form 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 Third Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2005 New Money Bonds (which may be issued in one or more series or subseries) as may be approved by an Authorized Officer subject to the terms referred to in item XIV below; and further

B. Fourth Supplemental Indenture

RESOLVED, that the form of Fourth Supplemental Indenture in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Fourth Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2005 New Money Bonds (which may be issued in one or more series or subseries) as may be approved by an Authorized Officer subject to the terms referred to in item XIV below; and further

C. 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 such Declaration of Need consistent with this resolution; and further

D. Preliminary Offering Circulars

RESOLVED, that the Preliminary Offering Circulars of the Authority in substantially the form presented to this meeting, copies of which shall be annexed to this resolution as Exhibit C, are hereby approved for use in marketing the Series 2005 New Money Bonds with such changes as any Authorized Officer may approve; and further

E. Offering Circulars

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, the Offering Circulars, with such changes to the Preliminary Offering Circulars 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

F. Purchase Contracts

RESOLVED, that the Purchase Contracts by and between 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 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

G. City Bond Purchase Contract

RESOLVED, that the City Bond Purchase Contract by and among the Authority and the City, in substantially the form previously used by the Authority and the City, 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

H. Continuing Disclosure Agreement

RESOLVED, that the Continuing Disclosure Agreement in substantially the form 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 an Authorized Officer may approve; and further

I. Auction Agreement

RESOLVED, that the form of the Auction Agreement in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit F, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Auction Agreement in substantially such form as is so approved with such changes therein as an Authorized Officer may approve; and further

J. Broker-Dealer Agreement

RESOLVED, that the form of the Broker-Dealer Agreement in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit G, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Broker-Dealer Agreement in substantially such form as is so approved with such changes therein as an Authorized Officer may approve; and further

K. Market Agent Agreement

RESOLVED, that the form of the Market Agent Agreement in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit H, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Market Agent Agreement in substantially such form as is so approved with such changes therein as an Authorized Officer may approve; and further

L. ISDA Master Agreement, Schedule and Confirmation thereto

RESOLVED, that the form of the ISDA Master Agreement, Schedule and Confirmation thereto in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit I, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the ISDA Master Agreement, Schedule and Confirmation thereto, in substantially such forms as are so approved with such changes therein as an Authorized Officer may approve; and further

M. Issuance and Sale of the Series 2005 New Money Bonds

RESOLVED, that the Authority shall issue, award, sell and deliver the Series 2005 New Money Bonds 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 Series 2005 New Money Bonds 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 Series 2005 New Money Bonds; and further

N. Terms of Series 2005 New Money 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 2005 New Money Bonds to determine and carry out the following:

- (a) The principal amount of the Series 2005 New Money Bonds to be issued in an aggregate total principal amount not to exceed \$40,000,000;
- (b) The date or dates, maturity date or dates and principal amount of each series and maturity of the Series 2005 New Money Bonds, the amount and date of each sinking fund installment, if any, and which Series 2005 New Money Bonds, if any, are serial bonds or term bonds; provided, however, that the Series 2005 New Money Bonds shall mature no later than June 30, 2037;
- (c) The interest rate or rates of each series of the Series 2005 New Money Bonds (including a zero interest rate), the dates from which interest on each series of the Series 2005 New Money 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 2005 New Money Bonds, either fixed or synthetically fixed (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed 8% per annum and that any Series 2005A and Series 2005B Bonds issued at an auction rate shall be subject to a maximum interest rate of not greater than 15% per annum, or such higher rate or rates as determined by an Authorized Officer;
- (d) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series 2005 New Money Bonds; provided; however, that the redemption price of any Series 2005 New Money 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 2005 New Money

- 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 2005 New Money 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 2005 New Money Bonds;
  - (f) Directions for the application of the proceeds of the Series 2005 New Money Bonds and investment thereof not in conflict with the provisions hereof;
  - (g) Convert from time to time, the interest rate mode or modes of the Series 2005B Bonds, as provided in the Fourth Supplemental Indenture;
  - (h) The advisability of entering into one or more swap transactions as described in and subject to the terms referred to in item XV below;
  - (i) 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 2005 New Money Bonds, incorporating bond insurance or other form of credit enhancement, acquiring mirror bonds from the City, or changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determine that such changes would be in the best interest of the Authority; and further

O. Swap Transactions

RESOLVED, that, consistent with the Swap Policy, the Authorized Officers are hereby authorized, in connection with all or any portion of the Series 2005 New Money Bonds, from time to time to enter into one or more swap agreements and other documents necessary or appropriate to completing a variable-to-fixed rate interest rate swap, substantially in the forms of the standard ISDA Master Agreement, Schedule and Confirmation thereto, and to negotiate the terms thereof with Lehman Brothers Inc. or an affiliate of Lehman Brothers Inc., as the counterparty, which shall be the provider of such swap, or competitively bid such swap in accordance with the Swap Policy among such other parties selected by the Confirming Officers, with such changes therein as the Confirming Officers may approve, provided, however, that the notional amount of such interest rate swap agreement or agreements shall not exceed the limit prescribed by the Act and, provided, further, (i) the notional amount of any such swap transaction shall not exceed \$25,000,000, (ii) the synthetically fixed yield on such swap transaction, including costs, shall be not less than 30 basis points lower than the yield on a comparable fixed rate transaction, (iii) the variable rate on such swap transaction shall be LIBOR based, with such structuring elements deemed prudent by the Confirming Officers, to reduce basis risk; and further

P. Authorized Officers and Confirming 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" and either the Executive Director or the Chief Financial Officer, acting with either the

Chairperson or the Vice Chairperson, are designated “Confirming Officers” for the purposes of the foregoing resolutions; and further

RESOLVED, that the Confirming Officers are hereby authorized to find and determine on behalf of the Authority the reasons for entering into any such swap transaction, including that such transactions are reasonably expected to, among other things, reduce the Authority’s exposure to changes in interest rates and/or are projected to result in a lower net cost of borrowing than other alternatives; and further

RESOLVED, that the Confirming Officers are hereby further authorized in connection with any such swap agreement entered into in accordance with the provisions of the Fourth Supplemental Indenture to terminate, amend, supplement, replace, extend or otherwise modify such swap agreement at any time during the term thereof for purposes including, but not limited to, the effectuation of a change in the basis for or timing of the payments to be made thereunder, modifications of the terms or provisions relating to termination provisions, the provision of collateral thereunder, or the granting of option rights to the counterparty, as the Confirming Officers determine to be necessary or desirable and consistent with the terms and provisions of the Swap Policy; and further

Q. 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. Additional co-managing underwriters may be designated by the Authorized Officers; and further

R. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of the Series 2005 New Money Bonds is found to be appropriate; and further

S. 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 Series 2005 New Money Bonds; and further

T. Supplement to Resolution No. 05-22

RESOLVED, that the supplemental indentures and series of Bonds authorized pursuant to Resolution No. 05-22 may be redesignated as deemed appropriate by an Authorized Officer; and further

U. 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 Series 2005 New Money 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 Series 2005 New Money 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 Series 2005 New Money Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

### **Contracts:**

#### **Update on interim approvals of City Contracts**

Since the February meeting, fifteen contracts were approved on an interim basis. Based on staff analysis, the Chairman and Vice Chair approved all items. None of the contracts exceeded the \$200,000 threshold, and therefore did not require full Board affirmation.

#### **Approval of City Contracts**

The Directors voted to approve Resolution 05-22 authorizing the City of Buffalo to enter into five contracts. Motion by Giambra, second by Masiello. Vote 5-0 to take effect immediately. Director Faso was not present for the vote.

RESOLUTION NO. 05-33

#### **AUTHORIZE CITY OF BUFFALO TO ENTER INTO FIVE 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 BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, the Mayor and other City officials have submitted the contract and other obligations for approval at the April 5, 2005 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 such contracts; and

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

- |    |  |           |
|----|--|-----------|
| 1. | Marquis Engineering – Citywide Infrastructure Inspections  | \$42,500  |
| 2. | CGM Construction Management – Inspection Services          | \$73,920  |
| 3. | South Buffalo Electric – Traffic Signal Construction       | \$68,466  |
| 4. | Nature’s Way Environmental – Boone Street Park Remediation | \$532,218 |
| 5. | P&J Construction – Citywide Sidewalk Replacement           | \$411,592 |

### **City Legal Settlement**

Chief Counsel Darryl McPherson described a request from the City of Buffalo to settle a wrongful death lawsuit in the amount of \$245,000.00. Director Tobe noted a fact not included in the staff description that indicated that the jury verdict in favor of the plaintiff had been set aside by the trial judge. Corporation Counsel Michael Risman elaborated that the settlement was intended to preclude a new trial and was considered advantageous to the City in light of another pending trial that arose from the same incident. Chairman Lipke sought a motion to approve the settlement. Motion by Giambra, second by Stenhouse. Vote 6-0 to take effect immediately.

RESOLUTION NO 05-34

### **SETTLEMENT OF ONE CLAIM**

WHEREAS Chapter 122 of the laws of 2003 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove the terms of any proposed settlement of claims against the City of Buffalo 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 has submitted an item for approval at the April 5, 2005 BFSA meeting, and has signed the BFSA Remittance Approval Request Form (“RARF”) in which it indicates that there are sufficient funds available for the item; and

WHEREAS, BFSA Staff have reviewed the information and the RARF and recommend approval of the claim; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby authorize the City of Buffalo to settle the matter of Estate of Daren Alexis v. City of Buffalo, *et al* in the amount of \$245,000.

### **City Ambulance Service Provider Contract**

Ms. Johnson briefed the Board on the Ambulance Provider Contract. She stated that the City has submitted for BFSA approval a proposed five-year service contract with Rural Metro Medical Services. The contract would make Rural Metro the sole provider of ambulance services in the City and would provide the City with a “franchise fee” of \$350,000 annually. She noted that the contract award was made after a full RFP issued in November 2004. Director Tobe had concerns that were raised by a letter from one of the bidders. After a full review by the staff, the City and Fire/EMS Task Force and a review of all documents, he was satisfied that it was appropriately awarded. Motion by Giambra, second by Stenhouse. Vote 6-0 to take effect immediately.

### **RESOLUTION NO 05-35**

#### **AUTHORIZE CITY OF BUFFALO TO ENTER INTO AMBULANCE PROVIDER CONTRACT**

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 BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, the Mayor and other City officials have submitted contracts for approval at the April 5, 2005 BFSA meeting, and have signed the BFSA Remittance Approval Request Forms (“RARF”); and

WHEREAS, the contract provides for a \$350,000 payment to the City in exchange for serving as the exclusive ambulance provider in the City; and

WHEREAS, BFSA Staff have reviewed the contract and the RARF and recommend approval of the contract; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the City of Buffalo to enter into an exclusive ambulance provider contract with Rural/Metro Medical Services.

**Buffalo Public School Contracts:**

**Update on interim School District contract approvals**

Since the February Board Meeting, one contract was approved on an interim or emergency basis by Chairman Lipke and Vice Chair Townsend, based on the recommendation of staff. None of the contracts exceeded the \$200,000 threshold and therefore did not require affirmation at the Board meeting.

**Approval of School District Contracts**

The Directors voted to approve Resolution 05-25 authorizing the School District to enter into six contracts listed in Resolution 05-25. Motion by Giambra, second by Stenhouse. Vote 6-0, to take effect immediately.

RESOLUTION NO 05-36

**AUTHORIZE 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 including the 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 such items; and

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or obligation is valued at \$200,000 or more; and

WHEREAS, School District officials submitted correspondence to BFSA in which they seek the approval of contracts, 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 six contracts; and

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

- |  |           |
|--|-----------|
| 1. Consortium on Reading Excellence – Literacy program | \$311,113 |
| 2. Buffalo State College – Mathematics courses         | \$184,080 |

- |   |           |
|---|-----------|
| 3. Buffalo State College – SINI and SURR tutors | \$200,000 |
| 4. Canisius College – SINI and SURR tutors      | \$200,000 |
| 5. Tuition Reimbursement Program                | \$241,500 |
| 6. Erie I BOCES – Data warehousing services     | \$175,000 |

**School District E-Rate Contract**

The Directors voted to approve Resolution 05-26 authorizing the School District to enter into eight contracts for the Joint Schools Construction Board E-Rate Year 8 Program. Motion by Giambra, second by Masiello. Vote 6-0, to take effect immediately.

RESOLUTION NO 05-37

**AUTHORIZE THE BUFFALO SCHOOL DISTRICT TO ENTER INTO EIGHT CONTRACTS FOR JOINT SCHOOLS CONSTRUCTION BOARD E-RATE PROGRAM YEAR 8**

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 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 such items; and

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or obligation is valued at \$200,000 or more; and

WHEREAS, School District officials submitted correspondence to BFSA in which they seek the approval of contracts, 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 eight contracts; and

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

- |                                  |                |
|----------------------------------|----------------|
| 1. Erie I BOCES – servers        | \$1,020,659.00 |
| 2. Verizon – network electronics | \$1,005,749.53 |

3. Verizon - cabling	\$5,179,060.90
4. Ferguson Electronics – video distribution	\$8,250,000.00
5. Erie I BOCES – electronic mail	\$31,744.00
6. Erie I BOCES – LAN maintenance	\$459,688.40
7. Erie I BOCES – server maintenance	\$100,810.00
8. Erie I BOCES – network electronics/insulation	\$25,175.00

**City of Buffalo:**  
**Budget/ Financial Plan Modification**

Ms. Johnson briefed the Board on the City’s Budget/ Financial Plan Modification accompanied with a slide presentation. She described the City’s gap closing actions that helped transform the 2005-06 baseline gap from \$55.8 million to \$26.4 million. The modification would include \$55,000 to fund school nurses (previously funded by Erie County). She noted that the City and BOE are splitting the cost of keeping some part-time nurses in certain schools through June 2005. Funding will be transferred from the City’s Administration & Finance Department (from other savings). She noted a revision of the City’s financial plan to address the absence of additional sales tax revenue originally incorporated in the plan.

Director Tobe noted that it seemed like the City would not need to deficit borrow. He also mentioned that that the City workforce had declined dramatically. Mayor Masiello agreed, pointing out that the workforce is down 22% or 800 employees since September 11, 2001. While the City’s workforce has declined, the quality of service has been maintained. Commissioner Milroy was asked if the City could afford to lift the wage freeze. He advised that lifting the wage freeze causes problems going forward without increases in State Aid. Chairman Lipke sought a motion to approve the financial plan modification to provide \$55,000 to the School District to fund school nurses. Motion by Stenhouse, second by Faso. Vote 6-0, to take effect immediately.

RESOLUTION NO 05-38

MODIFICATION TO THE 2004-2005 FINANCIAL PLAN TO INCREASE CONTRIBUTION TO SCHOOL DISTRICT AND TO REPLACE LOSS OF SALES TAX REVENUE

WHEREAS, on March 16, 2005 the Mayor of the City of Buffalo submitted a request for BFSAs approval for a modification to the 2004-2005 Four-Year Financial Plan, and

WHEREAS, the 2004-2005 Four-Year Financial Plan originally contained a contribution of \$68,733,056 to the Buffalo Public Schools, and

WHEREAS, the modification that the Mayor requests is to increase the City’s contribution to the Buffalo School District by \$55,000 to provide funding for school nurses, and

WHEREAS, the additional funding will come from savings achieved through the City’s copier contract, and

WHEREAS, the 2004-2005 Four-Year Financial Plan also contemplated a \$7 million increase in sales tax revenue from the County of Erie in the City's 2005-2006 fiscal year, and

WHEREAS, the 2005 County budget did not include additional sales tax revenue for the City of Buffalo, and

WHEREAS, the BFSA required the City to prepare a modification in the event that the additional sales tax revenue was not received, and

WHEREAS, the City is also contemplating an increase in State Aid, and

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority approves the modification of the 2004-2005 Four-Year Financial Plan to increase the City's contribution to the Buffalo School District from \$68,733,056 to \$68,788,056, and

BE IT FURTHER RESOLVED THAT, the Buffalo Fiscal Stability Authority, having viewed a preliminary version of a financial plan modification, hereby requests the City of Buffalo to reflect the actual amount of increased State Aid that has been approved by the State Legislature in the financial plan to be submitted to the BFSA on May 2, 2005.

#### **Update on Wage Freeze and Litigation**

Ms. Johnson explained that under the BFSA Act and the approved Calendar of Events, BFSA is required to re-evaluate the Wage Freeze in April 2005. The Wage Freeze must be considered in light of the current fiscal circumstances of the City and all covered organizations. She stated that it would be imprudent to act on the Wage Freeze before BFSA received financial plans that reflect the increased State Aid and recommended that the Board table the full evaluation of the wage freeze until the BFSA has received the Four-Year Budget and Financial Plan on May 2, 2005. Director Joel Giambra made a motion to table the evaluation of the Wage Freeze until BFSA received the City's Four-Year Budget and Financial Plan, which was seconded by Director Stenhouse. Vote 6-0, to take effect immediately.

Mr. McPherson updated the Board on the status of the six lawsuits in which the BFSA is currently involved. The Police Union case is on appeal, there are three in federal court at various stages of discovery and two in State Supreme Court.

#### **Hiring Freeze – Update on Requests Granted**

Ms. Johnson stated that there were seventy-eight hiring freeze requests granted since the last meeting under the expedited approval process. Chairman Lipke and Vice Chair Townsend were informed of the staff analysis of these positions and subsequently approved the requests via e-mail.

#### **Buffalo Urban Renewal Agency (BURA):**

### **Annual Action Plan Update**

Ms. Johnson provided the Board with an overview of BURA's Action Plan for Year 31 (May 1, 2005 – April 30, 2006), which covers the major federal grant allocations BURA receives each year to operate its programming. She stated HUD now has 45 days to review and approve the plan. Upon favorable action by HUD and adoption by BURA, BFSA staff expects to recommend Board approval of the Plan at the May 18 Authority meeting.

### **Buffalo Municipal Housing Authority (BMHA):**

#### **Update on search for Executive Director**

Ms. Johnson briefed the Board on the BFSA's involvement in the BMHA's search for a new Executive Director. BFSA's Chief Counsel McPherson and Chief Financial Officer Bertha Mitchell are participating in the process. BMHA Interim Executive Director Gillian Brown addressed the Board. The National Organization of African Americans in Housing (NOAAH) has been retained by the BMHA for \$10,000 to conduct the national search for the new Executive Director. He noted that the position has been advertised on housing websites, as well as local newspapers and that to date fifteen resumes have been received.

#### **Update on Staffing Plan**

Mr. Brown stated that the BMHA Public Safety Department was being eliminated, consisting of twenty-seven employees, and nineteen additional positions from various departments were being laid off. When asked about costs incurred by the BMHA Board of Commissioners, he explained that the BMHA Board is voluntary and that it has been the long-time practice to give Board members healthcare benefits. Certain expenses, like the stipend, are allowable under State law.

Director Tobe questioned whether the Travel expense line listed on the slide for \$40,000 included local travel as well. He requested a breakdown of travel expenses and felt that this amount was excessive.

#### **Closing Remarks**

Chairman Lipke thanked all who attended the meeting. There being no further business, Chairman Lipke made a motion to adjourn, which was duly seconded unanimously. The meeting adjourned at 4:40 pm.