

BUFFALO FISCAL STABILITY AUTHORITY

Resolution No. 05-08

HIRING FREEZE ORDERED ON BUFFALO MUNICIPAL HOUSING AUTHORITY

WHEREAS, Chapter 122 of the laws of 2003 as amended by Chapter 86 of the laws of 2004 (the “Act”) requires the City of Buffalo to submit a four-year financial plan to the Buffalo Fiscal Stability Authority (“BFSA”) annually, and when necessary, modifications to such financial plan, and

WHEREAS, in the BMHA’s first Four-Year Financial Plan, approved October 21, 2003, required the BMHA to use approximately \$1.1 million in reserve funds to cover a deficit, and

WHEREAS, by the end of the 2003-04 fiscal year, the deficit required the use of \$500,000 in reserves more than originally budgeted, and

WHEREAS, the BMHA has \$6 million in reserves at the start of fiscal year 04-05, and

WHEREAS, the Buffalo Municipal Housing Authority, as part of the City of Buffalo’s Four-Year Financial Plan, submitted its Four-Year Financial Plan to the BFSA, which was approved as to compliance with the BFSA Act in Resolution 04-66 on June 9, 2004, and

WHEREAS, BMHA’s original 2004-05 budget contemplated using reserves to cover a deficit of \$400,000; however, preliminary forecasts, after accounting for announced decreases in United States Department of Housing and Urban Development (“HUD”) funding, show the need for further use of reserves of anywhere between \$2.0 million and \$2.4 million in the current fiscal year, and

WHEREAS, HUD has advised BMHA that a further use of reserves after the proposed use in fiscal year ending June, 2005 may put it into the “troubled housing authority” category which could trigger a HUD takeover of operations, and

WHEREAS, reports for the 4th quarter of 2004 and 1st quarter of 2005 actuals show salary expenditures trending upward in various departments, and

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

WHEREAS, Section 3858(2)(O) of the Act further provides that the BFSA may, to the extent it deems it necessary or desirable in order to accomplish the purposes of the Act including but not limited to the timely and satisfactory implementation of an approved

financial plan, issue an order to the appropriate City official. Such order shall be binding upon the official to whom it is issued, and

NOW, THEREFORE BE IT RESOLVED, that the BFSA finds that the immediate imposition of a hiring freeze upon the Buffalo Municipal Housing Authority is essential to the maintenance of a balanced Four Year Financial Plan and is necessary to accomplish the purposes of the Act.

BE IT ORDERED that the Board of Commissioners and the Executive Director of the Buffalo Municipal Housing Authority shall immediately impose a hiring freeze on all positions in the Buffalo Municipal Housing Authority.

BE IT FURTHER ORDERED that the Executive Director may request that the hiring freeze be waived and a position may be filled on a case-by-case basis. In order to fill a position during the hiring freeze, the Executive Director must certify that the immediate filling of a position is necessary to protect the health or safety of the residents of the Buffalo Municipal Housing Authority, is required to comply with the local, state or federal law, will prevent the use of excessive overtime by BMHA employees or will produce revenue in excess of the costs of filling the position. The Chair and Vice Chair of the BFSA may approve the filling of one or more positions if they are satisfied that it is necessary and appropriate based upon a review of all the circumstances as prescribed in BFSA Resolution No. 04-89 except as follows: "The request must be in writing from the Executive Director and Board Chairman on behalf of the Housing Authority and signed by both. It must be completed in the standard hiring freeze waiver form and shall include all required authorizations prior to submission to BFSA along with any additional supporting information that may be required."

Upon meeting the above conditions, all hiring freeze waiver requests will be reviewed by BFSA Staff, who will make a recommendation regarding the request to the BFSA Chair and Vice Chair. If one of them is not available, then the Secretary may be consulted. With the concurrence of two Directors, the request will be considered approved. Failure to gain two Director approvals shall be deemed disapproved. BFSA Staff will then notify the requesting organization in writing that their request has been approved or disapproved. Disapproved requests can be resubmitted with additional information to support reconsideration or the matter can be referred to the entire BFSA Board for their consideration. Upon the written confirmation of the approval of two Directors, the request is deemed approved. There will not be a vote to affirm the decision by the full BFSA Board, but the written approval will be provided to all members of the BFSA Board for their information. Matters referred to the entire BFSA Board for their consideration will require an affirmative vote before being considered approved."

BE IT FURTHER ORDERED that the Executive Director of the BMHA shall officially notify all Commissioners, Department Heads and any other employee of the Buffalo Municipal Housing Authority who has the authority to hire, that this ORDER imposing a hiring freeze has been issued by the Buffalo Fiscal Stability Authority and is in full force and effect.

This resolution shall take effect immediately.

Approved January 26, 2005

/S/ Richard Tobe
Richard Tobe
Secretary