

BUFFALO FISCAL STABILITY AUTHORITY
Meeting Minutes
March 13, 2019

The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Wednesday, March 13, 2019 in the first-floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 1:03 PM.

Board Members Present

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

Board Member(s) Excused

Interim Vice-Chair Jeanette T. Jurasek
Director Dottie E. Gallagher

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

Additionally Present

Mr. James L. Magavern, Esq., Magavern Magavern & Grimm LLP
Mr. Gillian Brown, Executive Director, BMHA
Ms. Vanessa Glushefski, Acting Comptroller, City of Buffalo

Opening Remarks

Chair Olsen welcomed and thanked everyone for attending and announced the meeting’s logistics and agenda.

Chair Olsen advised that the Audit, Finance and Budget Committee met earlier in the day and authorized the posting of BFSA’s fiscal year (“FY”) 2019-20 Preliminary Budget and the 2020-2023 Financial Plan as prepared by BFSA staff, commencing the public comment period. Any additional comments by Directors should be forwarded to Executive Director Jeanette M. Robe who will circulate updated versions of the budget by email as necessary. Approval of the budget will be required at the June Board meeting; no Board action is required at today’s meeting. Chair Olsen then opened the floor for Director’s comments.

Director Floss stated the BFSA has provided a very tight budget. Chair Olsen agreed and additionally noted a very small staff manages the responsibilities, including the management of debt and the evaluation of the cost–effectiveness of City vs. BFSA issuance. Chair Olsen stated the desire of the BFSA is to work with the Comptroller’s Office on the City’s bonding to determine the best approach.

Roll Call of Directors

Chair Olsen deferred to Secretary Arthur to call the roll of the members. Secretary Arthur called the roll noting the excused absences of Interim Vice Chair Jeanette T. Jurasek and Director Dottie E. Gallagher. Finding a quorum present, the meeting commenced.

City of Buffalo Associate Management Analyst with the Department of Administration, Finance Policy and Urban Affairs, Mr. Raymour Nosworthy, 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...."

Secretary Arthur made a request that a letter be sent to Governor Cuomo and other elected officials regarding the two BFSa director vacancies, one of which has been vacant for six years. The BFSa only has one director in term; all remaining directors are serving in a carryover capacity.

Approval of Minutes

Chair Olsen introduced Resolution No. 19-01: "Approving the Minutes and Resolutions from November 28, 2018 and December 18, 2018."

Director Floss made a motion to approve the resolution.

Secretary Arthur seconded the motion.

The Board voted 5-0 to approve Resolution No. 19-01.

Buffalo Municipal Housing Authority ("BMHA")

Review of 2nd Quarter

Chair Olsen reordered the agenda to review the BMHA second quarter report as well as the biannual report submitted by BMHA Executive Director Mr. Gillian Brown, as requested by the BFSa at the September 10, 2018 meeting. The report was requested in response to the affordability of the negotiated Local 264 labor contract and the operationally unbalanced financial plan. Chair Olsen turned the floor over to Mr. Nathan Miller, BFSa Senior Analyst II, to present the aforementioned items.

Mr. Miller stated the following significant events occurred during the 2nd quarter:

- 2018-19 Budget and 2019-2022 Financial Plan was modified on December 20, 2018:
 - Recognized additional estimated operating revenue
 - FY 2018-19 to 2020-21 \$0.5M
 - FY 2021-22 \$0.4M
 - Reduced the staffing plan by 9 budgeted positions
 - Reduced budgeted current fiscal year (“CFY”) expenses by \$4.2M
 - Increased personnel costs for the Local 264 labor agreement over the Financial Plan by a net of \$1.8M
 - The budgeted 2019 net loss as revised is \$100,000 less, at \$700,000

Mr. Miller summarized the 2nd Quarter as follows:

- FY 2018-19 modified budget revenues \$45.1M
 - Actual as of 12/31/18 of \$22.4M, or 52% of budget
- FY 2018-19 modified budget expenses \$45.8M
 - Actual as of 12/31/18 of \$21.3M, or 47% of budget
 - 24 vacant FTE positions, a 15.3% vacancy rate which recognizes the reduction of the 9 budgeted positions
- All revenues are equal to or above budget-to-date expectation.
- All expenditures are below budget-to-date.
- Net income at December 31 is \$2.1M

BMHA’s FY 2018-19 Modified Budget and 2019-22 Modified Financial Plan reflects the estimated increased costs associated with the settlement of the Local 264 labor agreement. The modified budget provides for a deficit of \$0.7M funded by reserves. Reserves totaled \$4.6M as of June 30, 2018. BFSA will continue to closely monitor BMHA’s operating results.

Mr. Gillian Brown, BMHA Executive Director, addressed the Board and stated the agency anticipates filling a majority of the vacant housing units by the end of the fiscal year. The BMHA is in a better financial position than originally thought; all changes are incremental. They are working on improving occupancy rates and general building maintenance and hope to have filled a lot of the vacant units by the end of the year through the improved process of certifying and interviewing tenants. He acknowledged there are vacancies where there shouldn’t be and that vacancies represents forfeited revenue. Challenges for the new fiscal year will be to continue to fill vacant units and to turn over such units more reliably and quickly. Additionally, the BMHA will work on a significant amount of deferred maintenance with the goal of improving the report card issued by the U.S. Department of Housing and Urban Development (“HUD”). He discussed differences between the BMHA and other housing authorities in New York State with respect to old public housing stock and how the BMHA did not demolish buildings when other cities did, the result being the need for a significant amount of deferred maintenance to be conducted.

Chair Olsen acknowledged that BMHA has an uphill battle remediating it’s deteriorating housing stock in an effort for the City to provide affordable housing.

Director Floss asked for an update on BMHA's working relationship with the Niagara Frontier Transit Authority regarding route accessibility. Mr. Brown stated most developments are on major bus routes and has been unaware of any current issues.

Mr. Mark Cornell, proxy for County Executive Poloncarz, asked what reforms BMHA is instituting with respect to its purchasing policy. Mr. Brown stated BMHA is transitioning away from a micro purchase system. BMHA is able to join in on contracts on the state list and now can do the same with county contracts which will save BMHA staff time.

Mr. Cornell asked if there are any concerns with HUD payment delays with respect to either payments or grants, as there have been delays at the County level, or any issues with respect to obtaining information from HUD as needed. Mr. Brown stated that their relationship with the local office is very good. He stated that with respect to the federal level the subsidy and payment system seems to work. The most significant issue is the more recent announcement that due to the federal FAS score the BMHA is designated a troubled housing authority and will have additional reporting requirements which will require adjustments to staff and the central office. He indicated the FAS score must be better than 60 to change this designation and believes it can be accomplished with modest improvements to vacancies, tenant receivables and general maintenance. The BMHA should have a score of 60 or greater by the end of this fiscal year or next.

Chair Olsen thanked Mr. Brown for his update and advanced the agenda to City items to be presented by Principal Analyst Bryce Link.

City of Buffalo Items *2nd Quarter Report*

Mr. Link began his presentation by stating the projected 2018-19 year-end revenues are \$505.6M, projected expenditures are \$509.1M and the projected deficit/use of restricted fund balance is \$3.5M. The adopted budget included the planned use of restricted fund balance for specific capital activities of \$4.0M.

Adopted budget revenues were \$509.6M and total revised projected revenue is \$505.6M, representing a \$4.0M negative variance, largely due to a variance in fines collected, property taxes and service charges.

Adopted budget expenditures were \$513.6M and total projected expenditures are \$509.1M, a \$4.5M positive variance largely due to a positive variance in fringe benefits.

At December 13, 2018, the City had 2,651 budgeted full-time equivalent ("FTEs") positions and 2,473 filled FTEs, which is a vacancy of 178 FTEs or a 6.7%. The vacancy employee count is down 75 positions as compared to last year. The police department had 804 budgeted FTEs and 765 filled FTEs, a 4.9% vacancy rate of 39 FTEs. The fire department had 742 budgeted FTEs and 693 filled FTEs, a 6.6% vacancy rate of 49 FTEs. A new fire class began in early January 2019 and will be deployed to the firehouses by August 2019. The combination of new hires and the new 24-hour shift schedule is expected to decrease overtime costs.

Conclusions and Recommendations

- It is noted that assumptions/events could change that could impact the current estimates
- The City is estimating a year-end deficit of \$3.5M
 - The City budgeted to use \$4.0M of restricted fund balance for non-recurring capital use
 - The City's recurring operations are balanced
- 2017-18 resulted in a deficit of \$22.9M
 - The City's unassigned fund balance at July 1, 2018 was \$0
- Unfavorable financial results would further reduce assigned fund balance and in the event this is depleted, the Rainy-Day Fund would be used. The Rainy-Day Fund has not been used since its inception
- BFSA recommends revenue be closely monitored:
 - Entertainment surcharge fee budgeted at \$2.0M no longer expected in current fiscal year
 - Gifts and donations budgeted at \$2.0M
 - City is not projecting a negative impact
 - Unable to assess reasonableness of projection
 - Fines were significantly over-estimated by \$3.0M, or 20%
 - Sale of property budgeted at \$8.0M including former police headquarters and St. Paul Mall. In-rem sales are captured separately. The current estimate is \$6.1M.
 - City has changed the on-street parking fee structure
 - No estimate available for additional revenue
- Tribal-State Compact revenue is budgeted at \$17.0M
 - Arbitration panel found in favor of NYS, release of funds to City is expected in April 2019.
 - No amount yet provided by New York State ("NYS")

Ms. Robe stated the calculation was expected from NYS in late February or early March and has yet to be received.

- Projected year-end expenditures appear reasonable
 - Overtime for both police and fire departments remains an area of focus
 - Substantial year-to-year improvements to police department overtime
 - Decrease of \$2.4M (34.2%)
 - Fire department year-to-year overtime has decreased \$0.4M (7.3%)
 - New 24-hour shift structure went in place on January 1, 2018
 - 44 recruits added in January 2019

Secretary Arthur asked how the new 24-hour schedule for the firefighters will be monitored and what the projected savings were. Mr. Link advised he is waiting for an update as the department is two months into the new process and will forward the projected saving information as requested.

Ms. Vanessa Glusheski, Acting Comptroller City of Buffalo, addressed the Board to advise that the sale of the former police headquarters had not been finalized as of March 12, 2019 and therefore this sale was not included in the 2nd quarter GAP response report. The expected net revenue from the sale would be \$2.0M as the sale price is \$3.0M and \$1.0M of debt on the structure.

Hearing no additional comments Chair Olsen advised Mr. Link to continue his presentation.

Review of Impact of the New York State Proposed Budget

Mr. Link stated the NYS budget is due by April 1, 2019 and changes may occur between now and then. The budget includes funding to eliminate duplicative and overlapping governments. NYS has been encouraging shared services in addition to the elimination of certain levels of government.

Other items of note include:

- A proposal to make the property tax cap permanent
- A proposal to extend binding arbitration for public safety unions extension to 2024
- Continue restructuring programs
- A broadband initiative
- The inclusion of downtown revitalization funds
- Investment in affordable and homeless housing
- Additional investments in the Buffalo Billion Phase II initiative

Chair Olsen asked if the City is currently receiving broadband funding; Bryce indicated this is something the City would need to apply for. Director Floss asked if the City is pursuing broadband funding as economic development is dependent upon highspeed broadband access and it is desperately needed for continued growth in the City. Chair Olsen stated his concern for broadband availability in the inner City as an important additional service. Mr. Link noted the past program was primarily for rural areas of the state and the details for the current proposed initiative are not yet available, although it is expected to expand to non-rural areas.

Director Floss asked if potential tax revenue from recreational marijuana was specifically excluded from Mr. Link's discussion. Mr. Link stated he did not include either the potential impact from recreational marijuana use or the new internet sales tax collections as NYS Department of Budget has not released revenue estimates at the local-level. Mr. Cornell stated the new internet sales tax could be either good or bad for the City of Buffalo, depending on how it is rolled out. The Governor has proposed to directly use additional sales tax collections from internet sales to supplement the proposed NYS Aid and Incentives to Municipalities ("AIM") funding cuts to towns and villages. Due to the way sales tax sharing agreements are structured, the City could subsidize other towns and villages for the AIM funding cuts depending on the amount of additional sales tax collected from internet sales. Under this scenario there is a chance that the City of Buffalo could lose sales tax revenue.

Chair Olsen stated revenue from marijuana sales should be remitted to the City as drug prosecutions have been disproportionate for people of color and some effort should be made to offset the negative affect. Additionally, Mr. Cornell stated Erie County is anticipating the change by purchasing new drug enforcement dogs that do not detect marijuana in order to eliminate numerous false positives. Director Floss asked if the cost benefit analysis has been explored regarding the purchase of newly trained dogs.

Mr. Link continued his presentation and stated that AIM funding to the City has been held flat at \$161.3M since 2012. Chair Olsen commented that flat AIM in addition to imposing budget limitations through the property tax cap put Buffalo and similar cities at a disadvantage.

Hearing no additional comments Chair Olsen thanked Mr. Link for his presentation. Ms. Robe began her presentation of the City's 2019 Capital Plan.

Final 2019 Capital Plan

Ms. Robe stated Mr. Link reviewed the 2019 Capital Plan during the December 2018 meeting. The plan provides for \$28.1M of projects to be funded by the general fund. The Common Council increased the Mayor's proposal by \$1.0M to include the required matching contribution for a NYS grant. The plan also includes \$1.0M for demolitions and \$618,000 for tree rehabilitation program, both were requested to be financed by the Mayor's Office. The inclusion of these specific items in a borrowing was a matter of dispute that since has been resolved and will be included in the financing.

Ms. Robe stated the BFSAs statutory requirement is "to review and comment on the terms of any proposed borrowing including the prudence of each proposed issuance of bonds or notes to be issued by the City." The City Comptroller's Office was contacted in December to begin work on a mutually agreed-upon financial analysis to compare a BFSAs issue to a City issue. Information was not provided, or available and therefore an analysis could not be completed.

BFSAs received an initial submission in February 2019 which provided a financing plan through short term Bond Anticipation Notes ("BANs") for a one-year borrowing that would be renewed annually for up to five-years. Additional information was requested from the City Comptroller's Office to perform a proper analysis; some of the requested items have been received. The BFSAs will continue to work with the City Comptroller's Office to complete an analysis.

Director Floss suggested that changes in the City Comptroller's Office put the office behind. Ms. Glushefski responded that she has been in close contact with the Debt Management Office since she began serving as acting City Comptroller since January 2019 and apologized for not having the requested information readily available. The plan is to move forward with a short-term borrowing structure due to the trend of bond proceeds being left unspent. It is expected a special meeting will be necessary to review the proposed financing.

Chair Olsen stated his optimism that collaboration with Comptroller's Office will improve to benefit the City in a major way.

Director Floss stated his concern for not having the term structure for any of the planned projects and inquired if the process could begin earlier in the year. Ms. Glushefski stated the office has been considering that idea internally and will begin including a breakdown in their reporting.

Chair Olsen thanked Ms. Glushefski for her comments and advanced the agenda to review District items.

Buffalo City School District (“District” or “BCSD”)

FY 2019-2022 Financial Plan

Chair Olsen stated the need for District leadership to provide routine updates on their progress for achieving financial goals on the deficit closing initiatives on their Financial Plan and gave the floor to Mr. Nathan Miller for his presentation.

Mr. Miller stated the 2018-19 Adopted Budget general fund revenue was \$897.4M with an additional use of \$19.0M fund balance for total general fund revenue and assigned fund balance of \$916.4M. The four-year plan projects a \$56.4M increase, or 6.3%.

Expenditures of \$916.4M were budgeted in the 2018-19 Adopted Budget. The four-year plan projects a \$60.6M increase, or 6.6%, which is slightly higher than the rate of increase for revenues.

Mr. Miller reviewed General Fund gap-closing measures as updated by the District. The revised baseline gap is projected to total \$57.7M over the four-year period. The District plans to use a total of \$29.0M in fund balance during the first two out-years of the plan. The District plans to be operationally balanced in the last two out-years.

The three main categories of Gap Closing Measures along their respective savings over the four-year plan are:

- Other Revenue and Fund Balance Items \$54.4M
- Savings to be Achieved through Efficiencies \$25.1M
- Other Cost Reductions \$30.9M

Mr. Miller provided the following breakdown of several of the gap closing measures that changed:

- Other Revenue:
 - NYS Bullet Aid (unclassified) of \$1.0M received
 - Revenue enhancement through better data collection and understanding of State/Federal regulations (projected savings of \$0.1M annually/ \$0.3M cumulative)
- Fund Balance:
 - Unassigned fund balance – use of \$29.0M in FY 2018-19 and 2019-20
 - FYE 2017-18 ended with a \$34.1M budget surplus
 - Fund balance for 6/30/2020 projected to be \$37.9M in excess of Board’s 4% retention policy

Director Floss questioned the assumption the District is beyond the minimum requirement for fund balance with the need to settle upcoming expired labor contracts. Director Floss also questioned if vacancies are being double-counted.

Chair Olsen agreed with Director Floss and emphasized that not having funds available for labor negotiations leads to contracts remaining unsettled. It is important for the public to know what cuts are being made to the services provided, especially with respect to special education.

Chair Olsen asked if the BCSD is subject to the same limitations imposed on other districts limiting the amount of fund balance they are allowed to carryover. Ms. Robe responded that the BCSD is not subject to that limitation as dependent districts are excluded from that condition.

Mr. Miller continued with his discussion.

- Various actions are intended to provide savings through efficiencies:
 - Vacancies are estimated to provide up to \$2.0M annually/\$6.0M cumulatively over the Financial Plan and don't represent an action item but an area where there typically has been budgetary savings.
 - Efficiencies related to retiree healthcare is estimated to provide \$0.3M annually/\$0.9M cumulatively of savings. Retiree cosmetic surgery costs are \$0.2 million year-to-date and were budgeted at \$2.0 million. Additionally, Medicare Advantage enrollment has exceeded projections by 113 retirees.
 - Efficiencies related to employee healthcare is projected to provide savings from a dependent verification program of \$0.5M annually/\$1.5M cumulatively. The program has not yet been conducted.
 - A reduction to substitute teacher costs of \$0.1M annually/\$0.3M cumulative has been included; \$0.4M in savings is estimated to have occurred in 2017-18 from human resources implemented cost controls.
 - Reappropriated grants for nursing aid are estimated to provide up to \$1.2M annually/\$3.6M cumulatively of additional revenue. This aid was received in 2018-19. Additionally, it is noted two new vendors were approved which is expected to provide estimated annual savings of \$0.6M.
 - The renegotiation of occupational therapy and physical therapy contracts is estimated to achieve savings up to \$0.5M annually/\$1.5M cumulatively. \$1.1M of savings was reported for 2017-18 and is reflected annually over the current financial plan.
 - Savings associated with the elimination of positions due to work performed by a Master Scheduler is estimated at \$1.0M annually/\$3.0M cumulatively. Up to 11 positions are estimated to be eliminated. This position remains vacant.

Chair Olsen asked if this is able to be implemented without an agreement from the union. Director Floss stated some version of this position was included in the last negotiated contract.

- Special Education: the adopted budget includes \$1.0M reduction related to the consolidation of Committee on Special Education chairs as well as some changes in the summer handicapped program.

Chair Olsen voiced his concern with changes to special education.

Mr. Miller discussed those areas of the gap closing plan where there has been no progress. Mr. Miller stated a new contract for student transportation with NFTA provides no annual savings, but it does expand services and the cost is reimbursable at approximately 87% through NYS Transportation Aid the following year. Chair Olsen asked for an update on safety and supervision on all yellow buses.

Chair Olsen emphasized that the District provides services to other entities like charter and private schools which includes but is not limited to transportation, special education services and textbooks. Mr. Miller continued:

- Workers' compensation, medical leave and administrative leave efficiencies are projected to provide savings up to \$0.7M annually/\$2.1M cumulatively. Positive trends in this area have been identified and continue.

Director Olsen asked how this is reconciled with the newly approved NYS Paid Family Leave Act. Ms. Robe stated the Paid Family Leave Act is not a requirement for public sector unions and has not yet been negotiated at this time in labor contracts with the District.

Mr. Miller reported there are additional actions that aren't planned but could be implemented if needed to address budgetary gaps. Such actions include the reduction or elimination of the general contingency account, the reduction or elimination of the contract settlement contingency account, the elimination of non-mandated programs, the reduction of central office positions, and the reduction of instructional and support positions.

Director Floss questioned the arbitrary savings projected with some of the gap closing measures without any concrete assumptions.

Chair Olsen noted for the record that there are no salary increases included in the out-years of the Financial Plan. There is no bigger problem for the City than an underperforming school district.

BCSD 2nd Quarter Report

Mr. Miller stated the adopted budget deficit was \$19.0M and the District is projecting a \$7.7M budgetary surplus at fiscal year-end. BFSA has no current concerns related to the District's adherence to the budget. The District has made progress towards addressing the projected outyear budgetary gaps. Revenues are projected to have an unfavorable variance of \$1.3M due to the fluctuation of NYS aid. The District is projecting an \$8.5 million favorable budgetary variance for health insurance expenditures including \$8.0 million for retiree health insurance and \$0.5 million for active employee health insurance. The District converted to a traditional model of self-insurance effective July 1, 2018 and discontinued the practice of paying premium equivalent rates. Savings which accrued in the prior year on premium equivalent overpayments for retiree health insurance were refunded to the District in the current fiscal year, resulting in a projected favorable budgetary variance for health care expenditures, primarily with retiree healthcare.

Mr. Miller reported the District received NYS Aid of \$760.5M for FY 2017-18 and is projected to receive \$765.3M for FY 2018-19. The NYS Executive Budget for State FY (“SFY”) 2019-20 projects aid to the District at \$776.3M which is an increase of \$13.5M, or 7.8% from SFY 2019 to SFY 2020.

Mr. Miller concluded his presentation by comparing BCSD with Rochester, Syracuse and Yonkers school districts. BCSD received \$17,046 in foundation aid per pupil in FY 2017-18 as compared to the following districts:

- Rochester: \$16,539
- Syracuse: \$14,613
- Yonkers: \$8,168

Chair Olsen thanked Mr. Miller for his presentation and advanced the agenda to the next item as there were no additional comments or questions.

Buffalo Urban Renewal Agency (“BURA”)

2018 Financial Statement Summary

Mr. Link began his presentation stating BURA is a component of the City that distributes federal grant funds via various subrecipient agreements. As of June 30, 2018, total fund balance was \$5.0M:

- General Fund \$4.6M
 - \$3.3M nonspendable
 - \$219,512 restricted
 - \$1.1M unassigned
 - Increase of \$37,127
- CDBG Fund \$368,818 nonspendable
 - Decrease of \$196,113

The 2018 total fund level expenditures were \$47.3M with federal grant expenditures totaling \$45.M, or 97%. The 2017 total expenditures were \$48.5M with federal grant expenditures totaling \$47.1M, or 97%.

The following was discussed:

- A year-to-year increase in Federal grants revenue of \$2.1M, or 5.1%
- A year-to-year decrease in collection of program loans of \$0.9M, or 33.4%
- An increase of \$2.5M in public service and human services programs (i.e., Section 8)
- A year-to-year decrease of \$4.0M in rehabilitation and preservation activities
- A year-to-year increase of \$0.3M for planning, management, and administration, and economic development activities

The present value of BURA’s other postemployment benefit (“OPEB”) liability was restated for the implementation of GASB Statement No. 75. At June 30, 2018, OPEB was \$24.9M, a 2.9% increase from June 30, 2017 and a 107.5% increase from June 30, 2013.

Other notable items:

- All prior year findings have been addressed
- No current year single audit findings-third consecutive year
- Financial statements were restated to reflect implementation of GASB 75

BURA 2nd Quarter Report

Mr. Link reported BURA received HUD allocation entitlement funds for program year 44 2018-19 totaling \$18.8M distributed as follows:

- CDBG \$13.7M: \$4.9M to BURA and \$8.8 to City of Buffalo
- HOME \$3.3M: entire amount to BURA
- ESG: \$1.1M: entire amount to City
- HOPWA: \$720,135: entire amount to City

Report highlights:

- Expenditures will approximately equal revenue at year-end
- Prior year funds utilized to fund current-year expenditures to date
 - Year 44 funds were released in December 2018
- 35 out of 38 positions currently filled
- Salaries and fringe benefits total \$1.9M
- BURA's operations are very dependent on HUD funding and future reductions will have a negative impact on BURA's ability to deliver services
- BURA continues to look for additional revenue sources. They have been successful in securing local grants from Evans Bank and LISC to help supplement their operations

Summary of revenues and expenditures as of December 31, 2018:

- Revenues: Total budgeted \$4.9M as compared to actual of \$4.6M, a variance of -5.8%. This difference reflects a timing issue and a drawdown of funding.
- Expenses: Total budgeted \$4.9M as compared to actual of \$4.6M, a variance of -6.4%. This difference also reflects a timing issue and a drawdown of funding.

Hearing no questions or comments Chair Olsen advanced the last agenda item.

BFSA Items

Paid Family Leave Act

Chair Olsen stated the BFSA Executive Director requires Board authorization for the BFSA to opt into the NYS Paid Family Leave Act program. This program will be funded by employee payroll deductions.

Secretary Arthur made a motion to approve Resolution No. 19-02, "New York State Paid Family Leave Act Program Benefit Provision".

Director Floss seconded the motion.

Director Floss stated his support of the program and the tireless efforts of the Governor and NYS Senate to approve the act.

The Board voted 5 to 0 to approve.

Privilege of the Floor & Adjournment

Chair Olsen extended the Privilege of the Floor to any attending member of the audience who wished to publicly comment on the record on any actions that the BFSa had taken during the meeting. Hearing none, he requested a motion to adjourn the meeting.

Secretary Arthur offered a motion to adjourn the meeting.

Director Floss seconded the motion. The Board voted 5-0 to adjourn the meeting. The meeting adjourned at 3:10 p.m.