

BUFFALO FISCAL STABILITY AUTHORITY
Special Meeting Minutes
October 29, 2019

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Tuesday, October 29, 2019 in the fourth-floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 1:12 PM.

Board Members Present

Chair R. Nils Olsen, Jr. (via video)
Secretary George K. Arthur
Mayor Byron W. Brown (proxy Estrich)
Director Frederick G. Floss
County Executive Mark C. Poloncarz (proxy Cornell)

Board Member(s) Excused

Interim Vice-Chair Jeanette T. Jurasek

Staff Present

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

Additionally Present

Mr. James L. Magavern, Esq., Magavern Magavern & Grimm LLP
Mr. Geoffrey Pritchard, Chief Financial Officer, Buffalo City School District
Mr. Nathaniel J. Kuzma, General Counsel, Buffalo City School District

Opening Remarks

Director Floss served as Chair Pro Tempore and welcomed everyone to the meeting. He thanked everyone for attending and reviewed the agenda. The meeting was called for the sole purpose of reviewing a collective bargaining agreement (“CBA”) between the Buffalo City School District (“District”) and American Federation of State, County and Local Municipal Employees, Local 264, AFL-CIO Cook Managers (“Cook Managers”).

Roll Call of Directors

Director Floss deferred to Secretary Arthur to call the roll of the members. Secretary Arthur called the roll noting the excused absence of Interim Vice-Chair Jurasek. Finding a quorum present, the meeting commenced. It should be noted for the record that there were technical difficulties with the video feed for Chair Olsen and therefore only audio was available for this Board Meeting.

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 Budget Analyst, Mr. Mark Cornell, 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...."

Tentative Collective Bargaining Agreement

Director Floss advanced the agenda to review the submitted tentative CBA between the District and the Cook Managers. BFSa Executive Director Jeanette M. Robe and Senior Analyst II Nathan D. Miller were asked to present the staff analysis to the Board.

Mr. Miller provided an overview of the contract noting the labor agreement expired on June 30, 2017 and the proposed collective bargaining agreement ("CBA") would be effective from July 1, 2017 through June 30, 2022. It covers 27 full-time Cook Manager positions all of which are funded through the Food Service Fund; there is no General Fund impact. Cook managers comprise the main group of full-time employees.

Mr. Miller reviewed several of the concessions implemented under the previous contract that expired on June 30, 2017 including active and retiree health insurance, reductions to paid time off, longevity payments and uniform allowance.

The following tentative changes regarding the CBA were discussed:

Proposed salary increases:

- 7/1/17 through 6/30/19 – 0% increase for retired or current employees
- Three increases for the current fiscal year:
 - 7/1/19 – 3%
 - At CBA ratification by the Board of Education – 3%
 - Base increase of \$500 at January 1, 2020 which will compound annually
- 7/1/20 – 3%
- 7/1/21 – 3%

The effective annual rate of increase for 2018-2022 is 2.8%. The effective annual rate of increase for 2020-2022 is 4.7%.

The average length of service is eighteen years, and there is very low employee turnover. Almost all employees are at the top step, which is step 6.

The tentative CBA includes additional changes to provisions:

- Health Insurance:
 - Employees hired between 7/1/19 and 6/30/20 and retire after 7/1/21, pay \$200 annually towards Forever Blue Medicare Plan
- Employees hired on or after 7/1/20 will not be eligible for District-paid health insurance in retirement.

- Building Stipend: Cook Managers may be assigned to 1 additional school; per building stipend increased from \$300 to \$400
- District increases monthly dental contribution per employee from \$48 to \$55
- If an employee works on an emergency basis or holiday, overtime shall be paid at 150% of pay, the sole form of compensation

Mr. Miller provide the estimated costs of the contract of \$652,724 over the four-year financial plan. He noted \$50,125 had been previously budgeted resulting in a net estimated cost increase of \$602,602. He further stated the District has adequate funding available to absorb the costs of the tentative CBA due to Food Service fund balance totaling \$17.3M at 6/30/19 and also noting budget transfers could occur from expenditure lines projecting favorable budgetary variances. Therefore, no Financial Plan modification was deemed necessary.

Ms. Robe thanked Mr. Miller for his presentation and provided a summary of the labor agreement. There were few structural changes to the terms of the agreement as the previous contract included the sweeping changes that the BFSAs was looking for at that time. The tentative CBA provides one significant structural change in that employees hired on/after 7/1/20 will not be eligible for health insurance at retirement. The pay-as-you-go savings will occur in future years. A smaller change is employees who are hired during 2019-20 will make a minor contribution of \$200 towards each Medicare Advantage Plan at eligibility. The annual pay raises are higher than what has been provide in other recently negotiated labor contracts. The District indicated it is necessary to increase the overall level of pay to attract new employees including a \$500 base increase effective 7/1/20.

Ms. Robe reiterated there will be no cost to the General Fund and the available fund balance is at an adequate level to fund the incremental costs of this labor agreement without detrimentally impacting the fund's overall financial stability.

Ms. Robe opened the floor for questions. Director Floss asked if there will be any impact if the food stamp requirements for student lunches is changed at the federal level. Mr. Geoffrey Pritchard, Chief Financial Officer, Buffalo City School District responded the District is community-eligible and therefore does not anticipate a financial impact on the District.

Ms. Robe asked Chair Olsen if he had any comments or questions on the CBA, he stated he did not.

Secretary Arthur made a motion to receive and file BFSAs staff's analysis.

Chair Olsen seconded the motion.

The Board voted 5 to 0 to approve the motion.

Hearing no additional comments the meeting was adjourned by acclamation at 1:33PM.