

BUFFALO FISCAL STABILITY AUTHORITY
Meeting Minutes
September 24, 2014

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA” or the “Authority”) held on Wednesday, September 24, 2014, in the first floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 1:18 PM.

Board Members Present

Arthur, Brown (proxy Estrich), Doherty, Floss, Jurasek, Messiah, Olsen and Poloncarz (proxy Williams)

Board Member(s) Excused

None

Staff Present

Collin, Link, N. Miller and Mongold-Robe

Additionally Present

Mr. James Magavern, Esq., BFSA Legal Counsel, Magavern Magavern & Grimm LLP
Ms. Barbara Smith, Chief Financial & Operating Officer, Buffalo City School District (“BCSD”)
Mr. Thomas E. Baines, Director of Administration, Buffalo Urban Renewal Agency (“BURA”)
Mr. Francisco Gusman, Engineer & Project Manager, BURA
Mr. Dave Adamski, Demolitions Coordinator, BURA
Mr. Keith Lucas, Director of Planning, BURA

Opening Remarks

Chair Olsen called the meeting to order and reviewed the meeting’s protocol.

Chair Olsen outlined the meetings of the Governance and Audit, Finance and Budget Committee meetings which took place earlier. He noted the following:

- The Governance Committee reviewed the BFSA’s Mission Statement and Performance Measurements report and had recommended approval by the full Board as well as distributed to the various covered entities that BFSA has oversight of. In addition, the Committee Members compiled a summary of the Board’s self-evaluation and approved its submission to the New York State Authorities Budget Office (the “NYS ABO”). This is an informational item only and does not require Board approval;
- The Audit, Finance and Budget Committee recommended that the full Board approve two (2) reports: the receipt and acceptance of the independent audit from the BFSA’s auditors, Lumsden & McCormick, LLP, and the approval of the BFSA’s fiscal year (“FY”) 2013-14 Annual Report.

Chair Olsen reviewed the remainder of the agenda for the meeting as follows:

- A request from the Mayor of the City of Buffalo (the “City”) for approval of the reallocation of efficiency grant funding to various projects;
- A presentation from the Director of Administration of the Buffalo Urban Renewal Agency (“BURA”), Mr. Thomas Baines, who will discuss recent BURA initiatives with the Board; and
- A discussion of communications to and from the Buffalo City School District (the “District”) Board of Education (the “BOE”) related to the impact on the District’s financial plan from the Vision Statement.

Chair Olsen called attention to the proposed calendar of BFSA meetings for the 2015 calendar year. He asked that each Director review the meeting schedule and contact Executive Director Jeanette Mongold-Robe if there are any scheduling conflicts. The final schedule of meetings will be brought to the full Board for vote at the December Board meeting.

Chair Olsen noted that prior to concluding the meeting the Privilege of the Floor would be extended to any member or members of the attending audience who wished to comment for the public record on any actions taken by the BFSA at the meeting.

Roll Call of Directors

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

City of Buffalo Commissioner of Administration, Finance, Policy, and Urban Affairs, Ms. Donna Estrich, represented Mayor Byron W. Brown, in accordance with Subdivision 1 of §3853 of the BFSA Act.

Erie County Constituent Services Assistant, Mr. Leonard Williams, represented County Executive Mark C. Poloncarz, in accordance with Subdivision 1 of §3853 of 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 signal designee....”

Approval of the Minutes of the Meeting held on August 4, 2014

Chair Olsen advanced the agenda to the first item for consideration: a review of the draft meeting minutes from August 4, 2014. He introduced Resolution No. 14-22: “Approving Minutes and Resolutions from August 4, 2014,” and requested a motion to approve the item.

Secretary Arthur offered a motion to approve Resolution No. 14-22.

Director Mesiah seconded the motion.

RESOLUTION NO. 14-22
APPROVING MINUTES AND RESOLUTIONS FROM August 4, 2014

BE IT RESOLVED that the Buffalo Fiscal Stability Authority hereby approves the minutes of its meeting on August 4, 2014.

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority ratifies and affirms Resolution Nos. 14-09 through 14-21 that were approved on August 4, 2014.

The Board voted 8-0 to approve Resolution No. 14-22.

Chair Olsen reordered the agenda to list BFSA Items as the first agenda item.

BFSA Business

BFSA Fiscal Year 2014 Independent Audit and Annual Report

Chair Olsen introduced the BFSA FY 2013-14 Independent Audit and Annual Report and reminded the Directors that the Audit, Finance & Budget Committee met earlier with the Authority's independent auditors and discussed the results of the 2013-14 audit. The Committee recommended that the full Board accept and approve the Audited Financial Statements. Ms. Donna Gonsler, audit partner from Lumsden McCormick, was present to address any questions and/or comments related to the independent audit.

Chair Olsen offered an opportunity for questions and/or comments on this item. Director Floss thanked Executive Director Jeanette Mongold-Robe and the BFSA staff for their hard work and the "clean" audit.

Chair Olsen concurred and noted the office has a lean and effective staff.

Director Floss made a motion to accept the BFSA FY 2014 Independent Audit.

Secretary Arthur seconded the motion.

The Board voted 8-0 to accept the BFSA FY 2014 Independent Audit.

BFSA's 2014 Annual Report

Chair Olsen introduced the BFSA's 2014 Annual Report and once again reminded the members the Audit, Finance & Budget Committee recommended the BFSA's 2014 Annual Report, in substantially its final form, be accepted and that authority be delegated to the Chair, Vice Chair, Executive Director and Comptroller to make any changes necessary for its accurate completion.

The BFSA is required to file the Annual Report with the New York State Office of the State Comptroller. It details BFSA's activities for the 2014 fiscal year and has been prepared following guidelines provided by the New York State Office of the Comptroller. The report will be submitted to various New York State ("State") officials and will also be made available on the BFSA website.

Chair Olsen called for a motion to receive, accept, and approve the Independent Audit Report. Director Floss made a motion to receive, accept, and approve the Annual Report. Secretary Arthur seconded the motion.

The Board voted 8-0 to receive, accept, and approve the Independent Audit Report.

Chair Olsen called for a motion to approve the BFSA's Annual Report in substantially its final form, and to delegate to the Chair, Vice Chair, Executive Director and Comptroller the authority to make any necessary changes that may be required for its accurate completion.

Director Mesiah made such a motion and Director Floss seconded the motion.

RESOLUTION NO. 14-24 APPROVE INDEPENDENT AUDIT REPORT AND ANNUAL REPORT FOR FISCAL YEAR 2013-14

WHEREAS, Chapter 122 of the Laws of 2003, as amended, requires that the Buffalo Fiscal Stability Authority ("BFSA") 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 & McCormick, LLP, was selected and has conducted an audit of the BFSA's general ledger; and

WHEREAS, Lumsden & McCormick, LLP, has presented the results of their independent audit and the related Independent Auditors' Report on the BFSA's financial statements for the fiscal year ended June 30, 2014, to the Audit, Finance and Budget Committee; 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 of New York, detailing its operations and activities as well as other budgetary and financial data; and

WHEREAS, the Public Authorities Reform Act of 2009 maintains existing annual report requirements; and

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

WHEREAS, much of the data and additional information within the annual report is required by regulations promulgated by the State Comptroller; 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 September 30, 2014; and

WHEREAS, the BFSA staff has presented for approval a draft of the 2013-14 Annual Report in substantially its final form.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby accept the Lumsden & McCormick, LLP, Independent Auditors' Report on BFSA's Financial Statements for the Year Ended June 30, 2014, and the BFSA's Annual Report for the year ended June 30, 2014, as prepared by the BFSA staff; and

BE IT FURTHER RESOLVED, that the Chair, the Vice Chair, the Executive Director, and the Comptroller are hereby authorized to make such changes to the 2013-14 Annual Report and 2013-14 Audited Financial Statements for the year ended June 30, 2014, 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.

The Board voted 8-0 to approve the Annual Report, in substantially its final form, and to delegate to the Chair, Vice Chair, Executive Director and Comptroller the authority to make any necessary changes that may be required for its accurate completion.

Mission Statement and Performance Measurements Report

Chair Olsen introduced the next item pertaining to BFSA business: the Mission Statement and Performance Measurements Report. The report is required to be submitted to the New York State Authorities Budget Office pursuant to State Public Authorities Law and is required to be posted on the BFSA website.

The report required updating as BFSA's statutory requirements have changed as a result of entering an advisory period, which in turn changed some of the responsibilities of the Board. Chair Olsen reminded the Board members the Governance Committee had met earlier and reviewed the report in detail. The committee approved sending the report to the full Board with a recommendation for approval.

Chair Olsen called for a motion to approve the Authority Mission Statement and Performance Measurements report. Director Floss made a motion and Director Mesiah seconded the motion.

RESOLUTION NO. 14-25
APPROVAL OF THE BUFFALO FISCAL STABILITY AUTHORITY'S MISSION STATEMENT AND PERFORMANCE MEASUREMENTS REPORT

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

WHEREAS, the BFSA, as a New York State public authority, is subject to the provisions of the Public Authorities Accountability Act of 2005, as modified by Chapter 506 of the Laws of 2009 ("Public Authorities Law"); and

WHEREAS, Section 2824-a of Public Authorities Law requires state public authorities to develop a mission statement and performance measures; and

WHEREAS, the BFSA's Mission Statement was reaffirmed by the BFSA by Resolution No. 14-12 on August 4, 2014; and

WHEREAS, upon reviewing the Mission Statement and Performance Measurements report, BFSA staff determined that modifications were necessary in order to address the change in powers and responsibilities resulting from the determination to transition from a control period to an advisory period; and

WHEREAS, the Governance Committee of the BFSA has reviewed the Mission Statement and Performance Measurements report of the BFSA; and

WHEREAS, as a matter of good governance, the Governance Committee has recommended approval of the report by the BFSA Board of Directors.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby accept the recommendation by the Governance Committee and approves the Authority Mission Statement and Performance Measurements report in its present form.

This resolution shall take effect immediately.

The Board voted 8-0 to approve the Authority Mission Statement and Performance Measurements report.

City of Buffalo

Request for Budget Modifications for Projects Funded by Efficiency Grants

Chair Olsen advanced the agenda to the next item for consideration: the request by the Mayor to approve the redesignation and reallocation of efficiency grant funds. Under the BFSA Act, the BFSA is required to approve the spending plan for efficiency grant funding. Chair Olsen deferred to Principal Analyst, Mr. Bryce Link, to review the item.

Mr. Link reviewed the proposed changes to the approved efficiency grants as requested by the Mayor. The current approved designations totaling \$422,694 are as follows:

- \$250,000: pay-and-display parking meter heads;
- \$92,821: fuel tracking ring system;
- \$56,009: Delaware Park radio tower upgrades; and
- \$23,864: a vacant and distressed property data system.

The proposed redesignation of funds moves \$417,694 from the above projects to the following:

- \$169,500: online Assessment Roll System (“OARS”) software and pictometry;
- \$89,571: print shop printer, software and cutter;
- \$78,750: single head parking meters;
- \$56,009: Citywide cameras;
- \$23,864: demolitions.

There is a net balance of \$5,000 remaining available to be redesignated.

Mr. Link reviewed a chart demonstrating the projects discussed above, their original authorization, and where the proposed changes will come from. Currently the City has approximately \$1,231,328 million remaining in efficiency grant dollars they can be draw down for reimbursement. A reimbursement for some of these funds from the BFSA to the City will occur within the next month.

Ms. Mongold-Robe brought attention to the parking meters allocation and offered additional information on the item. The BFSA originally had approved \$250,000 for upgrades to the pay-and-display parking meter heads. Through a pilot program, the City learned that these meters do not make financial sense for the City due to the high credit card transaction fees. As an alternative, the City is installing single head meters with a “SMART” function, allowing meter payments through a smart phone. Ms. Estrich added that the single head meters with a “SMART” function will allow payment by coin or smart phone.

This concluded Mr. Link and Ms. Mongold-Robe’s review. There were no further questions or comments on this item.

Chair Olsen called for a motion to approve the use of efficiency grant dollars as requested by the Mayor.

Secretary Arthur offered a motion. Director Floss seconded the motion. The Board voted 8-0 to approve the use of efficiency grant dollars as requested by the Mayor.

Buffalo Urban Renewal Agency

Chair Olsen advanced the agenda to the next item of business: a presentation from Mr. Thomas Baines, Director of Administration of the Buffalo Urban Renewal Agency (“BURA” or the “Agency”), and deferred to Mr. Baines to discuss BURA initiatives with the Board.

Mr. Baines began his presentation by letting the Board members know he and the BURA staff present would provide a glimpse into what BURA does as an agency and show some of the dynamic projects the agency had done throughout the years. BURA staff present included:

- Mr. Thomas Baines, Director of Administration;
- Mr. Francisco Guzman, Engineer and Project Manager;
- Dave Adamski, Demolitions Coordinator; and
- Keith Lucas, Director of Planning.

Mr. Baines reviewed BURA’s Mission Statement which states: “The City of Buffalo Urban Renewal Agency, strives to promote the expeditious undertaking, financing and completion of community development programs and create quality and vibrant urban living in Buffalo, New York, through neighborhood driven development projects. BURA achieves community development through expenditures development of and rehab of existing houses and/or apartments and offering technical and financial assistance to businesses and provides technical assistance and compliance to the City of Buffalo.”

BURA deals primarily with four (4) grants:

- The Community Development Block Grant (“CDBG”);
- The Housing Opportunities Made Equal (“HOME”);
- The Housing Opportunities for People With Aids (“HOPWA”); and
- The Emergency Shelter Grant (“ESG”).

Mr. Baines noted CDBG and HOME are BURA’s largest funding sources and the focus of the presentation with primary attention given to CDBG.

Community Development Block Grant

- CDBG began in 1974 and is currently the longest continuously running program at Housing and Urban Development (“HUD”);
- It provides annual grants on a formula basis for 1,209 general units of local government; the determination of how the funds are allocated is based on population;
 - Buffalo, being a large city in the State of New York, receives approximately \$13 million per program year, which is a significant amount of CDBG dollars;
- It is a flexible program and provides a wide range of resources to the City, from housing to economic development;
 - CDBG funds allow Buffalo to develop viable communities by providing decent housing and a suitable living environment, and provides opportunities to expand economic opportunities principally for low - and moderate - income persons;

- CDBG funds, except for program administration and planning activities, must meet one (1) of three (3) national objectives, or the project can't be funded by CDBG dollars. The objectives are:
 - Benefit to low and moderate income persons;
 - Aid in the prevention or elimination of slums or blight; and
 - Meet a need having a particular urgency or some level of emergency.

Housing

Mr. Baines reviewed the Emergency Repair Program (the "ERP"). The ERP is a key program administered at BURA using CDBG funding and must meet the following criteria:

- Its primary national objective is to meet an urgent need;
- It provides assistance to address emergency situations to income eligible homeowners;
- Eligible homeowners must have resided in the property for at least one (1) year;
- It is a loan program with a flexible repayment schedule; and
- Eligible repairs include crucial repairs such as: a break in the sanitary system or water service, a leaky roof, a hazardous chimney, a defective hot water heater, electrical hazards at the main panel, a defective heating system or a gas line repair.

Mr. Baines concluded his presentation.

Demolitions and Clearance

Mr. Baines introduced Mr. Dave Adamski to brief the Board on the demolitions and clearance process.

Mr. Adamski began his presentation by noting that the goal of City Inspections and Permit Services is to improve the health and safety of the citizens of the City of Buffalo. Inspections and Permit Services works closely with the Office of Strategic Planning, which targets the properties which qualify for demolition through the HUD Program. The priority is to remove dilapidated residential and commercial properties especially those around schools, community centers and religious institutions, reducing the slum, blight and improving overall health and safety.

Chair Olsen and Director Mesiah both inquired whether demolitions occur solely to improve quality of life in any neighborhood rather than those within a certain proximity to schools, community centers and religious institutions. Mr. Adamski replied they do and commonly occur to damaged vacant structures resulting from arson. Mr. Adamski discussed the department's "triage" approach – the identification and demolition of a vacant property with the intent to help stabilize a neighborhood before more properties in the area become damaged.

Mr. Adamski noted that with the assistance of CDBG funding, Inspection and Permit Services has been able to demolish 193 properties since May 1, 2013. A total of \$4,552,176 has been spent on demolitions since May 1, 2013.

Chair Olsen inquired about reimbursement from the property owner especially when asbestos or other hazardous materials are found to be on the property during the inspection process. Mr. Adamski confirmed that the owner of property is billed, and noted the difficulty in receiving payment. The bill is sent to the last address on record in the City Assessment Office, which is often the vacant address the property is being demolished at.

Mr. Adamski presented a slide show of before and after demolition photos of a few properties for the Board. Chair Olsen asked who owned the property once the structure is demolished. Mr. Adamski replied ownership is not with the City until foreclosure; the Office of Strategic Planning would need to go to the City auction and request the vacant lot be sold to the City. The vacant lot may be available to the community for such things as a “community garden.”

This concluded Mr. Adamski’s presentation.

Director Jurasek asked for some clarity on the demolition process. Mr. Adamski is employed through BURA and works closely with the Office of Strategic Planning, a City department, which ultimately decides which properties are demolished. The information before the BURA relates to BURA; the City does have a separate budget for demolitions. Both the City and BURA perform demolitions to improve quality of life and both work with the Permit and Inspection Services Office.

Public Facilities Improvements

Mr. Francisco Guzman reviewed this item for the Board. Mr. Guzman’s job is to manage public facilities improvements with the Office of Strategic Planning in conjunction with the Department of Public Works, Parks & Streets, through BURA.

Mr. Guzman presented a slideshow of four (4) pre- and post-construction projects for the community to enhance the quality of life and reviewed each for the Board. Mr. Guzman informed the Board members that over \$400,000 of BURA dollars had been used to pave over 30,000 square yards of streets. By the end of this construction year, it is anticipated over \$1.7 million will have been spent on street paving; over 210,000 square feet of sidewalks will have been replaced. Sidewalks are more labor intensive than paving a street.

This concluded Mr. Guzman’s presentation.

Chair Olsen noted and Mr. Guzman concurred that most BURA public improvements are done in conjunction with the City’s Department of Public Works, Parks and Streets. The Department of Public Works, Parks and Streets does have its own funds for improvements with BURA funds supplementing them.

Director Jurasek asked for some clarity on the funding sources for this process. The Department of Public Works, Parks and Streets uses municipal funds for improvements while BURA uses federal funds on HUD eligible projects. The determination of the type of funds used is based on the eligibility of the project.

Mr. Baines again addressed the Board and noted the programs reviewed to this point are funded through CDBG funds. Chair Olsen inquired if decisions for use of CDBG funds are made at BURA or if the decision is made in coordination with City representatives. Mr. Lucas, Director of Planning in the Office of Strategic Planning, was present in the audience and reviewed the process. The City Department of Public Works, Parks and Streets is responsible for the labor, while planning is performed by and decisions are made by the Office of Strategic Planning. Available funding sources are identified and funds are allocated for appropriate projects. Funding sources include the general fund, capital fund, or CDBG dollars. Due to the restrictions on the use of federal funds, projects which qualify to use these funds are identified and earmarked for these projects. This leaves less-restrictive funds available for other projects. The CDBG budget is approved by the Common Council.

Secretary Arthur's comment focused on sidewalk repair. If City funds are used to repair a sidewalk, the property owner needs to reimburse the City; if federal funds are used, the property owner does not need to reimburse the cost.

Secretary Arthur sought clarification on the CDBG budget approval process by the City Common Council. Ms. Estrich addressed the question and noted that the CDBG budget is now approved by the Common Council. This practice began in the last couple of years. BURA has public meetings and discusses the budget.

Housing Opportunities Made Equal Investment Partnership Program

Mr. Baines reviewed the second largest funding source BURA receives – the HOME Investment Partnership Program. This year, BURA received \$2.7 million for this program.

HOME Funds are regulated in a different manner than CDBG funds; it:

- is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households;
- provides formula grants to states and localities and is often in partnership with local nonprofit groups;
- may provide direct rental assistance to low-income people; and
- funds a wide range of activities including building, buying and/or rehabilitating affordable housing for rent or homeownership.

As an example of a project where HOME funds were used, Mr. Baines reviewed the 363 East Ferry Street new construction townhouses. The non-for-profit organization BURA partnered with was Second Chance Ministries, Inc. A long vacant structure previously on the property was demolished to create six (6) townhouse units, one (1) being wheelchair accessible, all homes feature energy efficient appliances and an in-unit washer and dryer.

This concluded Mr. Baines' presentation on the HOME Investment Partnership Program.

Chair Olsen asked about the relationship between BURA and Housing Opportunities for People with Acquired Immune Deficiency Syndrome (“AIDS”). Mr. Baines replied they work with not-for-profits to provide funding for these purposes.

Planning

Mr. Baines deferred to Mr. Lucas to discuss the Planning Division role in BURA, specifically neighborhood planning. Neighborhood planning means working with residents to assess conditions and prepare strategies to make neighborhoods across the City more attractive.

A large project just being wrapped up is the Green Code. Green Code is a City-wide economic development strategy which includes a new land use plan and a revised zoning ordinance. It will set the development framework for future investments.

The Planning Division has also been involved with brownfield opportunity areas which are the remediation and reuse of former industrial sites. Currently there are remediation efforts in City neighborhoods including the areas of South Buffalo/Riverbend, Tonawanda Street Corridor, Buffalo River and the Buffalo Harbor, including the outer harbor. The process has been looking at how to revitalize these areas and bring in new investments for development.

This concluded Mr. Lucas’ presentation.

Director Floss highlighted the child poverty numbers released recently and noted that Buffalo has a high number of children living in poverty. He asked if any of BURA funds are targeted specifically to account for the large number of area children living in poverty. Mr. Lucas replied the CDBG program is designed around a community’s poverty rate and population, and drives the funding. Pertaining to housing specifically, funding is available to both renters and owners to rehabilitate homes, build new homes, and renovate homes. BURA also provides funds to human service agencies through CDBG; some work specifically on child-focused issues while other agencies are more broad-based. Mr. Lucas noted City youth centers are also funded with these grants. Although Buffalo’s poverty rate is high, the region is below the national average. With the Mayor’s support BURA is committed to finding any available funding sources and using funds to focus on these issues in targeted neighborhoods.

Director Floss stressed the need to consider options for smaller children such as smaller neighborhood playgrounds and child-friendly homes and neighborhoods. Mr. Lucas reiterated that this was the intent of the funds. There is steady job growth within the City and the City would like these new employees to also be City residents.

Director Mesiah inquired if the new housing being constructed was near and convenient to public transportation. Mr. Lucas replied a primary objective of the Green Code is living space that is walkable and convenient to public transportation; a 15 minute walk to public transportation zone is considered for every residential project. The City is trying to encourage more housing and redevelopment along areas that are within a 15 minute walk of bus and metro stops. The idea is to target redevelopment in higher density areas.

On the behalf of the Board Members, Chair Olsen thanked the BURA staff for their presentation and the valuable information they shared.

Buffalo City School District

Chair Olsen advanced the agenda to the final item: a discussion on the recent communications to and from the Buffalo Board of Education which resulted in a total of three (3) letters over the past month. Copies of the letters had been included in the board book.

Chair Olsen offered the following history on this item: at the August 4, 2014, Board meeting, the BFSA Board discussed at length the Vision Statement as released by the Board of Education to the Buffalo News and the potential effect of the plans outlined in the Vision Statement to the financial stability of the District. As a result of the Board's dialogue and subsequent resolution, a letter was sent to the Board of Education President and the Interim Superintendent requesting a modified financial plan based on the components as provided for within the Vision Statement. At that time, a copy of the Board's resolution from May 2014 requesting a delineated programs-to-eliminate the gap plan (or "PEG plan") was forwarded as well.

The letter was subsequently discussed at a Board of Education meeting. The Interim Superintendent was directed by the Board of Education to respond that the Vision Statement had not been discussed at that time by the Board of Education and had not been formally adopted. There is presently no approved Vision Statement that would affect the financial plan.

Chair Olsen sent a follow up response indicating his general agreement with this position. However, he noted that there has been recent dialogue at Board of Education meetings where the conversion of District schools, in particular Bennett, East and Lafayette high schools, into charter schools had been discussed. The letter clarifies the Board's position that any financial analysis should be provided to the BFSA before any final approvals by the Board of Education are made. It was also reiterated that a detailed PEG plan is needed as soon as practical.

Chair Olsen opened the floor to any comments or discussion from the Directors.

Director Floss noted that inaction is an action in and of itself. The District's lack of adopting a plan is just as important for the Board to consider as if they had adopted a plan. Director Floss requested that Interim Superintendent Donald Ogilvie be invited to a BFSA meeting to get a clear understanding of the process and timeline.

Chair Olsen agreed and reminded the BFSA that in the past there have been discussions on the obtaining and forfeiting of funding based on actions or inactions taken by the District administration or the Board of Education. BFSA can await a response on the Vision Statement and agreed it was important to focus on the planning aspect, especially with respect to the three (3) high schools (Bennett, East & Lafayette) presently under discussion for operational changes. The interest of the BFSA is financial, as that is the statutory responsibility of the Board.

Chair Olsen proposed awaiting a response from the Board of Education then issuing a formal invitation to the Interim Superintendent to attend a meeting and begin dialogue.

Secretary Arthur inquired as to what is Chair Olsen's deadline was for waiting to receive a response from the Board of Education. He replied that he hoped for a response sooner rather than later as this is a matter of continuing concern and planning budgets needs to be considered. A revised financial plan is necessary. He sent a deadline of one week from this meeting (October 1, 2014) for the receipt of a response. If no response is received, he requested the Board authorize him to request Interim Superintendent Ogilvie to attend the next meeting.

Director Jurasek made a motion to authorize Chair Olsen to request Interim Superintendent Ogilvie to attend the next meeting.

Director Floss seconded the motion.

The Board voted 8-0 to authorize Chair Olsen to request Interim Superintendent Ogilvie to attend the next meeting.

BCSD Chief Financial and Operating Officer, Ms. Barbara Smith, was present at the proceedings. Chair Olsen extended an opportunity to her to address the Board. Ms. Smith asked to bring BFSA up-to-date on where the Board of Education is in their process.

Ms. Smith provided the following information:

- At the Board of Education meeting scheduled for September 24, 2014, the Board will be discussing the status of Public School #39, Martin Luther King Multicultural Institute, and Public School #200 Bennett High School.
 - There will be a resolution to adopt a phase out/phase in process for School #39;
 - Bennett High School has already been approved as a phase-out/phase-in school;
 - New York State has given the Board of Education FY 2014-15 as a planning year, with implementation in FY 2015-16, if possible, but more likely FY 2016-17; and
 - The options for the schools are much more complex than what has been reported in the media. Ms. Smith offered to meet with the Board to educate them more on the process.
- As for the Vision Statement, the Board of Education decided at their last meeting to invite a facilitator to meet with them to help set their priorities and vision for the future of the District. The Vision Statement released in July was not endorsed by the full Board of Education and has been set aside while they go through this process.

Chair Olsen replied that BFSA's primary focus is not the Vision Statement. It would be helpful for Mr. Ogilvie to attend a BFSA meeting to further the flow of dialogue and learn about the process and financial ramifications of closing a school and reopening it, as well as discussions surrounding the PEG plan.

Ms. Smith suggested a discussion with the Board of Education members may be valuable since it is they who ultimately set the priorities. Chair Olsen indicated his willingness to meet with the Board of Education.

Director Jurasek asked for clarification on the Board's next step. Chair Olsen noted a response to the letter from Mr. Ogilvie is expected and if not received he will be asked to attend a BFSA board meeting.

This concluded the discussion regarding recent communications to and from the Board of Education.

This concluded the business section of the September 24, 2014, BFSA meeting.

Privilege of the Floor

Chair Olsen extended the Privilege of the Floor to any attending member of the audience who wished to comment on any actions taken by the BFSA at the meeting.

Ms. Marilyn Gallivan asked if the Board had considered a joint public meeting with the Board of Education, possibly at the Buffalo and Erie County Public Library or another public venue, available to accommodate many community residents. Chair Olsen replied this is worth considering; however, dialogue with the District and the new Interim Superintendent needs to be established first.

Adjournment

Chair Olsen announced the meeting of the Buffalo Fiscal Stability Authority has concluded and requested a motion to adjourn.

Secretary Arthur offered a motion to adjourn.

Director Floss seconded the motion.

The Board voted 8-0 to adjourn.

The Board adjourned at 2:31 PM.