

BUFFALO FISCAL STABILITY AUTHORITY
Meeting Minutes
August 15, 2017

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA” or the “Authority”) held on Tuesday, August 15, 2017, in the first-floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 1:05 PM.

Board Members Present

Chair R. Nils Olsen
Interim Vice-Chair Jeanette T. Jurasek
Secretary George K. Arthur
Director Frederick G. Floss
Honorable Byron W. Brown, City of Buffalo Mayor (proxy Estrich)
Honorable Mark C. Poloncarz, Erie County Executive

Board Member(s) Excused

Director Dottie Gallagher-Cohen
Director Frank B. Mesiah

Staff Present

Executive Director Jeanette M. Robe
Principal Analyst/Media Contact Bryce E. Link
Administrative Assistant Nikita M. Fortune
Senior Analyst II/Manager of Technology Nathan D. Miller

Additionally Present

Mr. James L. Magavern, Esq., Magavern Magavern & Grimm LLP
Dr. Kriner Cash, Superintendent, Buffalo City School District (“BCSD”)
Dr. Barbara Seals Nevergold, President, Buffalo Board of Education
Mr. Geoffrey Pritchard, Chief Financial Officer, Buffalo City School District

Opening Remarks

Chair Olsen welcomed everyone to the August Board meeting, thanked all who were in attendance, and reviewed the logistics and agenda of the meeting.

Chair Olsen advised the Directors that the Governance Committee met earlier and recommended that the full Board approve various BFSA policies and procedures. BFSA staff provided a brief, unchanged organizational overview.

Chair Olsen stated that the annual Board self-evaluation form should be completed and submitted anonymously to staff. The results will be compiled and reviewed at the next Governance meeting scheduled for September 25, 2017. In addition, a code of ethics certification page was included for submittal to staff.

Roll Call of the Directors

Secretary Arthur called the roll noting that Directors Gallagher-Cohen and Frank B. Mesiah were excused. A quorum being present, the meeting commenced.

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

Subdivision 1 of §3853 of the BFSAs 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. 17-10: "Approving Minutes and Resolutions from June 16, 2017".

Secretary Arthur made motion to consider and approve both Resolution No. 17-10.

Director Floss seconded the motion.

The Board voted 6-0 to consider and approve Resolution No. 17-10.

BCSD 2017-18 Adopted Budget and 2018-2021 Financial Plan

Chair Olsen advanced the agenda to review the BCSD 2017-18 Adopted Budget and 2018-2021 Financial Plan. The District submitted the final plan to the BFSAs on June 21, 2017. The final plan was submitted in response to BFSAs Resolution No. 17-01 which directed the District to clearly define potential actions to close projected budgetary gaps. Additionally, Superintendent Cash, Board of Education President Dr. Barbara Seals Nevergold, and Chief Financial Officer Geoffrey Pritchard were asked to attend today's meeting. Chair Olsen thanked District officials for their attendance and gave the floor to BFSAs Executive Director, Ms. Robe and BFSAs Sr. Analyst II Nathan Miller for their presentation and analysis.

Ms. Robe stated the BCSD Financial Plan is based on a consistent set of key assumptions over the life of the plan. Deficits were reported for four of the past five fiscal years.

- Fiscal Year End ("FYE") 2012-15 there was a cumulative deficit of \$44.6M
- FYE 2015-16 had a surplus of \$12.2M
- FYE 2016-17 has a projected deficit of \$43.0M, of which \$38.8M is attributed to the settlement of the BTF labor contract.

The new Financial Plan includes deficits in all four fiscal years totaling \$100.1M over the life of the plan.

Key Observations

1. General Fund expenditures increase at a rate slightly greater than revenues over the Financial Plan. The Comprehensive Annual Growth Rate (“CAGR”) for revenues is 2.37% whereas the CAGR for Expenditures is 2.39%.
2. The District has budgeted the remaining amount of fund balance set aside for collective bargaining of \$54.7M by the end of the current year. Additionally, the District has included \$5.0M to \$6.0M annually in the Financial Plan as a projected expenditure available solely for the negotiation of labor contracts.
3. The Financial Plan includes the use of fund balance in the first three years of \$46.0M. Total fund balance is projected to decrease by 28% by 6/30/21.
4. The combined use of fund balance along with proposed gap-closing measures address out-year budgetary gaps. If the District does not receive a substantial increase in revenue, there will need to be a significant level of cost reductions implemented by the District. The reductions include reducing or eliminating non-mandated programs and instructional positions.

Ms. Robe turned the presentation over to Mr. Miller provide further detail on the 2017-18 Adopted Budget.

- General Fund Revenues: \$872.2M. This includes \$27.9M in additional State Aid as compared to the prior year.
- General Fund Expenditures: \$894.2M
- Adopted Budget deficit \$22.0M although BCSD has been receiving more than the statutory minimum in State Aid for several years. The deficit gap is filled with the use of:
 - \$15.2M assigned fund balance (\$14.2M assigned for settling labor contracts, \$1.0M assigned for capital needs)
 - \$6.8M unassigned fund balance
- The Adopted Budget includes full implementation of the New Education Bargain.
- FY 2017-18 Revenue is broken down as follows:
 - NYS Aid \$626.3M, or 71.8%
 - Real Property Tax \$70.8M, or 8.1%
 - NYS Building Aid \$115.8M, or 13.3%
 - Erie County Sales Tax \$42.4M, or 4.9%
 - All Other Revenue \$16.9M, or 1.9%

County Executive Mark Poloncarz stated Erie County Sales Tax has increased approximately 1.7% therefore there should be a revenue increase for the BCSD.

- FY 2017-18 Expenditures are broken down as follows:
 - Employee Compensation \$300.0M, or 33.6%
 - Employee Benefits \$192.0M, or 21.5%
 - Debt Service \$113.7M, or 12.7%
 - Charter School Payments \$123.8M, or 13.8%

- Increase of \$14.2M due to increase of approximately 622 pupils as well as increased tuition
 - Transportation \$48.5M, or 5.4%
 - All Other Expenditures \$116.2M, or 13%

Dir. Floss asked if retirees are included in employee benefits. Mr. Miller replied in the affirmative.

Vice Chair Jurasek questioned if most of the Debt Service is related to the Joint Schools Construction Board projects. Mr. Miller answered in the affirmative.

Mr. Miller stated District enrollment is projected to decrease and charter school enrollment is projected to increase due to more charter schools opening and existing charter school expansion. A new policy approach is to reduce the number of teaching Full Time Equivalent (“FTE”) positions by 6.5 for every 100 pupils that leave a District school to attend a charter school.

FY 2018-2021 Adopted Financial Plan

A four-year cumulative deficit of \$100.1M is projected. Budget gaps are reduced to a cumulative deficit of \$54.1M following the drawdown of \$46.0M in fund balance. Total assigned and unassigned fund balance is projected to be significantly reduced from \$139.0M to \$93.0M, of which \$52.8M is assigned and \$40.2M is unassigned. Most of the assigned fund balance, \$42.7M, is allocated for Other Postemployment Benefits (“OPEB”). Based on roll-forward assumptions the OPEB liability currently is \$2.1B. By the third out-year the unassigned fund balance is projected to be \$40.2M which is slightly above the District’s policy of maintaining 4% unassigned fund balance as compared to expected expenditures.

County Executive Poloncarz commended the District for putting monies aside for OPEB and noted that most local governments are not doing the same.

Financial Plan General Fund Revenues highlights:

- New York State Aid increases 9.8% over the life of the plan.
- Erie County Sale Tax is expected to increase 4.5% over the life of the plan.

Financial Plan General Fund Expenditures highlights:

- Charter school payments account for the largest expenditure increase at 18.5% over the duration of the Financial Plan.
- Compensation and benefits account for the second largest expenditure increase at 15.9% over the life of the plan.

Mr. Miller noted that most labor contracts will expire at some point over the life of the plan. The teachers’ contract is in effect for the first two years of the plan and bus aides contract will expire at the end of 2018. The margin between available unassigned fund balance and the amount required to be set aside per District policy continues to decline over the life of the plan.

At BFSA’s inception in 2003-2004, the total number of teacher FTEs was 5,656 on an all funds basis. There are currently 5,327 teacher FTEs for 2016-2017 on an all funds basis and is expected to remain flat for the duration of the financial plan.

Ms. Donna Estrich asked how the FTE's are funded. Mr. Miller responded that they are funded by grants, general operating funds and by food service revenues.

Vice Chair Jurasek clarified there is an assumption that 100 fewer pupils in the District would result in the decrease of 6.5 FTE BTF teachers in the classroom.

Ms. Robe began her presentation of the general fund budget gap closing measures.

The baseline gap of \$100M is being filled with the use of fund balance for a total of \$54.1M over the life of the plan. The BFSB Board requested that the District provide a detailed gap closing plan. The District in turn provided 23 actions for closing the gap in three categories in order of priority:

- Other Revenue and Fund Balance Items (\$5.0M anticipated savings if all options are implemented):
 - District to request an additional \$500,000 increase each year from the City. However, the maintenance of effort states that once an increase is made it must be maintained unless certain provisions are met such as a decrease in the overall tax base. It is important to note the City's financial plan does not include an increase beyond the current FY. Therefore, this action is highly speculative and unlikely.
 - Revenue enhancements through better data collection for better understanding of state and federal regulations for \$300,000 cumulative budgetary savings.
 - Additional fund balance of \$1.7M, representing the estimated available amount in excess of the minimum amount to be retained. The District is no longer able to rely on fund balance to close budget gaps. Director Floss noted this is a less conservative approach to budgeting since the fund balance is being used to close a gap. Ms. Robe noted the budget has become less flexible but the District is maintaining the minimum fund balance of 4%.
- Savings to be achieved through efficiencies (\$31.1M anticipated savings if all options are implemented):
 - Vacancy control in both white and blue collar groups. County Executive Poloncarz clarified this is not a deletion of positions. Director Floss expressed his concerns of double counting positions as the monies are to be used in the outyears.
 - Retiree healthcare: \$6.9M cumulative budgetary savings over the life of the plan which would require direct negotiations with retirees to forego their cosmetic surgery option. This is considered speculative since there is no clear plan as to how this would be achieved. Chair Olsen asked which bargaining groups have a cosmetic provision in their retiree health insurance. Ms. Robe replied most groups have negotiated away that benefit but the effective dates vary. The savings appears to be overstated.
 - Reduce substitute teacher costs through better management of teacher absences. On average per teacher FTE there have been 13.5 days missed of 181 school days.
 - Re-appropriated grants: not guaranteed aid
 - Renegotiate service contracts

- Other cost reductions (\$55.3M anticipated savings if all options are implemented):
 - Reduce or eliminate the contingency fund of \$3.9M cumulative. The fund is used for unforeseen expenditures.
 - Reduce or eliminate contract settlement contingency fund of \$5-6M budgeted annually to provide monies to the District to negotiate unsettled labor contracts. Chair Olsen noted the elimination or reduction of this fund indirectly correlates with ability to successfully negotiate. Ms. Robe noted the City accrues for this expense annually. Director Floss stated in the past the District did not set monies aside for contracts and instead used the fund balance reserve.
 - Eliminate non-mandated programs: Say Yes! Summer Program and Hillside Work Scholarship Connection program were once grant funded and are now paid for through the general fund. The elimination of these programs would provide a cumulative savings of \$3.1M over the duration of the plan. Director Floss asked how many students use the two programs. Dr. Cash responded that approximately 3,000 students use the programs. Ms. Estrich asked if the District receives any funding from either agency. Dr. Cash stated the amount listed represents the District's responsibility.
 - Delay or eliminate the Emerson II expansion: would provide cumulative budgetary savings of \$2.7M.
 - Reduce Central Office positions: up to 15 FTEs could be eliminated through layoffs or attrition which would provide \$3M cumulative budgetary savings.
 - Reduce teachers and support positions by 100 FTEs, which would provide \$25M cumulative budgetary savings:
 - The Master Scheduler would locate 10 FTEs to eliminate;
 - 40 physical education teachers were added in 2015-16 and 20 of them could be laid off;
 - 18-20 Assistant Principals could be laid off; and
 - 40 non-mandated teacher aides and teaching assistants could be laid off.

The total for the proposed actions exceeds the baseline gap and provides a general roadmap for the District to follow. The remaining surplus after the application of all the options is \$64.3M with each fiscal year being in balance.

Director Floss asked if there have been any negotiations with the City providing additional funding to the BCSD for a specific length of time. Ms. Estrich responded that maintenance of aid restricts the possibility of decreasing funding in subsequent years. However, the City does provide additional funds in other ways i.e., Say Yes and staff support. The District is receiving just under 53% of the city's tax levy. Therefore, the requested increase is unlikely.

Chair Olsen asked what the impact of the efficiencies would be on Special Education. Ms. Robe stated that information has not been made available. Dr. Cash stated there are two Master Schedulers at the BCSD Cabinet level that will assist high school principals with this skill.

Chair Olsen commended the District for disaster planning if additional revenue streams are unable to be secured.

Ms. Robe presented several other considerations for gap closing measures as provided by the District although actual cost savings amounts were not provided:

- Lobbying efforts:
 - Lobbying for an amendment in manner that charter school supplemental aid is received
 - This would provide a one-time State aid increase of \$9M for 2017-18 with a smaller impact annually of \$500,000 to \$700,000
- Employee Healthcare:
 - Aggressively negotiate healthcare concessions within new labor agreements
 - Eliminate cosmetic surgery rider for BCSA and Local 409
 - Consider a waiver incentive for employees to move onto spouse's plan or to a public exchange
- Consolidation of Funds:
 - Exploring new methodology of cash management of school-level spending to maximize grant funds
- Special Education:
 - Place chairs on its committee of special education within individual schools
 - Examine whether centralizing this process will result in a reduction of students being identified as needing more restrictive settings

Chair Olsen and Dir. Floss stated their concerns that the appropriate level of services would be affected. Dr. Cash stated that many children are misidentified during certain times of the year and this would help with identifying those pupils with moderate behavior issues which drives up the cost of special education.

- Retiree Health Insurance & Medicare:
 - Establish a goal for labor negotiations to include a provision that would automatically provide a Medicare Advantage Plan upon a retiree's eligible date for Medicare enrollment
 - Estimated savings \$7.7M based on current eligible population
 - District has a goal to no longer provide health insurance in retirement for new hires

Director Floss stated his continued objection of contribution rates for family plans being less than single coverage plans as a source of encouragement to enroll in a single plan. This makes the issue worse upon retirement.

Ms. Robe noted when the speculative revenues and cost saving measures are removed as options, the revised surplus is reduced to \$27.4M. Therefore, without a significant increase in revenues there is a greater need to begin the cost reduction efforts. The suggested changes are anticipated to begin during outyear one which is different from previous plans which would not seek implementation until outyear three or four.

Conclusions and Recommendations:

- Two significant adjustments to the financial plan:
 - Reduction in teachers reflected for expected decrease in District enrollment and increase in charter school enrollment. This is a shift in District policy from previous administrations.

- Budgeted 2017-18 transportation expenditures reflect a decrease of \$4.0M. This is in litigation and therefore is an unknown.
- Initial budgetary gap of \$100.1M:
 - Use of \$46.0M in fund balance, which essentially depletes all available fund balance to fund operation gaps.
 - Remaining gap of \$54.1M must be address through various gap closing measures.
 - District provided a prioritized list.
 - Combined, the deficit closing costs and cost saving initiatives provided have a positive financial impact of \$118.5M.
 - To avoid drastic actions in the future the District will need to monitor the gap-closing actions for timeliness and implementation.

Director Floss noted the proposed gap closing measures would be implemented earlier than ever and asked if the financial plan has a timetable for decision deadlines? Ms. Robe stated a timetable was not provided.

- The financial plan appropriates \$5.0 M to \$6.0M each year in a reserve contingency to settle expired labor contracts:
 - BTF labor agreement expires June 30, 2019
 - Bus Aides labor agreement expires June 30, 2018
 - All other collective bargaining units have expired labor contracts
 - If the District has to eliminate this option as a deficit closing measure it will adversely affect the District’s ability to settle labor contracts.
- The District received an increase in State aid of \$29.8M for FY 2017-18 as compared to FY 2016-17:
 - Positive impact on the proposed operating results
 - NYS aid is larger percentage of total General Fund revenues

Chair Olsen stated there has been a yearly increase in NYS aid. Director Floss stated his concern about the federal changes with Medicaid and the impact those changes could have on the state budget and school funding.

District Officials

Chair Olsen advanced the agenda to the discussion with District Officials.

Dr. Barbara Seals Nevergold, President of the Board of Education (“BOE”) began by stating the BOE passed the budget and financial plan with a vote of 7 to 2 after many meetings, discussions and questioning of the staff. The BOE is comfortable with the budget and plan as presented insomuch as it is a change from previous years. The BOE is aware of their fiduciary responsibility to the District and plans to make every effort to monitor the budget as the Finance & Operations Committee meets monthly. There will also be work sessions chaired by Board Member Paulette Woods, a senior budget examiner with the Erie County Budget Office.

Chair Olsen thanked the Administration and BOE for their submission of such a responsive financial plan.

Dr. Cash began by thanking the BFSA board and staff for the opportunity to present the District's complex financial plan. The BFSA report is helpful in understanding what the financial plan consists of. The District is a complex organization but the plan is actionable and not merely forecasts and projections. Dr. Cash stated he has been in this field of employment for more than 30 years. Dr. Cash stated his experience with turning around a financially struggling district. He stated he began his tenure in the Memphis Public School system with a \$100M deficit and when he left, after serving five years, the district had more than \$270M in business and systems reforms in all areas of operation. He also yielded \$190M from major grants from across the country from multiple foundations. Dr. Cash stated he brings that same aggressiveness to the BCSD. Anytime there is an opportunity to save, cost avoid or generate revenue staff is directed to address it.

The new BTF contract has employees paying into their healthcare for the first time which yields \$30.0M in the first year. This will continue to be sought in other bargaining units.

The teaching profession is not as attractive as it once was and there will be a major teacher shortage. The District must be as competitive as possible for new, diverse teachers and the new benefit package reflects this change. While charter schools are growing, they are losing some of their teachers to the District.

Chair Olsen stated his concern about the need to increase and support community schools because of their importance to stabilizing neighborhoods and the City.

Vice Chair Jurasek stated her concerns about the timing of the implementation of the gap closing measures and requested a decision calendar with trigger dates. Dr. Cash replied that request is outside of the BFSA scope and that he has his staff working on it and the BOE will also keep him accountable to the issue and the results will be evident. Dr. Cash indicated willingness to provide quarterly updates.

County Executive Poloncarz commended Drs. Cash and Seals Nevergold on providing such a comprehensive financial plan and changes in the outyears are inevitable and expected.

Chair Olsen stated this is the most detailed plan the BFSA has ever received from the District. Unfortunately, much of the revenue is based on speculative increased aid and it would be a tragedy if the lack of funding affected the quality of education pupils receive. Dr. Cash replied that the Board and the District administration are beginning to work more collaboratively with each other as well as other agencies and organizations. There is a major focus on relationship building in the communities which will aid in fostering communication with the nine major foundations. The community schools are critical to help fill the gaps that the population needs. Dr. Cash offered to provide quarterly emailed updates to the Board regarding this issue.

Hearing no other questions Chair Olsen extended the floor to BOE member Carl Paladino to address the Board. Mr. Paladino was elected by the Park District constituency four years ago. Mr. Paladino distributed a memo he drafted to Education Commissioner Mary Ellen Elia, the BFSA and the U.S. Attorney requesting the BOE be discharged, sanctioning of the BTF, the appointment of a special master to operate the BCSD, and for the BFSA to enact a control period and abrogate the BTF contract. Mr. Paladino read his memo and expressed his disdain with the new BTF contract.

Chair Olsen responded that he previously considered scoping out BCSD from the City and being a hard control board with respect to the BCSD only; however, because the BCSD is part of the City that is not a viable option. Chair Olsen also stated the BFSA Board is aware of the disparity between neighborhood schools and the District's schools of excellence. The Board has expressed its concerns about the BTF contract but there has no authority to address the legality of the BTF contract.

Dr. Seals Nevergold stated Mr. Paladino's adversarial role would be of better use as an advocate for the children.

Director Floss thanked Mr. Paladino and Dr. Seals Nevergold for their comments and stated the goal of the BFSA Board is to assist with working through many issues regarding CBA's and other issues regarding the City and its covered organizations. That each year that a union is out of contract, it makes it much more difficult to negotiate a successor agreement.

Chair Olsen called for a motion to approve Resolution. No. 17-11: "Review of the Buffalo City School District 2018-2021 Final Four-Year Financial Plan."

Secretary Arthur made the motion to approve.

Director Floss seconded the motion.

The Board voted 6 to 0 to approve Resolution No 17-11.

BFSA Business

Chair Olsen advanced the agenda for the organizational overview to be presented by Ms. Robe.

Ms. Robe stated the bylaws established two standing committees:

- 1) Audit, Finance and Budget Committee: Assists the Directors in meeting the requirements relating to budgeting, financial reporting, and internal controls. Members of the committee are Chair Olsen, Director Floss, and Director Mesiah. Additional directors will participate at the request of the Chair. The committee meets three to four times per year to review annual BFSA budgets and four-year financial plans and to review the independent audit. Additional meetings will be called as necessary.
- 2) Governance Committee: Keeps the Board informed of all matters involving corporate governance, policies, and procedures. The required annual Board self-evaluation is reviewed in this committee. Members include Chair Olsen, Interim Vice-Chair Jurasek, and Secretary Arthur. Additional Directors participate at the request of the Chair. The committee meets two to three times per year or as necessary to review, renew and/or modify existing operational policies.

Ms. Robe continued with the overview of the BFSA. There are five staff members of the BFSA: Ms. Jeanette Robe, Executive Director, who reports to the Directors; Mr. Bryce Link, Principal Analyst/Media Liaison; Mr. Robert Miller, part-time Comptroller; Mr. Nathan Miller, Senior Analyst II/Manager of Technology; and, Ms. Nikita Fortune, Administrative Assistant.

Ms. Robe provided a snapshot of all negotiating units for all covered organizations by listing the number of full-time equivalent employees for each unit as well as the expiration date for each agreement. It was noted that minimal pay increases were included in the City of Buffalo's 2018-2021 four-year financial plan, outside of what was negotiated.

City of Buffalo (the "City"):

- PBA – 703 FTEs, CBA in effect through 6/30/19;
- Local 282 (Fire) – 657 FTEs, CBA in effect through 6/30/17;
- Local 264 (Blue-Collar) – 546 FTEs, CBA in effect through 6/30/19;
- Local 650 (White-Collar (including exempt employees)) – 577 FTEs, CBA in effect through 6/30/19;
- Crossing Guards – 118 employees; CBA in effect through 8/31/19;
- AFSCME 2651 (Building Inspectors) – 53 FTEs, CBA in effect through 6/30/20;
- Local 264T – 30 FTEs, CBA in effect through 6/30/17; and
- Operating Engineers – 26 FTEs, CBA in effect through 6/30/20.

Buffalo City School District ("BCSD"):

- BTF (teachers) – 3,542 FTEs & 158 part-time employees ("PTEs") (CBA expired on 6/30/19);
- BEST (teacher aids/assistants) – 901 FTEs, (CBA expired on 6/30/12);
- Su/B (substitutes) – 618 PTEs (CBA expired on 6/30/12);
- TAB (bus aides) – 336 PTEs (CBA in effect through 6/30/18);
- PCTEA (White-Collar) – 436 FTEs (CBA expired on 6/30/13);
- Local 264 (Blue-Collar) – 54 FTEs (CBA expired on 6/30/13);
- Local 264 (Food Service Workers) – 27 FTEs, employees, (BCSD unable to determine number of part-time employees; CBA in effect through 6/30/17);
- BCSA (Administrators) – 240 FTEs (CBA expired on 6/30/04); and
- Local 409 (Custodial Engineers) – 55 FTEs, CBA expired on 6/30/10).

Buffalo Municipal Housing Authority ("BMHA"):

- Local 264 (White-Collar) – 56 FTEs, CBA expired on 6/30/11;
- Local 264 (Blue-Collar) – 75 FTEs, CBA expired on 6/30/11;
- Local 264 (Managers) – 6 FTEs, CBA expired on 6/30/11;
- Local 17 (Operating Engineers) – 8 FTEs, CBA expired on 6/30/13;
- Exempts – 3 FTEs, each with individual contracts; and
- Non-Represented Civil Service – 8 FTEs, at-will with certain New York State civil service protections.

BMHA has yet to approve the MOA reviewed by this Board during the May 15, 2017 BFSA Board meeting. An update is to be provided by BMHA in September. BMHA does have a new Board of Commissioners and hopefully a better relationship can be forged.

Buffalo Urban Renewal Agency ("BURA"):

- CSEA Local 1000 – 29 FTEs, CBA in effect through 6/30/17; and
- Exempts – 8 FTEs, employed at-will.

Secretary Arthur made a motion to consider these items by consent and approve the following resolutions as recommended by the Governance Committee:

Bylaws Res No. 17-12	Whistleblower Policy Res No. 17-18
Code of Ethics Res No. 17-13	Lobbying Policy Res No. 17-19
Mission Statement Res No. 17-14	Procurement Report Res No. 17-21
Investment Guidelines Res No. 17-15	Prompt Payment Policy Res No. 17-22
Property Disposal Guidelines Res No. 17-16	Prompt Payment Report Res No. 17-23
Use of Discretionary Funds Policy Res No 17-17	

Secretary Arthur made a motion to approve the items as recommended by the Governance Committee.

Director Floss seconded the motion.

The Board voted 6-0 to approve Resolution Nos. 17-12 through 17-23.

New Business

Director Floss asked if a memo has been sent to the Comptroller's office regarding the Board's ongoing bonding concerns. Ms. Robe replied the information was sent to the BFSA financial advisor and suggested the advisor address the BFSA at the September 25, 2017 meeting and make a decision after that.

Privilege of the Floor

Chair Olsen extended 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. Marilyn Gallivan commented on the appropriateness of the BFSA board looking at the Buffalo School District.

Chair Olsen asked if there was any new business, hearing none he asked for a motion to adjourn.

Secretary Arthur made a motion to adjourn.

Director Floss seconded the motion.

The Board voted 6-0 to adjourn.

The Board adjourned at 3:44PM.