

BUFFALO FISCAL STABILITY AUTHORITY
Meeting Minutes
June 22, 2015

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA” or the “Authority”) held on Monday, June 22, 2015, in the first floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 1:00 PM.

Board Members Present

Chair R. Nils Olsen
Secretary George K. Arthur
Mayor Byron W. Brown (proxy Estrich)
Director Richard T. Jurasek
Director Frank B. Mesiah
County Executive Mark C. Poloncarz (proxy Williams)

Board Member(s) Excused

Vice-Chair Brigid Doherty
Director Fredrick Floss

Staff Present

Executive Director Jeanette M. Mongold-Robe
Comptroller Robert L. Miller
Principal Analyst/Media Liaison Bryce E. Link
Senior Financial Analyst/Manager of Technology Nathan D. Miller
Administrative Assistant Nikita Fortune

Additionally Present

Mr. James L. Magavern, Esq., Magavern Magavern & Grimm LLP

Opening Remarks

Chair Olsen welcome everyone to the June Board meeting, thanked all that were in attendance, reviewed the logistics of the meeting, and reviewed the meeting’s agenda.

Roll Call of the Directors

Secretary Arthur called the roll, noting that Vice Chair Doherty was absent and had resigned from her position on the Board effective at the end of her term on June 30th. A quorum being present, the meeting commenced.

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 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....”

Chair Olsen introduced Resolution No. 15-07, “Approving Minutes and Resolutions from May 20, 2015.”

Director Mesiah made motion to approve.

Mr. Williams seconded the motion.

The Board voted 5-0 to approve Resolution No. 15-07.

Chair Olsen reordered the agenda to review the tentative labor agreement between the Buffalo City School District (“BCSD” or the “District”) and the Transportation Aides of Buffalo (“TAB”).

Buffalo City School District

Tentative Labor Agreement with Transportation Aides of Buffalo

Chair Olsen acknowledged the attendance of BCSD staff to address any questions the Board may have regarding the tentative labor agreement and thanked District Chief Financial and Operating Officer, Ms. Barbara Smith for her work with BCSD. He asked Senior Financial Analyst/Manager of Technology Nathan Miller to provide a summary of the staff’s analysis.

Mr. Miller presented the staff’s analysis of the tentative labor agreement. Bus aides are responsible for helping the bus drivers maintain order on the bus and approximately half of the bus aides assist with special education students. They have been without a contract since June 30, 2014. This agreement would be enforced until June 30, 2018. The union president and interim superintendent have agreed to the terms. The contract has been approved by the union body. The gross cost of the contract is \$2.7 million. There are no specific cost savings; however, the salaries and benefits of aides that work with special education students are reimbursable to the District through NYS transportation aid. This reimbursement provides approximately 90% of the total cost of the contract. Therefore, there is a net cost of the contract of just under \$2.0 million. It was found that all prospective costs of the contract are fully funded. In light of the City of Buffalo’s (“COB”) living wage policy, both parties agree that the full benefit package meets the minimum living wage qualification even though the hourly wage does not.

Chair Olsen questioned if the former union officials that had plead guilty from stealing from the union’s bank account were involved in this contract negotiation. District Executive Director for Labor Negotiations, Mr. Nate Kuzma, confirmed that these individuals were not involved in the negotiations.

Secretary Arthur made a motion to approve the item.

Director Mesiah seconded the motion.

City of Buffalo Commissioner of Finance, Administration, Policy & Urban Affairs, Ms. Donna Estrich entered the meeting as proxy for Mayor Brown at 1:15 PM.

Director Jurasek noted that a large portion of the prospective costs associated with the tentative labor contract were reimbursable from the State of New York and asked how timely these reimbursements were made. Mr. Miller stated that approximately 90% of the District's compensation for bus aides that provide services for the District's students with disabilities was reimbursable in the following year's New York State Transportation Aid. Ms. Smith confirmed this and noted that it was mandated via New York State Education Law.

The Board voted 6-0 to accept the staff's analysis report on the tentative labor agreement.

Final FY 2015-16 Budgets and Related Four-Year Financial Plans

Chair Olsen advanced the agenda to discuss final FY budgets and related four-year plans for the City of Buffalo (the "City"), the Buffalo City School District, the Buffalo Urban Renewal Agency ("BURA"), and the Buffalo Municipal Housing Authority ("BMHA"). The budgets and financial plans were submitted to the BFSA on May 1st. The financial plan of BMHA was found to be incomplete due to the projected employment levels being inconsistent with the projected costs of personnel services. A revised staffing plan was submitted to BFSA by BMHA on June 4, 2015 and a revised report was written by staff based on the new information. BFSA staff met with BMHA for more clarification.

The City made some modifications to their FY 2015-16 budget and a final plan was submitted to BFSA. There were no changes made to the BCSD nor BURA budgets and financial plans.

Buffalo Municipal Housing Authority

Chair Olsen noted that BMHA officials are not present to answer questions the Board may have. There was discussion among the Directors as to whether the BMHA plan can be scoped out of the plan.

BFSA's outside legal counsel, Mr. James L. Magavern, Esq., advised that the statute sees a single financial plan for the City which includes the Covered Organizations.

Secretary Arthur raised the concern about BMHA having received a letter from the United States Department of Housing and Urban Development ("HUD") addressing the possibility of being taken over. The takeover is not mentioned within the financial plan.

Chair Olsen agreed with Secretary Arthur on BMHA's omission in addressing this important issue and insisted that BMHA attend the next BFSA Board meeting to answer questions of the Directors and public as necessary.

Director Jurasek also stated his dissatisfaction with BMHA and their absence at the meeting. He stated that their absence and lack of communication with the board of Directors makes it impossible for the Board to do their advisory work effectively.

Secretary Arthur made a motion to separate the BMHA 2015-16 budget and four-year financial plan from the City's FY 2016-2019 Financial Plan.

Mr. Williams suggested that the Board implicitly state who they want to attend the next BFSA Board meeting.

The BFSA Board suggested various revisions to the proposed Resolution No. 15-08, “Determination with Respect to the City of Buffalo 2016-2019 Four Year Financial Plan.”

Mr. Magavern incorporated the Board’s recommended amendments into the draft resolution to read as follows:

BUFFALO FISCAL STABILITY AUTHORITY RESOLUTION 15-08
DETERMINATION WITH RESPECT TO THE CITY OF BUFFALO 2016-2019 FOUR-YEAR FINANCIAL PLAN

WHEREAS, Article 10-D Title 2 of the New York State Public Authorities Law (the "BFSa Act"), requires the City of Buffalo (the “City”) to submit a four-year financial plan that includes the City of Buffalo, the Buffalo City School District (the “District”), the Buffalo Municipal Housing Authority (the “BMHA”) and the Buffalo Urban Renewal Agency (the “BURA”) (collectively the “Financial Plan”) along with the Mayor’s proposed City budget to the Buffalo Fiscal Stability Authority (the “BFSa”); and

WHEREAS, the City of Buffalo submitted the proposed City budget and related four-year Financial Plan to the BFSa on May 1, 2015; and

WHEREAS, the BFSa determined on May 20, 2015 that the Financial Plan was incomplete; and

WHEREAS, the BFSa determined that the BMHA was to submit a revised Financial Plan that provided projected employment levels consistent with projected costs for personal services, or alternatively was to provide evidence to support the employment levels and corresponding projected personal service costs as provided within the Financial Plan dated May 1, 2015; and

WHEREAS, the BMHA has submitted a revised Financial Plan and additional information but has failed to appear at this meeting to clarify such information; and

WHEREAS, the BFSa has reviewed these submissions.

NOW THEREFORE BE IT RESOLVED, that with the exception of the plan for the BMHA, the BFSa hereby determines that the four-year Financial Plan for fiscal years 2015-16 through 2018-19 is complete and complies with the standards set forth in BFSa Act §3857, subd. 2.

BE IT FURTHER RESOLVED, that the Chair of the BMHA’s Board of Commissioners and appropriate staff are requested to attend the next BFSa meeting on Wednesday, July 29, 2015, at 1:00 P.M., in the first floor conference room of 617 Main Street to clarify such information and discuss its plan with the BFSa Board of Directors and the public.

Secretary Arthur offered a motion to approve Resolution No. 15-08 as amended.

Chair Olsen seconded this motion.

The Board voted 6-0 to approve Resolution No. 15-08 as amended.

There was open discussion that the rejection of the 2015-16 budget and four-year financial plan of BMHA had no effect on the acceptance of the 2015-16 budgets and financial plans of COB, BCSD and BURA. It was also understood that BMHA would continue provisionally until they appear at the next board meeting on July 29, 2015.

City of Buffalo

Chair Olsen advanced the agenda to the next item for consideration: a review of the City of Buffalo's final FY 2015-16 budget. He asked Principal Analyst/Media Liaison Bryce E. Link to provide the Board with a summary of the staff's analysis.

Mr. Bryce E. Link gave a presentation on the modifications made by the Buffalo Common Council changes to the 2015-16 final budget. There was no increase in expenditures and all expenditure changes totaled a net zero.

Chair Olsen stated that there is still concern in the amount of tax exempt development occurring in the City, especially in light of the fact that property taxes have not increased and there is no increase projected for New York State Aid and Incentives to Municipalities.

Director Mesiah questioned if anyone is analyzing the effects of the tax breaks in the next 10-15 years when the tax breaks expire and the exempt business start paying taxes.

Ms. Estrich advised that there is a schedule for when the tax breaks end.

Chair Olsen expressed his concern for the lack of information being disseminated from the City to its residents with respect to plans for improvement for the City as a whole and not just the sectors that are currently experiencing tremendous economic, technology and construction growth.

Secretary Arthur moved to approve the report given by Mr. Link.

Director Mesiah seconded the motion.

The Board voted 6-0 to accept the staff's analysis report.

Buffalo Fiscal Stability Authority
BFSA FY 2015-16 Budget and FY 2016-2019 Financial Plan

Chair Olsen advanced the agenda to the BFSA's proposed FY 2015-16 Budget and FY 2016-2019 Financial Plan. He introduced Resolution No. 15-09, "Adoption of 2015-16 Buffalo Fiscal Stability Authority Budget And 2016-2019 Four Year Financial Plan." The BFSA's Audit, Finance and Budget Committee met earlier and approved a motion to send the document to the full Board with a recommendation for approval. There had been no changes to the budget since its original submission in March 2015.

Secretary Arthur made a motion to approve.

Director Mesiah seconded the motion.

The Board voted 6-0 to approve Resolution No. 15-09.

Recognition of Vice-Chair Brigid Doherty

Chair Olsen informed the Board that Vice-Chair Doherty was resigning from her position on the Board when her term expires on June 30, 2015. Her decision was based on the time commitment required for her new position as the Executive Director of the Cullen Foundation.

Chair Olsen introduced Resolution No. 15-10, Honoring Buffalo Fiscal Stability Authority Vice-Chair Brigid Doherty and read excerpts of the resolution.

Secretary Arthur made a motion to approve.

Director Mesiah seconded the motion.

The Board voted 6-0 to approve Resolution No. 15-10.

Chair Olsen noted that Vice-Chair Doherty's absence leaves the Board with two vacancies and a lack of female representation.

Secretary Arthur stated that he has been on the BFSA Board for eight year and is not seeking reappointment when his term expires on June 30, 2015. He then read the terms of the current Board members which are as follows:

- Director Mesiah's term expired in 2011 and is serving as a four year carryover appointment.
- Director Floss' term expires in 2017.
- Director Jurasek's term expired in 2013 and is serving as a two year carryover appointment.
- Chair Olsen's term ends on June 30, 2015.

There has been a vacant board position since June 2009.

Chair Olsen stated he is willing to go to Albany to speak to people personally regarding the lack of Board member appointments for BFSA.

Secretary Arthur made a motion to appoint Director Jurasek as Interim Vice-Chair.

Director Mesiah seconded the motion.

Director Jurasek stated he was willing to be considered.

The Board voted 6-0 to appoint Director Jurasek as BFSA's Interim Vice-Chair pending the appointment of a permanent Vice-Chair by the Governor of New York.

Director Jurasek made a motion to exit into executive session pursuant to New York State Public Officers Law , Article 7 §105(f).

Secretary Arthur seconded the motion.

The Board voted 6-0 to reconvene into an executive session.

Privilege of the Floor

Chair Olsen noted that prior to exiting into an executive session, the Board would extend the Privilege of the Floor to any member of the attending public who wished to comment for the public record on any actions taken by the Board at the day's meeting.

Ms. Gallivan stated she does not usually speak because her concerns are always addressed by the BFSA Board and she appreciates that.

Chair Olsen thanked Ms. Gallivan for her attendance.

The Board adjourned into executive session at 2:28 pm.

BUFFALO FISCAL STABILITY AUTHORITY
Executive Session Meeting Minutes
June 22, 2015

The following are the minutes from the Executive Session of the Buffalo Fiscal Stability Authority (the “BFSA” or the “Authority”) held on Monday, June 22, 2015, in the first floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 2:30 PM.

Board Members Present: Arthur, Brown (proxy Estrich), Jurasek, Mesiah, Olsen, Poloncarz (proxy Williams)

Board Members Excused: Doherty, Floss

Staff Present: Mongold-Robe, Link

Additionally Present: James L. Magavern, Esq., Magavern Magavern and Grimm, LLP

Pursuant to New York State Public Officers Law, Article 7, §105(f), the Board entered into Executive Session for the purposes of receiving legal advice from counsel.

Chair Olsen called Executive Session to order.

The Board received legal advice from Mr. Magavern.

Adjournment – Executive Session

Chair Olsen called for a motion to adjourn the Executive Session and to reenter the public portion of the Board Meeting.

Director Arthur offered a motion to adjourn from Executive Session and reenter the public portion of the Board Meeting.

Director Mesiah seconded the motion.

The Board exited Executive Session at 2:50 PM.

At 2:51 PM the public portion of the Board Meeting resumed. Chair Olsen noted that no action was necessary on matters discussed during Executive Session with legal counsel.

Adjournment

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

Secretary Arthur offered a motion to adjourn.

Director Mesiah seconded the motion.

The Board voted 6-0 to adjourn. The Board adjourned at 2:53 PM.