

MINUTES  
Buffalo Fiscal Stability Authority  
Audit, Finance, & Budget Committee

October 12, 2005

The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) Audit, Finance, and Budget Committee was called to order at 12:30 PM on October 12, 2005, at the Buffalo Niagara Convention Center. The meeting was convened with a Notice of Meeting sent to the Directors and announced to the public and the press.

Directors Present: Tobe, Lipke and Townsend

Directors Absent: McCall, Giambra

Staff Present: Johnson, McPherson, Mitchell, Miller, Mulawka, Stefko and Tocker

#### Opening Statement

In the absence of Committee Chairman H. Carl McCall, BFSA Board Chairman Brian Lipke called the meeting to order. He made an opening statement, noted the Agenda and the attendance of Directors.

#### Approval of Minutes

The Directors reviewed and approved the Committee meeting minutes of the June 8, 2005 meeting. Motion by Tobe, second by Townsend, Vote 3-0 to take effect immediately.

#### Open Issues

##### Review of BFSA Annual Audit Report

Chairman Lipke introduced Mr. John Schiavone of Lumsden & McCormick LLP (Lumsden) and requested that he brief the Committee on the BFSA Audit his firm prepared. Mr. Schiavone stated that Lumsden had recently conducted an independent review of the BFSA's financial statements for FY 2004-2005 based on Generally Accepted Auditing Standards (GAAS). The basic financial statements were free of material misstatement and are fairly presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

As part of the audit, the internal controls of the Authority were considered, and tests were completed of the Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements. He stated that the auditors encountered no difficulties in dealing with BFSA management in performing the audit. The Authority is in compliance with the Investment Guidelines for Public Authorities (the Guidelines) issued by the NYS Office of the Comptroller and its own internal guidelines. The results disclosed no instances of noncompliance, which are required to be reported under GAAS.

Director Townsend asked if there were any areas of disagreement between the Auditors and the BFSA management, and if there was any need to call a closed-door executive session between the auditors and the Directors. Mr. Schiavone stated that the atmosphere of the audit was absolutely positive and that there were no areas of disagreement. Therefore, there was no need for an executive session.

Director Tobe questioned Mr. Schiavone on several topics. He inquired about: the timeliness of BFSAs Sales tax transfers to the City accounts, the amount of the Authority's legal expenses and whether a management letter was required. Mr. Schiavone responded that all BFSAs transfers from the Bank of New York (BFSAs Trustee) and the City have been timely, within two business days, and that the legal fees which arose mainly from litigation expenses, were approximately \$300 thousand. Mr. Schiavone assured the Board that a Management Letter was not required as a result of the audit.

Chairman Lipke reiterated that over the last two years the legal expenses of the Authority were over \$600,000, amounting to roughly 25% of the total BFSAs operational budget.

A motion was made by Vice Chair Townsend, seconded by Secretary Tobe to recommend approval of BFSAs June 30, 2005 Audited Financial Statements by the full Board. Vote 3-0 to take effect immediately.

There being no further business, Chairman Lipke entertained a motion to adjourn, which was duly seconded unanimously. The meeting adjourned at 12:51 PM.

MINUTES  
Buffalo Fiscal Stability Authority  
October 12, 2005

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The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) was called to order at 1:10 PM on October 12, 2005, at the Buffalo Niagara Convention Center 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: Lipke, Masiello, Stenhouse, Tobe and Townsend

Directors Absent (all excused): Giambra, Faso, McCall and Wilmers

Staff Present: Johnson, McPherson, Miller, Mitchell, Mulawka, Stefko and Tocker

**Opening Remarks:**

In his opening remarks, Chairman Lipke welcomed attendees and explained that the board meeting will focus on: the School District's financial plan modification which was requested at the August 31<sup>st</sup> meeting; an update on labor contracts; review of the recent BFSA Audit; and a presentation and discussion of the City and School District's structural gap, labor costs, and potential gap closing actions. Additionally, there will be a review on the definition of the BFSA "Control Period", as interpreted from the Buffalo Fiscal Stability Authority Act ("the Act"), as well as a discussion of the various ideas for the Efficiency Incentive Grant offered by the State to both the City of Buffalo and Erie County.

Chairman Lipke stressed that immediate steps are necessary to address growing budgetary gaps. The wage freeze is essential to balance the current budget, but it is merely a "stop gap" measure that will remain in force until the City and School District's budgets can maintain to balance without it.

Following his opening remarks, Chairman Lipke requested a roll call of the Directors. Secretary Richard Tobe confirmed that a quorum was present.

**Approve Minutes from August 31, 2005 Authority Meeting**

The Directors voted to approve Resolution 05-79 to ratify the August 31, 2005 Board Meeting Minutes and to ratify resolutions numbered 05-70 through 05-78. The Directors voted to approve the Minutes of the August 31, 2005 Meeting. Motion by Stenhouse, second by Townsend. Vote 5-0, to take effect immediately.

RESOLUTION NO. 05 - 79

APPROVING MINUTES AND RESOLUTIONS FROM AUGUST 31, 2005

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting of August 31, 2005 and ratifies and affirms nine resolutions numbered 05-70 through 05-78 that were approved on August 31, 2005.

**Review and approve BFSA’s June 30, 2005 Audited Financial Statements:**

Chairman Lipke acknowledged that the BFSA Audit, Finance & Budget Committee met prior to the full board meeting at 12:30 PM. The Committee was briefed by John Schiavone, from Lumsden & McCormick LLP the Authority’s independent auditor. The audit was a “clean opinion” under both the Yellow Book and Generally Accepted Auditing Guidelines. The recommendation of the Committee was for full Board approval.

Director Tobe stated for the record that the Directors’ questions were answered satisfactorily by the auditor, and stressed the importance of having independent auditors review the Authority to verify that it is operating under established guidelines.

The Directors voted to Accept the Audited Financial Statement for the 2004-2005 Fiscal Year. Motion by Tobe, second by Stenhouse. Vote 5-0 to take effect immediately.

RESOLUTION NO. 05 – 80

APPROVE AUDIT REPORT ON BFSA’S FINANCIAL STATEMENTS FOR FISCAL YEAR 2004-2005

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 requires the Buffalo Fiscal Stability Authority (“BFSA”) to be subject to an annual financial audit performed by an independent certified accountant selected by the BFSA; and

WHEREAS, the accounting firm of Lumsden and McCormick, P.C. was selected and they have conducted an audit of the BFSA’s accounts; and

WHEREAS, Lumsden and McCormick, P.C. have presented their Audit Report on BFSA’s Financial Statements for Fiscal Year 2004-2005; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby accept and approve the Lumsden and McCormick, P.C. Audit Report on BFSA’s Financial Statements for Fiscal Year 2004-2005; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to release this Report to the public and provide copies to the parties designated by Section 3871 of the BFSA Act.

**Discussion of School District Issues:**

**Labor Update**

Chairman Lipke announced the Board would be receiving a labor update from the School District Chief Financial Officer, Gary Crosby. Mr. Crosby briefed the Board using a Power Point presentation and hard copy handouts on the severity of current budget gaps, the necessity of the single carrier health insurer, and that there is no money available to pay wage increases being requested by the unions at the present time.

Director Stenhouse questioned what the effect would be on the District if all Charter Schools closed and the students returned to the public school system. He questioned whether all layoffs would be teaching positions and what the added expense would be if the District had to return to a multi-carrier healthcare system. Finally, he inquired about the status of negotiations between District officials and the Unions.

Mr. Crosby explained that the District is currently examining the potential effect students returning from Charter Schools would have on the District, and that most, but not all of the layoffs will be teaching positions. Regarding the return to a multi-carrier system, Mr. Crosby stated that would cost the District \$6.5 million. Addressing the status of negotiations, School District Executive Director for Labor Relations Patricia Pancoe confirmed that negotiations ended in August-2005. A draft Memorandum of Understanding (MOU) was sent to the Unions wherein the District reaffirmed their prior commitment not to unilaterally change contracts without Union consent. The MOU agreed to restore layoffs which were required to offset the potential financial loss if the District was forced to return to a multi-carrier system in exchange for the Unions dropping their legal challenge to the single carrier. New negotiations are set for November and December. Unfortunately, the MOU was rejected across the board by the union leadership. Similarly, Superintendent Williams has yet to receive feedback from the Buffalo Teachers Federation President Philip Rumore regarding a letter detailing the administration's ideas for improving student achievement.

Vice-Chair Townsend questioned whether the anticipated increase in District payments to the Charter Schools was due to the potential increase in the actual number of these schools? She observed that the State is close to its statutory capacity of 100 state-wide charters. She also questioned how many layoffs within the District result from the Unions' lack of agreement on the single health insurer issue.

Mr. Crosby responded that the District anticipates more charter schools in the area; subsequently more funds will be diverted to those schools. Other states have worked around their capacity limit for charter schools by opening new "satellite" charters. Approximately 114 layoffs are a direct result to the lack of agreement by the Union on the single health insurer issue.

Mayor Masiello acknowledged that the District is heavily dependent on State aid; 80 percent of funds come directly from the State. The City contributes 50 percent of its tax revenue directly to the District and considering the City's diminishing population, the tax levy may no longer be a reliable revenue stream. The skyrocketing costs of pension and healthcare are draining both City and District resources.

Director Tobe stated that in the July Board meeting the issue of projected school enrollment was discussed. Referring to a recent Buffalo News article that asserted 3000 less students than expected attended the first day of school, he questioned whether the previously projected worst-case scenario enrollment levels were too high. His concern was that the rate of decline in enrollment within the District is underestimated and questioned whether fewer students are enrolling within the District at younger ages.

Buffalo School District Superintendent Dr. James Williams explained that the number of students reported unaccounted for on the opening day of school was attributable to several factors, including inaccuracies in computing numbers. After having staff do a physical head count of those missing, it was determined that 36,102 students are enrolled in the District. This number is approximately 1,000 students lower than had been projected to the BFSA in July and lower than the worst case scenario projected by the Districts consultants. The discrepancy between the total reported missing and the actual number missing exemplifies the serious business processing issues the District is facing. Regarding the idea that fewer students are enrolling within the District in earlier grades, Dr. Williams stated that this year showed an increased number of young enrollees and that the number of those leaving the District appears to be stabilized. He explained that the enrollment numbers were due to the State Department of Education on October 23<sup>rd</sup>, and that by the November BFSA meeting he hopes to have prepared a report on the number of students that left, as well as where they went and why they left.

### **Financial Plan Modification**

BFSA Executive Director Dorothy A. Johnson briefed the Board on the School District's Financial Plan Modification. Ms. Johnson indicated that the Board is being asked to approve a plan modification to the 2006 - 2009 four-year Financial Plan.

- The major update to the Financial Plan now includes re-projected health insurance costs for a single insurance provider, a shift to an experience rating and the elimination of 148 positions, including the layoff of 114 employees.

Gap closing actions phased in between fiscal years 2006-2007 and 2008-2009 include:

- Closure of nine schools,
- Reduction of staff by 562,
- Increased class sizes to union maximum allowed
- Elimination of programs and associated personnel, and
- Assumed additional State Aid of \$11.5 million.

Chairman Lipke noted that Dr. Williams and his staff have worked very diligently to find every possible source for cost-savings, but the quality of education will diminish without serious changes within the District.

The Directors voted to approve the District's Financial Plan Modification. Motion by Stenhouse, second by Townsend. Vote 5-0 to take effect immediately.

RESOLUTION NO. 05 - 81

MODIFICATION TO THE 2006 - 2009 FINANCIAL PLAN TO REFLECT BFSA-  
APPROVED CHANGES TO THE 2005-06 BUDGET

WHEREAS, the School District has submitted a request to the Buffalo Fiscal Stability Authority (BFSA) for approval of a financial plan modification to the 2006 – 2009 financial plan upon the direction of BFSA, and

WHEREAS, the BFSA approved 2005-2006 budget included savings from transferring to a single health insurance provider and savings from the elimination of 148 positions and layoff of 114 employees, and

WHEREAS, those savings have now been projected forward into fiscal years ending 2007 – 2009 of the financial plan,

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority approves the modification of the 2006 – 2009 financial plan to reflect the BFSA approved 2005-06 budget.

**Legal Update:**

**Control Period**

Ms. Johnson contacted Mr. Doron Bar-Levav from Harris Beach, PLLC, BFSA general counsel, to address the Board telephonically regarding the definition of the Authority's Control Period. He stated that the Control Period is the period the Authority is actively participating in balancing the City and its covered entities' budgets. As interpreted, the Control Period will cease after the City and covered organizations are able to produce balanced budgets without the Authority's assistance, such as deficit financing or the wage freeze, for three consecutive years, at which point the Advisory Period will begin. A Memo containing Mr. Bar-Levav's opinion dated October 6, 2005 was provided to the Directors.

Director Tobe found that Mr. Bar-Levav's interpretation of the Act made sense and that clearly the "three year clock" will not begin until the Authority has determined that significant BFSA assistance is no longer required. It is the hope and intent of the Authority that the Control Period will end sooner rather than later.

Vice-Chair Townsend questioned if it was correct that the Control Period could end no sooner than July 1, 2009. Ms. Johnson added that it would not be until November-2009 as an audit would need to be completed. Mr. Bar-Levav confirmed that a balanced 4-year. Financial Plan is also required. Further, at the Authority's discretion the Control Period could be reinstated if warranted.

Chairman Lipke stated that the lawsuits against the Authority will not change the City and School District's financial situation. The BFSA has incurred over \$600,000 in legal expenses over the last two years. The timeframe for the current Control Period is laid out clearly. Further, it is the intent of the Authority to move from the Control Period into an Advisory Period as soon as it is prudent to do so. The longer structural changes are put off, the longer the Control Period will remain.

Mayor Masiello noted that even with a reduced City workforce and a wage freeze, costs continue to rise. Actions taken by the City such as the single healthcare provider switch, the parks merger with Erie County, the move to the single officer police cars and the consolidation of fire stations have helped, but much more is required to get the City back on track. The City's general operating fund only grew by 3 percent in the preceding year. The need to control escalating pension and health care costs is great.

## **Litigation Update**

Chief Counsel Darryl McPherson updated the Board on recent developments in the lawsuits facing BFSAs. Key highlights included the recent victory on the BFSAs appeal to reverse State Supreme Court Justice Nelson Cosgrove's decision invalidating the wage freeze on the Police Department and the denial of a motion to amend the complaint in the AFSCME case.

## **Discussion of Structural Gap, Labor Costs & Gap Closing Actions:**

Ms. Johnson gave a presentation depicting budgetary gaps, increasing labor costs, and potential gap closing actions for the City and the School District. Utilizing a slide presentation, she presented the following:

- Both entities have costs which are concentrated heavily on workforce expenses,
- Both entities have baseline budget gaps which widen through fiscal year 2008-2009.

The out-year gap closing strategies contain considerable risks including:

City:

- Assumed workforce reductions through attrition,
- Speculative increases in State Aid,
- Anticipation of retiree health insurance packages.

School District:

- Assumed continuation of the single carrier health insurance,
- Speculative increases in State Aid,
- Anticipation of additional school closings and workforce reductions.

These budgetary gaps include continued cost-avoidance because of the Authority instituted wage freeze; saving the City \$12 million and District \$9 million in fiscal year 2006-2007 alone. The combined savings increase to \$29 million in 2008-2009.

Further, Ms. Johnson presented a Power Point presentation with hard copy handout that depicted potential gap-closing actions which could improve the fiscal health of the City and District.

These ideas included:

- Retiree contributions toward healthcare inline with the national averages (both the percentage of those who contribute and the percentage of the premium that they contribute). This would have a combined savings of \$14.875 million.
- Active employees contribute toward their own health insurance costs in line with the national average. If this were realized, there would be a combined savings of \$9.7 million within the first year.
- Reducing the amount of paid time off, in line with the national average. Currently, City workers take an average of 11 days of sick leave and 5 personal days annually. District workers are granted 12-15 sick days and 5 personal days annually. This is well above the national average of 5 sick days and 2.8 personal days annually.
- Reducing the number of holiday time given to the national average,
- Reducing paid time off to the national average,
- Eliminating retiree bonuses in the District for an estimated \$4 million in annual savings,
- Eliminating summer hours within both entities for an estimated \$650 thousand in annual savings,

- Eliminating wholly paid cosmetic surgery within both entities, realizing a combined savings of \$2 million annually and,
- Having employees contribute to their pensions at a 10 percent rate realizing \$4.5 million in annual savings.

The combined savings from these initiatives total \$27.7 million in the City and \$39.7 million in the School District, and more than balance the savings generated by the wage freeze.

Vice-Chair Townsend pointed out that most of the private sector is eliminating differentiated paid leave such as Personal Leave, Holiday Leave, etc., and moving to a merged “Paid Time Off” bank.

### **Proposals for Efficiency Incentive Grants**

Ms. Johnson summarized the Efficiency Incentive Grant that was created by the State upon the formation of the Erie County Fiscal Stability Authority (ECFSA). The State had offered both the City and Erie County (“the County”) a combined \$10 million in potential financing annually for the next five years for innovation and reengineering projects. While these proposals do not necessarily need to involve cooperation between the City and the County, it is hoped that there will be some collaboration. City of Buffalo Commissioner of Administration & Finance Dr. James Milroy summarized some ideas for reengineering and answered Directors’ comments.

Referring to the list of potential sources for reengineering included in the Board Books, Director Tobe questioned why there were not any ideas for the Police Department. Additionally, he expressed that this was an opportunity for collaboration between the City and the County to consolidate services and share ideas. He also encouraged entities to “dust-off” earlier proposals that may have been tabled. He also requested that all back-up material used by the City in the calculation of the cost savings be submitted to the BFSA staff.

Mayor Masiello said that the City is willing to work with the BFSA on this extraordinary opportunity to restructure services and operations. Regarding the lack of listed restructuring ideas for the Police Department, he felt the department has been reorganized largely over the last two years. However, the use of new technology to improve communications listed by the Fire Department would also be utilized by the Police Department.

### **BMHA Issues** **Capital Fund Budget**

Ms. Johnson explained that the United States Department of Housing and Urban Development (HUD) has approved the BMHA 2005-2006 budget and replacement factor grants. HUD approved \$10.6 million for capital improvements, an increase of \$1.5 million over the prior years. There was an \$841,000 decline in replacement factor grants. The funds will be dispensed over a period of four years. Ms. Johnson also commended BMHA for reducing its dependence on the capital budget for their operating expenses, which has resulted in an increase of close to \$1 million available for capital improvements. The BFSA recommends Board approval for the BMHA 2005-2006 Capital Budget.

The Directors voted to approve the BMHA 2005-2006 Capital Budget. Motion by Stenhouse, second by Masiello, Vote 5-0 to take effect immediately.

RESOLUTION NO. 05 - 82

APPROVAL OF BUFFALO MUNICIPAL HOUSING AUTHORITY 2005-2006 CAPITAL BUDGET

WHEREAS, the mission of the Buffalo Municipal Housing Authority (“BMHA”) is to provide safe, decent and affordable public housing, which is of vital importance to a region such as Buffalo, and

WHEREAS, BMHA presented their capital budget to the United States Department of Housing and Urban Development (“HUD”) for approval, which was granted by HUD in September 2005, and

WHEREAS, HUD approved a capital budget in the amount of \$10,640,496, which was an increase of \$1,461,275 from what was previously approved for their capital program, and

WHEREAS, HUD has also approved replacement factor grants in the amounts of \$1,312,162 and \$330,398, which must be used for capital improvement of existing buildings and equipment, not redevelopment, and

WHEREAS, BMHA has two years to commit the funds and four years to spend them, and

WHEREAS, BFSFA has previously urged BMHA to use fewer capital dollars for administrative purposes before BFSFA would approve any future capital budget, and

WHEREAS, though BMHA is allowed by HUD to use up to 20% for operating purposes, BMHA elected to take only 8.2%, which freed almost \$1 million for additional capital improvements, and

WHEREAS, BMHA has therefore demonstrated significant reductions in its reliance on capital dollars for administrative purposes,

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority approves the Buffalo Municipal Housing Authority’s 2005-2006 capital budget and replacement housing factor grants.

**Marine Drive**

Ms. Johnson updated the Board on the Marine Drive management contract. At the previous board meeting, Director Tobe had requested that the contract between the BMHA and HKMDA, LLC, the project manager at the Marine Drive apartments, be brought to the BFSFA for approval. The contract was never brought to the BFSFA for approval before it was enacted, in violation of the BFSFA Act. In accordance with the demand, the BMHA requested approval for an additional 12 months. This would correspond to the term of the original contract that was let in January

2005. The new contract is for \$272,364 annually. Chairman Lipke and Vice Chair Townsend had previously approved the contract under emergency powers, but only until December 2005, at which time BMHA will need to submit a status report on negotiations or a new contract for approval. The BFSA staff recommends retroactive approval and affirmation by the Board of this emergency contract approval for a term to end on December 31, 2005.

Director Stenhouse questioned when the contract took effect. There have been many Buffalo News articles of late documenting the management problems at Marine Drive. BMHA Interim Executive Director Gillian Brown explained that the contract has now expired and is currently renewed on a month-to-month basis. He apologized on the behalf of the BMHA that the contract was not properly submitted for Board approval.

The Directors voted to ratify the Emergency Approval of a contract with HKMDA to expire on December 31, 2005. Motion by Townsend, second by Stenhouse, Vote 5-0 to take effect immediately.

RESOLUTION NO. 05 - 83

**AFFIRM AUTHORIZATION OF THE BUFFALO MUNICIPAL HOUSING AUTHORITY TO ENTER INTO MANAGEMENT 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 BFSA Board when the contract or other obligation is valued at \$200,000 or more; 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. 04-89 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, BMHA officials have submitted items for emergency approval prior to the October 12, 2005 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 retroactively approve and affirm going forward the authorization of the Buffalo Municipal Housing Authority entering into a management contract for Marine Drive Apartments with HKMDA LLC in the amount of \$272,364 (\$22,697 per month), and

AND BE IT FURTHER RESOLVED, that the affirmation of this month-to-month contract shall extend up to and including December 31, 2005, and

BE IT FINALLY RESOLVED, that if a new management contract for Marine Drive has not been put forward for approval, a report on the status of negotiations between the Buffalo Municipal Housing Authority and the present management shall be required.

### **Contracts**

#### City Contracts

The Directors voted to authorize the City to enter into nine contacts.

Motion by Stenhouse, second by Townsend, Vote 5-0 to take effect immediately.

#### RESOLUTION 05-84

#### AUTHORIZE CITY OF BUFFALO TO ENTER INTO NINE 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 limit on 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 October 12, 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 nine contracts and obligations as listed below:

1. <del>Hansen Information Technologies – computer software upgrade</del>	<del>\$249,050.00</del>
2. South Buffalo Electric – replacement of street light standards	\$239,888.00
3. <del>United Energy Management – energy consulting services</del>	<del>\$133,334.00</del>
4. Delacy Ford – police car purchase	\$1,258,347.00
5. Eisenheimer Chevrolet – police tow truck purchase	\$54,699.00
6. Spoth Enterprises – street lighting standards purchase	\$64,200.00
7. P&J Construction – sidewalk repair change order	\$66,585.00
8. URS Consultants – Peace Bridge Area improvements	\$267,500.00
9. Virginia Anderson – personal injury settlement	\$150,000.00
10. Gwendolyn Wilson – personal injury settlement	\$250,000.00
11. <del>FEMA Assistance to Firefighters grant – Homeland Security Grant</del>	<del>\$64,827.00</del>
12. FEMA Metro Medical Response grant - Homeland Security Grant	\$400,000.00

### **City Emergency Contracts**

The Directors voted to authorize the City to enter into four emergency contracts.

Motion by Stenhouse, second by Townsend, Vote 5-0 to take effect immediately.

### **RESOLUTION 05-85**

#### **AFFIRM AUTHORIZATION OF THE CITY OF BUFFALO TO ENTER INTO FOUR 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 BFSA Board when the contract or other obligation is valued at \$200,000 or more; 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. 04-89 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 prior to the October 12, 2005 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 4 contracts as listed below:

- |                                                                |                |
|----------------------------------------------------------------|----------------|
| 1. AMIRS – demolitions                                         | \$240,850.00   |
| 2. American Rock Salt – rock salt purchase                     | \$750,000.00   |
| 3. STS Construction – Squaw Island street work                 | \$327,800.00   |
| 4. Destro & Brothers Concrete – Peace Bridge Area improvements | \$3,180,518.00 |

### **School District Contracts**

The Directors voted to authorize the District to enter into five contracts.

Motion by Townsend, second by Stenhouse, Vote 5-0 to take effect immediately.

### **RESOLUTION 05-86**

#### **AUTHORIZE THE BUFFALO SCHOOL DISTRICT 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 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, certain contracts issued in connection with “No Child Left Behind” legislation must be awarded at an amount “to be determined” (TBD) because enrollment figures are not known at this time; and

WHEREAS, BFSA Staff have reviewed all contracts and the RARF and recommend approval of five contracts; and

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

- |                                                                                     |                         |
|-------------------------------------------------------------------------------------|-------------------------|
| 1. Berkshire Farm Center & Services for Youth - supplemental educational services   | \$TBD                   |
| 2. Community Action Organization of Erie County - supplemental educational services | \$TBD                   |
| 3. Erie I BOCES - supplemental educational services                                 | \$TBD                   |
| 4. <del>Morris Masonry Restoration</del>                                            | <del>\$182,555.00</del> |
| 5. BFI Waste                                                                        | \$203,000.00            |
| 6. Kurk Fuel Oil Company                                                            | \$1,136,435.00          |
| 7. <del>Parent Center Lease</del>                                                   | <del>\$139,615.20</del> |

**School District Emergency Contracts**

The Directors voted to authorize the District to enter into two emergency contracts.

Motion by Stenhouse, second by Townsend, Vote 5-0 to take effect immediately.

RESOLUTION 05-87

**AFFIRM AUTHORIZATION OF THE BUFFALO SCHOOL DISTRICT 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 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, 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. 04-89 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 two contracts for emergency approval prior to the October 12, 2005 BFSA meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for the contracts;

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 two (2) contracts as listed below:

- |                                                          |                |
|----------------------------------------------------------|----------------|
| 1. Kaleida Health System – school nursing services       | \$1,500,000.00 |
| 2. Sysco Food Services – food and non-food kitchen items | \$248,000.00   |

### **BURA Contracts**

The Directors voted to authorize BURA to enter into one contract.

Motion by Stenhouse, second by Townsend, Vote 5-0 to take effect immediately.

### **RESOLUTION 05-88**

#### **AUTHORIZE BUFFALO URBAN RENEWAL AGENCY TO ENTER INTO ONE 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 Buffalo Urban Renewal Agency officials have submitted contracts and other obligations for approval at the October 12, 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 Buffalo Urban Renewal Agency to enter into contracts and obligations as listed below:

1. Ira G. Ross Eye Institute (REI) – ophthalmic equipment \$100,000.00

**BURA Emergency Contracts**

A motion was made to affirm eight emergency contracts previously approved by Chairman Lipke and Vice Chair Townsend. Director Stenhouse abstained from voting on the issue. Lacking a quorum to pass the item, the resolution failed. It will be brought back for a vote of the full Board at the next regular meeting.

**Closing Remarks**

Chairman Lipke thanked all who attended the meeting. Having no further business, Chairman Lipke made a motion to adjourn, which was duly seconded unanimously. The meeting adjourned at 3:53 PM.