
BUFFALO FISCAL STABILITY AUTHORITY
Meeting Minutes
October 3, 2011

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Monday, October 3, 2011, in the Buffalo Market Arcade Complex. The meeting was called to order at 1:03 PM.

Board Members Present: Arthur, Brown (proxy), Collins, Floss, Johnstone, Messiah and Olsen

Board Members Excused: Giardino

Staff Present: Link, Miller and Mongold

Additional: A. V. Buzard, Esq., Harris Beach, PLLC
Donna Gonser, CPA, Lumsden & McCormick, LLC

Opening Remarks

Chair Olsen opened the meeting. He announced the meeting’s agenda as follows:

- A recommendation from the Governance Committee to approve the Mission Statement, as amended. He noted that the Governance Committee had also compiled the results of the Board’s self-evaluation as to performance during an Executive Session. The overall summary has been included as a supplemental document;
- A recommendation from the Audit, Finance & Budget Committee to accept the findings of the independent audit as performed by Lumsden & McCormick, as well as the BFSA Annual Report in substantially its final completed form;
- Consideration of a proposed Memorandum of Agreement (“MOA”) for an early retirement incentive between the Buffalo School District (the “District”) and the Cook Mangers of AFSCME Local 264;
- A budget modification for the City of Buffalo; and
- A proposed collective bargaining agreement (“CBA”) between the City of Buffalo and Operating Engineers of the International Union of Operating Engineers Local 17-S (“Local 17”);
- A proposed CBA between the District and Local 264 representing the Food Service Workers, along with a proposed Memorandum of Understanding (“MOU”) with Local 264 representing the Summer Food Service Workers;
- A proposed budget modification and related change order associated with Phase III of the Joint Schools Construction Board (“JSCB”) project;
- BFSA issues include a planned Executive Session to discuss legal matters;
- Privilege of the Floor shall be extended to any attending member of the public who wishes to comment on the record on any items discussed at the day’s proceedings.

Chair Olsen noted that the Audited Financial Statements and BFSA’s Annual Report, along with the proposed early retirement incentive MOA would be reordered to be considered earlier in the agenda. He noted that a draft calendar year 2012 Board Meeting schedule had been provided for the Directors to review. Any schedule conflicts should be forwarded to Financial Analyst/Manager of Technology Nathan D. Miller to amend the proposed schedule. The final schedule of meetings will be provided for consideration at the December meeting of the Board.

Roll Call of Directors

Chair Olsen asked Secretary Arthur to call a roll of the members. Finding a quorum present, the meeting commenced.

City of Buffalo Commissioner of Administration, Finance, Policy and Urban Affairs, Ms. Janet Penska, represented Mayor Byron W. Brown, in accordance with Subdivision 1 of §3853 of the Buffalo Fiscal Stability Authority Act (the “BFSA Act”).

Subdivision 1 of §3853 of the BFSA Act reads, “...*The Mayor and the County Executive shall serve as ex officio members. Every Director, who is otherwise an elected official of the City or County, shall be entitled to designate a single representative to attend, in his or her place, meetings of the Authority and to vote or otherwise act in his or her behalf. Such designees shall be residents of the City of Buffalo. Written notice of such designation shall be furnished prior to any participation by the single designee...*”

Approval of the July 20, 2011 Meeting Minutes

Chair Olsen introduced Resolution No. 11-28, “Approving Minutes and Resolution from July 20, 2011.”

Director Johnstone offered a motion to approve the resolution. Secretary Arthur seconded this motion.

RESOLUTION NO. 11-28 APPROVING MINUTES FROM JULY 20, 2011

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting on July 20, 2011.

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority ratifies and affirms Resolutions No. 11-20 through 11-27 that were approved on July 20, 2011.

This resolution shall take effect immediately.

The Board voted 7-0 to approve the resolution.

BFSA Issues

BFSA FY 2011 Independent Audit & Annual Report

Chair Olsen advanced the agenda to the next item for consideration: a recommendation from the Audit, Finance, & Budget Committee to accept and approve the FY 2011 Independent Audit and BFSA Annual Report. He noted that Ms. Donna Gonser, CPA, Audit Partner from Lumsden & McCormick, LLP, was on hand to answer any questions regarding the audit.

Chair Olsen noted that the Audit, Finance and Budget Committee (the “Audit Committee”) met following the adjournment of the Governance Committee and reviewed the Independent Audit as prepared and submitted by Lumsden & McCormick. The Audit Committee voted to send the Audited Financial Statements to the full Board with recommendation for approval.

Chair Olsen added that the Audit, Finance & Budget Committee has also recommended approval of BFSA's 2011 Annual Report in substantially its final form, though delegating authority to the BFSA Chair and the Executive Director to make any necessary changes required for its accurate completion. BFSA is required to file the Annual Report along with the results of the year end audit and the bylaws in effect during the fiscal year with New York State. The Annual Report details BFSA's activities for fiscal year 2011 and has been prepared following the format required by the New York State Office of the State Comptroller. The report will also be made available on BFSA's website. It is also noted that the cumulative Board of Director's evaluation summary document will be incorporated within the final Annual Report.

The Annual Report consists to two main sections: a summary of accomplishments during 2011, and various submissions related to the City of Buffalo (the "City") and the Covered Organizations (the District, the Buffalo Municipal Housing Authority or "BMHA," the Buffalo Urban Renewal Agency or "BURA," and the Joint Schools Construction Board or "JSCB") budgets and four-year financial plans. The summary of accomplishments is a compilation of actions taken by the Board during the 2011 year. The section on the budgets and financial plans is a compilation of the reports included within the May and June 2011 Board Books.

Chair Olsen introduced resolution No. 11-29, "Accept Audit Report and Approve Annual Report for Fiscal Year 2010-11" and requested a motion to approve the Independent Audit and Annual report.

Director Arthur offered a motion to approve. Director Johnstone seconded the motion.

RESOLUTION NO. 11-29

ACCEPT AUDIT REPORT AND APPROVE ANNUAL REPORT FOR FISCAL YEAR 2010-11

WHEREAS, Chapter 122 of the Laws of 2003, as amended, requires the Buffalo Fiscal Stability Authority ("BFSA") to be subject to an annual financial audit performed by an independent certified public 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 general ledger; and

WHEREAS, Lumsden and McCormick, P.C. have presented their Independent Auditors' Report on BFSA's Financial Statements for the Fiscal Year Ended June 30, 2011; and

WHEREAS, the Public Authorities Accountability Act of 2005 (specifically, section 2800 of the Public Officers Law) requires state and local public authorities to file an annual report with the State, detailing its operations and activities and other budgetary and financial data; and

WHEREAS, the Public Authorities Accountability Act of 2009 maintained existing Annual Report requirements along with new additional requirements; and

WHEREAS, this report must be certified as accurate by the Executive Director of the BFSA; and

WHEREAS, much of this data and additional information is required by regulations promulgated by the State Comptroller; and

WHEREAS, the BFSA Staff has presented for approval a draft of the 2011 Annual Report in substantially its final form; and

WHEREAS, the deadline to submit an approved final version of the Annual Report and audited Financial Statements to the New York State Office of the State Comptroller is October 3, 2011.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby accept the Lumsden and McCormick, P.C. Independent Auditors' Report on BFSA's Financial Statements for the Year Ended June 30, 2011, and the BFSA's Annual Report for the Year Ended June 30, 2011, as prepared by the BFSA Staff; and

BE IT FURTHER RESOLVED that Chair, the Executive Director and the Comptroller are hereby authorized to make such changes to the 2011 Annual Report and audited Financial Statements for the year ended June 30, 2011 in the form presented, as they may deem necessary for its timely and accurate completion; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to release these Reports to the public and provide copies to the parties designated by Section 3871 of the BFSA Act and Section 2800 of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the Executive Director is authorized to certify that financial statements filed with the above reports are accurate and correct.

This resolution shall take effect immediately.

The Board voted 7-0 to approve the resolution.

Buffalo School District Issues

Proposed Memorandum of Agreement between the Buffalo Public School District & AFSCME Local 264 Cafeteria Managers

Chair Olsen moved the agenda to the next item for consideration: a one-time early retirement incentive for the District Cafeteria Managers. Chair Olsen asked Executive Director Jeanette Mongold to provide a summary of the Memorandum of Agreement ("MOA").

Ms. Mongold addressed the Board and provided the following information:

- The MOA offers a one-time retirement incentive of \$5,000 to Cafeteria Managers who are eligible for the New York State Retirement System;
- The intent is to reduce the full-time equivalent ("FTE") count to forty employees, per the adopted budget;
- All prerequisite approvals have been obtained;
- Two Cafeteria Managers have accepted the offer. Their annual salaries are \$29,994 and \$27,090 respectively;
- The alternative to the MOA was to lay-off two individuals. Due to seniority rules, the individuals who would have been laid-off have had annual salaries of \$27,090 and \$24,820, respectively;
- The cost of the Retirement Incentive totaled \$10,000 (\$5,000 per employee). The cost of the lay-off in the form of unemployment for up to 26 weeks totaled \$16,517 (\$7,897 and \$8,620);
- The District realizes a cost savings of up to \$6,517 in FY 2011-12 with approval of the MOA.

Chair Olsen introduced Resolution No. 11-30, “Approval of Memorandum of Agreement Between the Buffalo School District and the AFSCME Local 264 Representing the Buffalo School District Food Service Cafeteria Managers.”

Secretary Arthur offered a motion to approve. Director Floss seconded this motion.

Director Floss asked if the Cafeteria Managers are full-time employees. Ms. Mongold deferred the question to a representative from the District.

Mr. Jim Kane, the District’s Chief of Staff addressed the question and confirmed that the Cafeteria Managers are full-time employees.

RESOLUTION NO. 11-30
APPROVAL OF MEMORANDUM OF AGREEMENT BETWEEN THE BUFFALO SCHOOL DISTRICT AND THE AFSCME LOCAL 264 REPRESENTING THE BUFFALO SCHOOL DISTRICT FOOD SERVICE CAFETERIA MANAGERS

WHEREAS, Chapter 122 of the Laws of 2003, Section 3858(2)(e), requires that during a control period the Buffalo Fiscal Stability Authority (“BFSA”) “shall review and approve or disapprove any collective bargaining agreement (“CBA”) to be entered into by the City or any Covered Organizations, or purporting to bind the City or any Covered Organization”; and

WHEREAS, the BFSA is required to promptly review the terms of such a CBA and the supporting information in order to determine compliance with the Financial Plan, and shall disapprove any CBA, which, in its judgment, would be inconsistent with the Financial Plan; and

WHEREAS, on August 24, 2011, the Buffalo Board of Education passed a resolution authorizing the Superintendent to enter into Memorandum of Agreement (“MOA”) with AFSCME Local 264 representing the Cafeteria Managers (the “Union”) to offer a retirement incentive to qualified individuals; and

WHEREAS, the MOA is effectively a modification to the pre-existing CBA and as such, the above criteria are applicable; and

WHEREAS, the MOA stipulates that the offer is made on a one-time basis and does not constitute a precedent; and

WHEREAS, the MOA required individuals to notify the District no later than August 1, 2011, of their intent to retire prior to September 1, 2011; and

WHEREAS, the notification of retirement is irrevocable; and

WHEREAS, two members of the Union have notified the District of their intention to accept the retirement incentive; and

WHEREAS, the District submitted such agreement with supporting materials to the BFSA for approval under Section 3858(2)(e) and Section 3858(2)(h) of the Act, and has complied with all information

requests of the BFSAs; and

WHEREAS, the cost of the incentive totals \$10,000 or \$5,000 per employee who accepted the retirement incentive; and

WHEREAS, the alternative to the MOA is a forced reduction of two Cafeteria Managers; and

WHEREAS, the forced reduction of two Cafeteria Managers would incur unemployment benefit costs which exceed the cost of the retirement incentive; and

WHEREAS, the District anticipates that the retirement incentive will allow the number of Cafeteria Manager full time equivalent positions to be consistent with the 2011-2012 Adopted Budget; and

WHEREAS, the District will pay for the increased costs of this MOA through the use of existing resources in the current year budget.

NOW THEREFORE BE IT RESOLVED that the BFSAs do hereby approve the aforementioned Memorandum of Agreement between the Buffalo School District and AFSCME Local 264 representing the District's Food Service Cafeteria Managers.

The Board voted 7-0 to approve the resolution.

City Issues

Budget Modification

Chair Olsen advanced the agenda to the next item for consideration: a proposed budget modification as requested by Mayor Byron Brown. Chair Olsen asked Ms. Mongold to briefly summarize the item.

Ms. Mongold addressed the Board and provided the following information:

- The Mayor submitted a request for a budget modification in the amount of \$1.8 million;
- The proposed budget modification is for capital construction costs to build a prisoner lock-up/detention facility as a result of the forthcoming termination agreement for the cellblock with the County of Erie;
- The amount is to be taken from the Reserved Fund Balance, which is currently at \$2.8 million. The reserve is legally reserved specifically for construction purposes. The capital construction work meets the criteria for utilization of the reserve fund and does not affect the general operations of the city;
- BFSAs staff recommends approval of this item.

County Executive Collins noted that the agreement currently in place between the municipalities was still in effect with the termination to occur in the near future.

Chair Olsen introduced Resolution No. 11-31, "Approval of the City of Buffalo's Budget Modification Transferring Funds from the City's General Fund Reserved Fund Balance for Capital Outlay for the Capital Construction of the City's Court Detention Facility." He asked if there were any questions from the Directors regarding the proposed budget modification.

Director Floss queried whether there would be any impact on budgetary reporting, with respect to the

recently issued GASB 54 statement regarding the treatment of fund balance.

Ms. Mongold replied that GASB 54 will have an impact in how the fund balance is classified but will not have an impact on revenues or expenditures.

Chair Olsen commended the City Administration for maintaining reserves in order to meet new needs such as the construction work described.

Secretary Arthur offered a motion to approve the resolution. Director Floss seconded this motion.

RESOLUTION NO. 11-31
APPROVAL OF THE CITY OF BUFFALO'S BUDGET MODIFICATION TRANSFERRING FUNDS FROM THE CITY'S GENERAL FUND RESERVED FUND BALANCE FOR CAPITAL OUTLAY FOR THE CAPITAL CONSTRUCTION OF THE CITY'S COURT DETENTION FACILITY

WHEREAS, on July 27, 2011, the City of Buffalo (the "City") submitted a budget modification for the 2011-12 fiscal year to the Buffalo Fiscal Stability Authority (the "BFSA") requesting BFSA approval; and

WHEREAS, the proposed modification would amend the budget originally approved by the BFSA on June 15, 2011; and

WHEREAS, the budget modification addresses a single-year change within the City's 2010-11 previously approved Adopted Budget and does not affect the remaining years of the four-year financial plan; and

WHEREAS, the City's Division of Buildings of the Public Works Department has determined an additional need of \$1,800,000 for the construction of a Court detention facility for the City of Buffalo due to the termination of the inter-municipal agreement between Erie County and the City of Buffalo; and

WHEREAS, the budget modification would transfer \$1,800,000 from the City's General Fund reserved fund balance for capital outlays; and

WHEREAS, the transfer would be made to the Capital Projects Fund; and

WHEREAS, the City's General Fund reserved fund balance for capital outlays has sufficient resources available; and

WHEREAS, the City's Common Council approved the budget modification on July 26, 2011; and

WHEREAS, BFSA staff has reviewed the budget modification and determined that it complies with the requirements of the BFSA Act.

NOW THEREFORE BE IT RESOLVED THAT, the Buffalo Fiscal Stability Authority hereby determines that the proposed budget modification is complete and is hereby approved.

The Board voted 7-0 to approve the resolution.

Proposed Collective Bargaining Agreement between the City of Buffalo and Local 17

Chair Olsen moved the agenda to the next item for consideration: a proposed CBA between the City and Local 17.

Chair Olsen asked Ms. Jeanette Mongold and Principal Analyst Bryce E. Link to provide a summary of the material.

Ms. Mongold addressed the Board and provided the following information:

Introduction

The BFSFA Act requires that the Board consider the affordability of any contract within the context of the four-year financial plan. No increases for settled CBAs are included in the approved financial plan. There are both retroactive costs as well as prospective costs in the proposed CBA;

- The City has annually accrued the estimated cost of this contract, which represents the full retroactive component;
- The proposed CBA covers both General Fund and Water Fund employees;
- The City has indicated that there are excess funds available within the budget, specifically under the natural gas line within the General Fund to meet the prospective General Fund costs of the proposed CBA. Within the Water Fund, additional funds are available within the amount budgeted for retirees' health insurance.
- A current year budget transfer to accommodate for those additional prospective costs is required. This adjustment would flow forward throughout the remaining three years of the financial plan.
- An important item of the proposed CBA is that current employees will not be contributing to the cost of health insurance either when active or upon retirement. This is significant as the Board has asked that the postemployment benefit costs of new CBAs be scrutinized when approval is considered. The City's Other Postemployment Benefit ("OPEB") actuary has examined the proposed CBA and determined that there is no impact on OPEB costs. The OPEB liability for the City of Buffalo was last valued at \$1.2 billion.

Ms. Mongold completed her summary. She asked Mr. Link to provide further analysis of the material.

Mr. Link addressed the Board and provided the following information:

Background

- Employees represented by the Local 17 bargaining unit are paid for out of both the General Fund and the Water Fund.
- There are currently 30 total budgeted positions - with 16 budgeted in the General Fund of which 14 positions are currently filled, and 14 budgeted positions in the Water Fund with nine currently filled.
- The length of the CBA is eleven years, from July 1, 2002 through June 30, 2013. The impact of the CBA through the end of the current financial plan of June 30, 2015 will be examined, which includes an additional two years for a length of 13 total years;
- All other necessary approvals have been received; BFSFA is the last entity to review the proposed CBA.

Salary Increases

Management and Labor agreed upon the following salary increases:

- July 1, 2002 through June 30, 2007 - 0%;

- A 2% retroactive increase as of July 1, 2007, the first fiscal year that the BFSAs wage and hiring freeze was lifted;
- A \$2,000 base salary increase retroactive to July 1, 2008;
- A retroactive 2% increase on July 1, 2009, July 1, 2010, and July 1, 2011;
- A prospective 2% increase on July 1, 2012.

Health Insurance Modifications

The following points outline the changes agreed to in regards to employee health insurance coverage.

- All employees shall move to the lower cost 204 plan;
- Current employees receive 50% of the savings in the form of a flexible 105(h) spending account;
- New hires, or employees hired after July 1, 2011, are not eligible to participate in the 105(h) plan;
- Contribution rates:
 - Current employees maintain contributing 0%;
 - New hires contribute 25% for single coverage and 15% for family coverage;
- Health insurance in retirement:
 - Employees are required to have 10 years of City service and are to be vested in the NYS retirement system;
 - Staff hired after July 1, 2011, will continue to contribute in retirement at their active contribution rate - 25% single and 15% family;
 - Current employees will not contribute to health insurance in retirement;
 - Current employees as of July 1, 2011 and future hires will be required to enroll in Medicare when they become eligible and are responsible for Part B.

Reforms (Paid Leave)

- All employees will give up one personal leave day a year;
 - Currently employees can earn up to 6 a year, reduced to 5 a year;
 - New employees would accrue the personal leave days as follows:
 - Year 1 (2) days,
 - Year 2 (4) days,
 - Year 3 (5) days.
- New hires will earn up to 20 vacation days a year, compared to current 25 days. It will take them longer to max out the number of vacation days they can earn 16 years compared to 10-years that it now takes for employees to earn 4-weeks of vacation.
- All employees can sell back up to one week of vacation per year.

Reforms (Sick Time)

- New hires will earn 9 days a year compared to the 12 days a year current employees earn;
- A domicile and residency requirement exists for duration of employment;
- The in-lieu-of-health insurance payment has increased from \$60 to \$100 a month for family coverage and an increase from \$26 to \$60 a month for single coverage. Currently no members partake in this option.
- Employees can still accumulate up to 300 sick days. At retirement or death employees or heirs can receive a payout of up to 180 days at a rate of 40% which represents 72 days. The remaining 120 days, or the balance above 180 days, may be applied to the employee's service credit.

Director Johnstone asked what the rationale had been to increase the in-lieu-of-health-insurance benefit. Mr. Link replied that this increase is consistent with increases in other collective bargaining agreements.

The intent is to entice employees to drop single coverage plans and opt for family coverage available to their partner for a net savings to the City.

Miscellaneous Contract Terms

- The shift differential increases to \$0.65 an hour for the second and third shift;
- The auto allowance increases from \$12 a day to \$18 a day for those employees covered under the General Fund. The employees covered under the Water Fund utilize the vehicles assigned to the Water Department and therefore receive no auto allowance;
- Employees will maintain receiving 13 paid holidays as well as the perfect attendance incentive which awards them with one day of pay for each quarter they do not use sick leave.

Director Floss asked what the shift differential is in the current CBA. Mr. Link replied that it is \$0.35 an hour. The proposed CBA increases the shift differential by \$0.30 an hour.

Impact on the Financial Plan FY 2014-15

- The total cost of the CBA is \$1,878,455 over the course of the Financial Plan.
 - The salary increases would increase operational expenses for the General Fund by \$811,350 and would increase operational expenses for the Water Fund by \$805,505;
 - All other increases constitute \$261,600 in increases.
- The total savings attained through concessions are \$170,000 over the course of the Financial Plan.
 - The move to the lower cost health insurance plan will save an estimated \$81,500;
 - The contribution towards health insurance by new hires will save an estimated \$43,200.
 - Moving all new hires onto the seven-step schedule would save the City \$45,300.
- The net cost of the CBA on an All Funds basis is \$1,708,455 over the course of the Financial Plan;

Mr. Link noted that the summary of the costs and savings of the CBA provided by the City covered the period until the expiration of the CBA in 2013. BFSAs analysis extends the analysis out to June 30, 2015, to show the proposed CBA's impact on the Financial Plan as a whole.

County Executive Collins asked whether BFSAs analysis included additional 2% raises for the two years examined beyond the terms of the proposed CBA. Mr. Link replied that these additional raises were not added, merely the projected costs assumed in these years of the Financial Plan based on the current terms of the proposed CBA. Additional savings are possible if more individuals than anticipated defer to the payment-in-lieu-of-health-insurance option or if the amount of newly hired employees who would contribute to a portion of the costs of the health insurance were hired.

Impact on the Financial Plan FY 2014-15 (continued)

Impact on General Fund

- The net cost to the General Fund is \$959,534, of which salary increases contribute \$811,350 and all other associated costs are \$148,184
- The savings to the General Fund are \$75,350, of which \$50,050 is derived from all employees moving to the lower cost health insurance plan, \$12,000 represents contributions to health insurance by newly hired employees, and \$13,300 in savings from the implementation of the seven-step schedule;
- The net cost to the General Fund is \$884,184.

Impact on Water Fund

- The net cost to the Water Fund is \$918,905, of which salary increases contribute \$805,505 in increased costs and all other associated costs are \$113,400;
- The savings to the Water Fund are \$94,600, of which \$31,400 are derived from all employees moving to the lower cost health insurance plan, \$31,300 from the contribution to health insurance by newly hired employees, and \$31,900 in savings from the implementation of the seven-step schedule;
- The net cost to the Water Fund is \$824,305.

Financial Plan Compliance

General Fund

- \$283,000 has been previously accrued to address the salary increases between July 1, 2007 through June 30, 2011;
- The City has identified an additional \$611,000 of resources that they will transfer from the budget for Natural Gas in the current fiscal year (“CFY”) and the remaining three-years of the Financial Plan for a total of \$894,000 in identified resources;
- With the total cost of \$884,000, the City has identified \$10,000 more in available resources than the estimated total cost to the General Fund of the proposed CBA on the Financial Plan.

Water Fund

- \$265,000 has been previously accrued to address the salary increases between July 1, 2007 and June 30, 2011;
- The City has identified an additional \$602,000 of resources that they will transfer from the budget amount for retirees health insurance in the current fiscal year (“CFY”) and the remaining three-years of the Financial Plan for a total of \$867,000 in identified resources;
- With the total cost of \$824,305, the City has identified \$42,695 more in available resources than the estimated total cost to the Water Fund of the proposed CBA on the Financial Plan.

Chair Olsen introduced Resolution No. 11-32, “Approval of Collective Bargaining Agreement Between Local 17-Operating Engineers and the City of Buffalo.” He asked for a motion to move the item.

Secretary Arthur offered a motion to approve the item. Director Floss seconded the motion.

RESOLUTION 11-32

APPROVAL OF COLLECTIVE BARGAINING AGREEMENT BETWEEN LOCAL 17-OPERATING ENGINEERS AND THE CITY OF BUFFALO

WHEREAS, Chapter 122 of the Laws of 2003, Section 3858(2)(e), requires that during a control period the Buffalo Fiscal Stability Authority (“BFSA”) shall review and approve or disapprove any collective bargaining agreements (CBAs) binding or purporting to bind the City of Buffalo (“City”) or any of the Covered Organizations; and

WHEREAS, Chapter 122 of the Laws of 2003, Section 3858(2)(h) requires that during a control period the BFSA may review approve or disapprove any contracts or other obligations binding or purporting to bind the City of Buffalo (“City”) and the Covered Organizations; and

WHEREAS, the BFSA is required to promptly review a CBA that is submitted to it and shall disapprove any collective bargaining agreement that is not in compliance with the approved financial plan; and

WHEREAS, the City and the Local 17 Operating Engineers commenced negotiations and fully and completely bargained with respect to the terms and conditions of employment of union members; and

WHEREAS, on April 28, 2011, the members of Local 17 approved the CBA; and

WHEREAS, the Buffalo Common Council approved the CBA on May 3, 2011; and

WHEREAS, the agreement provides for salary increases that are in accordance with the approved 2012 – 2015 financial plan; and

WHEREAS, the agreement provides for certain savings and increases to productivity through such modifications including transitioning to a lower cost health insurance plan, contributions to health insurance for new employees and health insurance contributions in retirement for new employees; and

WHEREAS, the agreement provides for the terms and conditions of employment for the period from July 1, 2002, through June 30, 2013, and supersedes any other terms and conditions for that period, including any changes due to contract, interest arbitration, judgment or otherwise, now in effect or hereinafter existing; and

WHEREAS, the City will pay for the increased costs of this CBA through the use of existing resources in the current budget and four-year financial plan.

NOW THEREFORE BE IT RESOLVED, that the BFSA does hereby approve the aforementioned agreement between the City of Buffalo and Local 17, which is effective for the period from July 1, 2002, through June 30, 2013.

Chair Olsen opened the discussion and indicated that this was the third CBA reviewed during his tenure as BFSA Chair for employees with health insurance benefits. He emphasized the importance of consistency in the way proposed CBAs are reviewed and advised there is a certainty that patterned bargaining will occur, indicating that the first two CBAs approved will define the parameters of subsequent agreements. Once a pattern of CBA terms in small agreements are established, these terms tend to be carried over to other, larger agreements, either through arbitration or by CBAs, for larger units.

Chair Olsen added that the lack of employee contributions for health care benefits by either currently active employees or those active employees who will retire under this agreement is concerning. It is indeed imperative to get contributions from future hires.

Chair Olsen indicated that he would not vote in the affirmative to approve the CBA, as it would establish a pattern for future contracts without adequate contributions in health insurance contribution by active employees. A 0% contribution toward health insurance by current employees is not sustainable in the mid-to-long term for the City.

Secretary Arthur asked if a member of the negotiating team could explain to the Board why this term of the contract had not been negotiated.

Mr. Domenic Teti, Business Representative for Local 17 addressed the Board. He identified himself as the chief negotiator on the behalf of the bargaining unit. Mr. Teti advised the contract was negotiated in good faith with the City of Buffalo and met all criteria previously established by past precedent by the BFSAs as it relates to contract negotiations. There were no “give backs” in health insurance contributions from existing employees as this had never been brought up as a negotiable item for existing employees. This had only been discussed as it relates to future employees.

Secretary Arthur indicated that Chair Olsen’s primary concern is that currently active employees do not contribute toward the cost of the health insurance premium, either as active employees or upon their retirement.

Mr. Teti replied that BFSAs had never stated that this sort of change in contract terms was desirable. He noted that active employees did agree to move from the more expensive health insurance plan to the less expensive health insurance plan. Additionally, future hires will contribute toward the cost of their health insurance.

Secretary Arthur stated that it would not be fair to penalize the members of Local 17 by not ratifying a contract for not including terms that BFSAs had not previously expressed as desirable. Each CBA is different from one another.

Chair Olsen replied that the previously approved CBAs by an entity establishes a precedent for future negotiations. This is a fundamental truth in labor negotiations. The future costs of a contract become more unmanageable without some contribution toward healthcare benefits.

Director Johnstone asked how the terms of the proposed CBA compared to the terms of the previously approved CBA between BURA and CSEA Local 815. BFSAs had indicated that this approved contract would be a benchmark to compare future CBAs.

Ms. Penska advised the BURA contract provided no additional contribution from current employees. The proposed CBA is consistent with the BURA contract in this respect. The City’s view is that future CBAs need to be cost-neutral, especially given the fact that the Financial Plan draws down nearly 95% of the fund balance. Concessions with health insurance contributions are the only way to make future contracts cost neutral. Future agreements will include contributions from current employees. However, this contract is viewed as the “end of the bargaining pattern” as it relates to contracts due to the fact that this union was the “last to the bargaining table.” The City felt the union should not be penalized for this. Other CBAs did not include health care contributions; going forward the City will be expecting that to be a part of future contract negotiations.

Chair Olsen indicated his concern on future CBAs where binding arbitration was a possibility. The financial impact could be very significant.

Director Floss indicated that expecting contributions in future contracts will reduce the long-term liabilities that are a concern of Chair Olsen.

County Executive Collins advised that, with respect to binding arbitration rulings, the Erie County Police Benevolent Association employees had recently been instructed by the arbiter to contribute 15% toward the cost of their health insurance premium. The trend now is for current employees to contribute a significant amount toward health insurance through binding arbitration.

Secretary Arthur requested that Chair Olsen call for a vote on the item.

Chair Olsen called for a vote.

The resolution passed 6-1 (Olsen dissent).

Buffalo Public School District Issues (continued)

Proposed Collective Bargaining Agreement with Local 17 Food Service Workers Memorandum of Understanding with Local 17 Summer Food Service Workers

Chair Olsen advanced the agenda to the next item for consideration: a proposed CBA between the District and the Food Service Workers represented by Local 17 as well as a Memorandum of Understanding (“MOU”) between the District and the Summer Food Service Workers, also represented by Local 17. He asked Ms. Mongold and Financial Analyst/Manager of Technology Nathan D. Miller to provide a summary of the material for the Board.

Ms. Mongold addressed the Board and provided the following information:

Introduction

- The CBA covers Food Service Workers;
- Employees do not receive traditional benefits. For example, employees have the option of purchasing health insurance but at total cost to the employee;
- The proposed agreements are important because it brings the workers up to the Living Wage standard, passed by the Board of Education in 2009. Employees of the District are required to receive salary and wages equivalent to the Living Wage, effective the 2011-12 FY;
- Wage increases have been budgeted for in the Adopted Budget and Financial Plan.

Director Floss asked Ms. Mongold what the Living Wage hourly rate was. Ms. Mongold replied that the minimum rate is calculated by the Living Wage Commission. The current rate is \$11.87 per hour for employees without health insurance.

Ms. Mongold concluded her introduction. She asked Mr. Miller to summarize the financial impact of the proposed agreements.

Mr. Miller addressed the Board. He provided the following information:

CBA With Local 264

Background

- The current CBA covered July 1, 2004 through June 30, 2009. BFSFA approved this CBA on November 14, 2008;
- The proposed CBA would cover September 19, 2011 through June 30, 2014 with no retroactive payments;
- All prerequisite approvals have been obtained;
- Employees are eligible for District provided health insurance. Employees must pay 100% of the premium’s cost. Currently no employees utilize this benefit.

Living Wage Ordinance

- The Buffalo Board of Education passed the Living Wage Ordinance in 2009;
- The Living Wage Ordinance requires the District to provide negotiated compensation that meets the Living Wage Ordinance standards;
- The Wage increases have been budgeted for in the Adopted Budget and Financial Plan.

Food Service Workers

- Workers include Cooks (25) and Food Service Helpers/Prepack Leaders (320).

Benefits Unchanged

- Employees receive 8 paid holidays annually;
- Employees receive unlimited paid snow/emergency school closure days;
- Employees receive up to 5 bereavement days;
- Employees receive paid leave to take Civil Service Exams on days they are scheduled to work;
- Longevity Pay – Employees receive longevity pay as a lump sum at the end of the school year as follows:
 - Between 10 and 15 years of service = \$150;
 - Between 15 and 20 years of service = \$300;
 - Greater than 20 years of service = \$450;
- Annual Stipend – Certain employees receive an annual stipend at the end of the school year as follows:
 - Tier I (hired prior to July 1, 1980) = \$340;
 - Tier II (hired between July 1, 1980 and June 30, 1987) = \$300;
 - Tier III (hired after July 1, 1987) = \$0.

Benefits Changed

- Employees will receive 1 less personal day annually;
 - Permanent employees receive 3 annually;
 - Permanent employees with more than 5 years of service receive 4 annually;
- Employees receive a uniform allowance increase from \$225 to \$250;
- The attendance incentive is restructured as follows:
 - Previous incentive = (6) 30-day periods = \$25 per period;
 - Proposed incentive = (4) 45-day periods = \$50 per period.

Step Increases

- The total cost of the wage increases for Food Service Helpers is \$550,876, increasing 17% overall from FY 2010-11 to FY 2013-14;
- The total cost of wage increases for Cooks is \$57,564, or 19.81%, from FY 2010-11 to FY 2013-14.

New Management Rights

- Establishment of disciplinary policies for tardiness, uniform usage, and absences without authorized leave;
- Establishment of an electronic record-keeping system for attendance and pay.

MOU With Local 264

Background

- The MOU is for the Summer Food Service Workers;
- The current MOU covered the summer of 2011 and received BFSA approval on June 22, 2010;
- The proposed MOU covers the summer food service programs for 2012, 2013, and 2014;
- All prerequisite approvals have been obtained.

Workers Involved

- The 200 Local 264 Summer Food Service workers are comprised as follows:
 - (2) Directors;
 - (3) Assistant Directors;
 - (6) Coordinators;
 - (15) Monitors;
 - (36) Commissary Staff;
 - (138) Site Supervisors.

Benefits Unchanged

- (1) paid holiday;
- Unpaid leave upon approval;
- No attendance incentive.

Step Increases

- The 3 year cost of step increases is \$53,649.

CBA & MOU Costs

- The 3 year cost of the CBA is \$1.5 million;
- The 3 year cost of the MOU is \$53,649;
- The combined 3 year cost is \$1.55 million.

Mr. Miller noted that the increases had been anticipated and are budgeted for in the FY 2011-12 Adopted Budget and FY 2012-15 Financial Plan.

Director Floss questioned the practicality of an attendance incentive for individuals who prepare food. Attendance incentives are typically productive. Oversight should be in place so that individuals who are sick are not preparing food.

Chair Olsen agreed that from a public health standpoint there should be an exception to the attendance rule. He presented Resolution No. 11-33, "Approval of a Collective Bargaining Agreement and Memorandum of Understanding between the Buffalo School District and the AFSCME Local 264 Representing the Buffalo School District Food Service Workers and the Summer Food Service Workers."

Director Arthur offered a motion to approve the resolution. Directors Floss seconded the motion.

RESOLUTION NO. 11-33

APPROVAL OF A COLLECTIVE BARGAINING AGREEMENT AND MEMORANDUM OF UNDERSTANDING BETWEEN THE BUFFALO SCHOOL DISTRICT AND THE AFSCME LOCAL 264 REPRESENTING THE BUFFALO SCHOOL DISTRICT FOOD SERVICE WORKERS AND THE SUMMER FOOD SERVICE WORKERS

WHEREAS, Chapter 122 of the Laws of 2003, Section 3858(2)(e), requires that during a Control period the Buffalo Fiscal Stability Authority (“BFSA”), “shall review and approve or disapprove any collective bargaining agreement (“CBA”) to be entered into by the City or any Covered Organizations, or purporting to bind the City or any Covered Organization; and

WHEREAS, the BFSA is required to promptly review the terms of such a CBA and the supporting information in order to determine compliance with the Financial Plan, and shall disapprove any CBA, which, in its judgment, would be inconsistent with the Financial Plan; and

WHEREAS, on September 14, 2011, the Buffalo Board of Education passed a resolution authorizing the Superintendent to enter into Collective Bargaining Agreement (“CBA”) with AFSCME Local 264 representing the Food Service Workers; and

WHEREAS, the proposed CBA would be effective September 19, 2011 through June 30, 2014; and

WHEREAS, on September 14, 2011, the Buffalo Board of Education passed a resolution authorizing the Superintendent to enter into Memorandum of Understanding (“MOU”) with AFSCME Local 264 representing the Summer Food Service Workers; and

WHEREAS, the proposed MOU would be effective for the summers of 2011, 2012, and 2013; and

WHEREAS, the District submitted such agreement with supporting materials to the BFSA for approval under Section 3858(2)(e) and Section 3858(2)(h) of the Act, and has complied with all information requests of the BFSA; and

WHEREAS, the District had included the increased costs of this CBA and MOU in the existing Financial Plan which was approved by the BFSA on June 15, 2011.

NOW THEREFORE BE IT RESOLVED that the BFSA does hereby approve the aforementioned Collective Bargaining Agreement and related Memorandum of Understanding between the Buffalo School District and AFSCME Local 264 representing the District’s Food Service Cafeteria Managers.

The Board voted 7-0 to approve Resolution No. 11-33.

JSCB Phase III Budget Modification

Chair Olsen advanced the agenda to the next item for consideration: a budget modification and related change orders related to Phase III of the JSCB reconstruction project. He asked Ms. Mongold to summarize the item.

Ms. Mongold addressed the Board and provided the following information:

- Phase III of JSCB has \$8.7 million available in unanticipated interest earnings as the result of a bond issuance where the proceeds were invested and construction delayed which allowed for the earning of additional interest;

- The bond counsel for JSCB has advised that these funds may only be used to extend the overall reconstruction program of Phase III and that only the original schools that were scoped into Phase III of the JSCB reconstruction project may utilize these funds;
- The standard procedures for the receipt and disbursement of funds still apply;
- The BFSFA has been asked to approve the current \$8.7 million and any additional interest which will be earned in the account;
- This transaction effectively increases the budgeted costs of Phase III;
- The process involves issuing a change order to be issued to LP Ciminelli as the program provider;
- The District has provided an overall budget, broken down by school, to the BFSFA along with a list of what the specific planned reconstruction projects are;
- There is no ultimate effect on the general operations of the District. These funds are available solely through interest earnings with no impact on the General Fund;
- Based on the review of the modifications and the change order, it is recommended they be approved and accepted by the BFSFA.

Chair Olsen introduced Resolution No. 11-34, “Approval of Budget Modification and Related Change Order for Phase III of the Reconstruction of Schools by the Joint Schools Construction Board.” He requested a motion to approval the item.

Ms. Penksa offered a motion to approve the item. Director Floss seconded the motion.

**RESOLUTION NO. 11-34
 APPROVAL OF BUDGET MODIFICATION AND RELATED CHANGE ORDER FOR PHASE III OF THE RECONSTRUCTION OF SCHOOLS BY THE JOINT SCHOOLS CONSTRUCTION BOARD**

WHEREAS, the Buffalo City School District (“the District”), in cooperation with the City of Buffalo (“the City”) and the Joint Schools Construction Board (“the JSCB”), has undertaken a comprehensive program to redevelop educational facilities, referred to as the Joint Schools Construction Program; and

WHEREAS, the State Legislature, by Chapter 605 of the Laws of 2000, as amended by Chapter 59 of the laws of 2003, Chapter 421 of the Laws of 2004, Chapter 283 of the Laws of 2006, Chapter 403, 492 and 497 of the Laws of 2008, and Chapter 209 of the Laws 2009 (collectively, “the Buffalo Schools Redevelopment Act”) previously authorized the financing of Phases I, II, III, IV and V of the Program through the issuance of bonds and notes by the Erie County Industrial Development Agency (“ECIDA”) that, during the existence of a Control Period, as defined in the Buffalo Fiscal Stability Authority Act (“BFSFA Act”), is subject to review and approval by the Buffalo Fiscal Stability Authority (“Authority”); and

WHEREAS, the scope of projects to be financed by Phase III had previously been expressly authorized by the Buffalo Schools Redevelopment Act and was subject to the approval of the New York State Commissioner of Education; and

WHEREAS, on September 30, 2011, the District submitted a request for a change order to Phase III of the Construction Program which essentially represents a budget modification for Phase III total reconstruction costs; and

WHEREAS, the Joint Schools Construction Board has unspent proceeds in the amount of \$8,667,348.88 related to Phase III of the reconstruction project; and

WHEREAS, the unspent proceeds relates to unanticipated interest earnings resulting from the delay of the start of the Phase III reconstruction work; and

WHEREAS, JSCB's bond counsel has indicated that such interest earnings may be spent only on Phase III reconstruction projects; and

WHEREAS, JSCB has presented the proposed use of the unspent proceeds to the New York State Education Department ("SED"); and

WHEREAS, SED has agreed to such use of unspent proceeds and has stipulated that plans and specification documents be provided to it for review and approval prior to the start of such reconstruction; and

WHEREAS, such review and approval by SED is considered standard procedures as part of the overall reconstruction project; and

WHEREAS, the use of funds represents a modification to the original budget of the Phase III reconstruction project; and

WHEREAS, the BFSA approved the original budget for project costs of Phase IIIA in the amount of \$197,886,177 on August 8, 2007; and

WHEREAS, the BFSA approved the original budget for project costs of Phase IIIB in the amount of \$184,966,664 on February 8, 2009; and

WHEREAS, the additional funds available to the District through JSCB were generated through interest earnings and have no impact on the general operations of the District; and

WHEREAS, the project funds will continue to accumulate interest earnings during the period of time that such projects are ongoing and funds are unspent; and

WHEREAS, the District desires to utilize all the interest earnings on additional projects for those schools scoped into the Phase III reconstruction project; and

WHEREAS, to facilitate the work a Change Order would be issued to LP Ciminelli Inc. as the Program Provider; and

WHEREAS the Board of Education approved the Change Order to LP Ciminelli Inc. on September 28, 2011; and

WHEREAS, the Joint Schools Construction Board approved the Change Order to LP Ciminelli Inc. on October 3, 2011.

NOW THEREFORE BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the modification to the JSCB Phase III budget by the amount of interest earnings of \$8,667,348.88 plus interest yet to be earned; and

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority approves the related Change Order to be issued to LP Ciminelli Inc. as the Program Provider.

Director Floss asked if the new work involved in Phase III of the JSCB reconstruction project would be able to meet all of the obligations relative to the Minority and Woman-Owned Business Enterprises (“MWBEs”) requirements.

Ms. Mongold asked if a representative from the District was on hand to address the question.

District Chief Financial Officer Barbara Smith addressed the Board and stated that the new work involved in Phase III will need to adhere to the MWBE requirements established for the JSCB reconstruction project.

Director Mesiah referred to a report provided to the Directors which listed all MWBEs in Erie County. He questioned the accuracy of the list as it was voluminous.

County Executive Collins confirmed the MWBEs are certified through a stringent process by Erie County.

Secretary Arthur opined that the report submitted was lacking. He added that the availability of MWBE’s in the area does not necessarily ensure that the firms are hired and that the program’s goals are met. LP Ciminelli needs to provide a report that shows what Woman and Minority firms and individuals get hired.

Chair Olsen noted that the diversity goals of the project are especially important given the high unemployment rate amongst minorities within the City of Buffalo.

Chair Olsen called for a vote on the item.

The Board voted 6-0 to approve the resolution (Arthur abstained).

Chair Olsen issued a personal thanks to former District Superintendent Dr. James A. Williams for his service to the City and his willingness to provide assistance to the BFSA during his tenure. He offered him his best wishes in his future endeavors.

Secretary Arthur agreed with Chair Olsen’s sentiments. The position of Superintendent of a large school district is very difficult; Dr. Williams did an excellent job and was one of the most visible and accessible Superintendents the District ever had.

Director Mesiah voiced his concerns regarding the status of education in the U.S. The federal government has an education model which overly emphasizes Science and Math at the expense of Arts, Social Studies, and Music. This system leads to the abuse recently seen in the Atlanta school district where teachers and administrators were fabricating test results to demonstrate improvements and therefore receive greater federal funding.

BFSA Business

Tabled Resolution – Separation Agreement, Waiver, and General Release between the Buffalo School District and Deputy Superintendent Folasade Oladele.

Chair Olsen advanced the agenda to the next item for consideration: a tabled resolution to approve a Separation Agreement, Waiver, and General Release between the Buffalo School District and Deputy Superintendent Folasade Oladele. He noted that the contract no longer required BFSA’s approval and asked for a motion to remove the item from the table.

Secretary Arthur offered a motion to remove the resolution from the table.

Director Floss seconded the motion.

The Board vote 7-0 to remove the item from the table.

Mission Statement

Chair Olsen advanced the agenda to the next item for consideration: a recommendation from the Governance Committee to approve the revised Mission Statement. He introduced Resolution No. 11-35, "Adoption of BFSA Mission Statement" and asked for a motion to approve the item.

Secretary Arthur offered a motion to approve the resolution.

Director Floss seconded the motion.

RESOLUTION NO. 11-35 ADOPTION OF BFSA MISSION STATEMENT

WHEREAS, Chapter 122 of the Laws of 2003, as amended, created the Buffalo Fiscal Stability Authority ("BFSA"); and

WHEREAS, the BFSA's Board of Directors is required to review, amend as necessary, and approve or reaffirm the Mission Statement of the BFSA annually; and

WHEREAS, the New York State's Authorities Budget Office ("ABO") had previously communicated to the BFSA that "...the mission statement for the Buffalo Fiscal Stability Authority does not adequately meet [the] criteria [of the ABO]. The ABO recommends that its board and management review ABO Policy Guidance 10-02 and adopt a new mission statement that better reflects the intent of this statutory requirement and the guidance provided by the ABO." ; and

WHEREAS, the Governance Committee of the BFSA has reviewed the proposed Mission Statement of the BFSA and has recommended its adoption by the BFSA Board.

NOW THEREFORE BE IT RESOLVED that the Buffalo Fiscal Stability Authority does hereby acknowledge that the following constitutes its mission statement:

"Created by the State of New York as a public benefit corporation, it is the mission of the Buffalo Fiscal Stability Authority to provide financial oversight over the budgets, financial plans and capital plans of the City of Buffalo and its covered organizations. BFSA shall undertake such actions as afforded to it under its creating legislation as necessary to assure the financial stability of the City and its covered organizations, to preserve the confidence of the investors and bond rating agencies, to uphold essential services to residents, to maintain affordable property taxes, and to protect the economy of both the region and the State as a whole."

The Board vote 7-0 to remove the item from the table.

Resolution Honoring Former Vice-Chair Alair Townsend

Chair Olsen advanced the agenda to the next item for consideration: Resolution No. 11-36, “Honoring Former BFSAs Vice-Chair Alair A. Townsend.”

He read aloud the following excerpts from the resolution:

WHEREAS, Governor Pataki appointed Alair A. Townsend as BFSAs first Vice Chairwoman on July 31, 2003; and

WHEREAS, during her tenure as Vice Chair, Ms. Townsend oversaw the adoption of nine financial plans, an adoption and the subsequent termination of a wage freeze imposed upon the City of Buffalo and its covered organizations, the increase of the City’s unreserved, undesignated fund balance indicating a strengthening of financial position, the establishment of a significant Rainy Day Fund, and the agreement of several affordable collective bargaining agreements with numerous employee groups; and

WHEREAS, after eight years of tireless service and as the longest standing active board member of BFSAs, Ms. Townsend has resigned as Vice Chair in order to more fully focus on her new leadership role as the President of the Greater New York Councils’ Boy Scouts of America.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby honor and appreciate Alair A. Townsend, for her outstanding contributions to the Buffalo Fiscal Stability Authority, and to the betterment of the City of Buffalo, its citizens and the Western New York community.

Chair Olsen requested a motion to approve the resolution honoring former BFSAs Vice-Chair Alair Townsend.

Director Johnstone offered a motion to approve the resolution.

Secretary Arthur offered a second to approve the resolution.

**RESOLUTION NO. 11-36
HONORING FORMER BFSAs VICE CHAIR ALAIR A. TOWNSEND**

WHEREAS, on July 3, 2003, previous New York State Governor George Pataki signed into law Chapter 122 of the Laws of 2003, also known as the Buffalo Fiscal Stability Authority Act, which created the Buffalo Fiscal Stability Authority (“BFSAs”), in order to assist in the restoration of fiscal stability in the City of Buffalo and within its covered organizations; and

WHEREAS, Governor Pataki appointed Alair A. Townsend as BFSAs first Vice Chairwoman on July 31, 2003; and

WHEREAS, Ms. Townsend provided a strong voice and innumerable years of experience, ranging from her time as New York City’s Deputy Mayor for Finance and Economic Development and an Editor/Publisher at Crain’s New York Business, and furthermore to the BFSAs and ensured that the fiscal health of Buffalo continued to improve over the course of her tenure; and

WHEREAS, during her tenure as Vice Chair, Ms. Townsend oversaw the adoption of nine financial plans, an adoption and the subsequent termination of a wage freeze imposed upon the City of Buffalo and its covered organizations, the increase of the City's unreserved, undesignated fund balance indicating a strengthening of financial position, the establishment of a significant Rainy Day Fund, and the agreement of several affordable collective bargaining agreements with numerous employee groups; and

WHEREAS, after eight years of tireless service and as the longest standing active board member of BFSA, Ms. Townsend has resigned as Vice Chair in order to more fully focus on her new leadership role as the President of the Greater New York Councils' Boy Scouts of America, as it continues to provide positive experiences and opportunities to young men and women in the greater New York City region; and

WHEREAS, Ms. Townsend has been tireless in working to promote the mission of BFSA to help restore long-term fiscal stability to the City of Buffalo and its covered organizations; and

WHEREAS, despite her resignation from the BFSA Board, Ms. Townsend's contributions to BFSA and the community will endure.

NOW THEREFORE BE IT RESOLVED that the Buffalo Fiscal Stability Authority does hereby honor and appreciate Alair A. Townsend, for her outstanding contributions to the Buffalo Fiscal Stability Authority, and to the betterment of the City of Buffalo, its citizens and the Western New York community.

Chair Olsen added that Ms. Townsend is a remarkable person and that her many contributions to the City of Buffalo will not be forgotten. She is the longest tenured member of the Board and rarely missed a meeting.

The Board voted 7-0 to approve Resolution No. 11-36.

Privilege of the Floor

Chair Olsen extended the Privilege of the Floor to any attending member of the public who wished to comment publically regarding any matter discussed at the day's meeting. Hearing none, he advanced the agenda.

Evaluation Review

Ms. Mongold provided the Directors with the summary of the results of the Directors' evaluations, as compiled by the Governance Committee. She noted that the document will be filed along with BFSA's Annual Report, per the requirements of Public Authorities' Law.

Secretary Arthur offered a motion to accept the Director's Evaluation as submitted by the Governance Committee and include the document with BFSA's Annual Report.

Director Floss seconded this motion.

The Board voted 7-0 to accept the Directors' Evaluation, as submitted by the Governance Committee and include the document with BFSA's Annual Report.

Executive Session

Chair Olsen advanced the agenda to the next item for consideration: an Executive Session to discuss legal matters. He asked for a motion to exit into Executive Session.

Secretary Floss offered a motion to adjourn into Executive Session with the sole purpose of discussing legal matters.

Director Arthur seconded this motion.

The Board voted 7-0 to adjourn into Executive Session, pursuant to Public Officers Law, Article 7, §105, "Conduct of Executive Sessions."

The Board exited the public session at 2:11 PM.

BUFFALO FISCAL STABILITY AUTHORITY
Executive Session Minutes
October 3, 2011

The following are the minutes of the Executive Session of the Buffalo Fiscal Stability Authority (“BFSA”) held on Monday, October 3, 2011, in the fourth floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 2:16 PM.

Board Present: Arthur, Brown (proxy), Collins, Floss, Johnstone, Messiah and Olsen

Board Excused: Giardino

Staff Present: Link and Mongold

Additional: A. V. Buzard, Esq., Harris Beach, PLLC

Discussion of Legal Matters

The Board discussed various legal matters with relation to the BFSA.

The Board adjourned from Executive Session at 2:50 PM.

Adjournment from Executive Session

At 2:55 PM the Board returned to the first floor conference room. Chair Olsen asked for a motion to adjourn from the Executive Session.

Director Floss offered motion to return to open session.

Director Johnstone seconded the motion.

The Board voted 6-0 to return from Executive Session.

Chair Olsen noted that the Board had discussed various legal issues affecting the BFSAs in Executive Session.

Adjournment

Chair Olsen asked for a motion to adjourn the meeting.

Director Floss offered a motion to adjourn.

Director Mesiah seconded the motion.

The Board voted 6-0 to adjourn, Director Arthur was excused.

The meeting adjourned at 2:59 PM.