

BUFFALO FISCAL STABILITY AUTHORITY
Governance Committee Meeting Minutes
August 12, 2025

The Buffalo Fiscal Stability Authority (BFSA) Board of Directors held a Governance Committee (Committee) meeting on August 12, 2025. The meeting was called to order at 12:50 PM and complied with the New York State Open Meetings Law.

Committee Members Present

Chair Pro Tempore Frederick G. Floss
Director Andrew A. SanFilippo

Additional Directors Present

Director Timothy R. Hogues
Director Thomas F. Keenan
Mayor Christopher P. Scanlon (proxy)
County Executive Mark C. Poloncarz (proxy)

Staff Present

Executive Director Jeanette M. Robe
Comptroller Claire A. Waldron
Principal Analyst/Media Contact Bryce E. Link
Senior Analyst II/ Manager of Technology Nathan D. Miller

Opening Remarks

Committee Chair Pro Tempore Floss welcomed everyone to the meeting, thanked everyone in attendance, and reviewed the meeting's agenda. Committee Chair Pro Tempore Floss called the roll. A quorum was present, and the meeting commenced.

Approval of Minutes

Committee Chair Pro Tempore Floss introduced Governance Committee Resolution No. 25-01, "Approving Minutes and Resolution from December 11, 2024," and asked for a motion to approve.

Motion to approve by Director SanFilippo
Second by Committee Chair Pro Tempore Floss
The motion passed with a vote of 2 to 0.

BFSA Policies, Procedures, and Reports Review

Committee Chair Pro Tem Floss advanced the agenda to review various BFSA policies, procedures, and reports, presented by Executive Director Jeanette Robe.

Executive Director Robe noted she would review only those policies which had changed, noting in previous years staff had spent a substantial amount of time to ensure such policies complied with New York State requirements.

The following policy changes were discussed:

- The recommendation to adopt a new records disposition schedule, as recommended by New York State Archives.
- A revised Code of Ethics to update the threshold for policymakers to file an annual disclosure form.
- Revisions were made to the Use of Discretionary Funds Policy for consistency with Internal Revenue Service (IRS) guidelines for travel and meal reimbursement.
- Revisions were made to the Conflicts of Interest Policy for consistency with the agency renamed the New York State Commission on Ethics and Lobbying in Government (COELIG)
- No other changes had been made to the remaining policies and guidelines provided to this Committee

Principal Analyst Link reviewed the proposed records disposition schedule. The March 2025 Internal Controls report recommended that BFSFA update its records disposition from the MI-1 records retention schedule to the LGS-1 schedule, as recommended by New York State Archives, a part of the Office of Cultural Education, an office of the New York State Education Department.

Comptroller Waldren reviewed the Prompt Payment Report and the Report on Procurement Contracts. Both reports are required annually and are submitted to the New York State Office of the Comptroller.

Director SanFilippo had the following questions regarding BFSFA's investments.

Q1. How much does BFSFA have invested?

A1. Comptroller Waldron stated that BFSFA has \$60,000 in a money market account that accumulates interest earnings. An additional two hundred thousand dollars previously invested within the money market account were reinvested in treasury bills to receive a better return on investment.

Q2. Does BFSFA have funds invested with repurchase agreements?

A2. Comptroller Waldren stated that there was a small amount invested in a forward delivery agreement with the debt that is held and is paying off the debt. There are guaranteed amounts carved out from incoming sales tax receipts that are reinvested within the debt account. There is approximately \$300,000 left that will pay off debt on September 1st.

Q3. Who is BFSFA's custodial bank?

A3. Comptroller Waldron indicated that the Bank of New York was BFSFA's custodial bank.

Director SanFilippo stated that he was concerned about the securitization of the buy/sell transaction within the repurchase agreement and made the following comments. BFSFA has a master repurchase agreement that outlines the terms and conditions to determine whether BFSFA has ownership of the securities pledged against the repurchase agreement. Usually, an entity gets a purchase and sale agreement (PSA), or a master repurchase agreement (RPA), depending on the circumstances which backs up the investment. Even though it is guaranteed, I'm more concerned about ownership of the securities if something inexplicable happens where suddenly Bank of New York, or whoever the investment is with, says those are their documents to sell, not BFSFA's. There are cases that go back to the 1980s where it's a buy/sell transaction. It's not a

loan that's guaranteed. In other words, we're not loaning them money with a guaranteed return on investment. We need to know whether those securities are guaranteed, although they pledged ownership of those securities is for the BFSA. If something happens, we have the legal right to sell them on the open market.

Committee Chair Floss made the following statements. It is important for the community to understand what we're talking about. We're “into the weeds” a little bit, which is okay. People should realize how the BFSA works is that we intercept sales tax receipts that we then invest and then give it to the City of Buffalo at a later date to meet their obligations. We're doing our due diligence to be able to get as much interest we can to protect the City of Buffalo. What we're talking about is how exactly do we do that and how do we make sure that we're protecting our assets in the best way possible and particularly under the worst-case scenario, which is what Director SanFilippo is talking about. If the country has another great depression or recession what's going to happen if we see banks have problems where we've invested our money? How can we best guarantee that those funds go back to the City of Buffalo? BFSA is doing its due diligence here and I know that the Executive Director and the staff are working on all of this. It's an interesting and important question. Everyone needs to realize that this is just a discussion of how we make sure we get the best return on investments as we get money from sales tax and then at a different time turn it over to the City, and that the funds are protected.

Staff will respond directly to Director SanFilippo with update.

Committee Chair Floss asked if any Director had additional questions. Hearing none, he requested a motion to forward the various BFSA policies, procedures, and reports to the full Board with recommendations for approval as follows:

- Bylaws
- Code of Ethics
- Mission Statement
- Investment Guidelines
- Property Disposal Guidelines
- Records Disposition
- Use of Discretionary Funds Policy
- Whistleblower Policy
- Lobbying Policy
- Procurement Guidelines
- Annual Procurement Report
- Prompt Payment Policy
- Annual Prompt Payment Policy Report
- The Conflicts of Interest Policy

Motion by Director SanFilippo.
Second by Committee Chair Pro Tempore Floss.

The motion passed with a vote of 2 to 0 to forward all the various BFSA policies, procedures, and reports to the full Board with a recommendation for approval.

Annual Board Self-Evaluation

Committee Chair Pro Tempore Floss advanced the agenda to review the format of the annual Board of Directors self-evaluation and recommend its submission to each Director for completion, noting a copy of the policy guidance has been provided under Tab 1 of the board book. The format is consistent with what BFSAs has used over the last several years and is in the format provided by the New York State Authorities Budget Office. The results will be compiled and discussed at the next Governance Committee meeting before the annual summary is filed with the New York State Authorities Budget Office.

Motion by Director SanFilippo.

Second by Committee Chair Pro Tempore Floss.

The motion passed with a vote of 2 to 0.

Adjournment

Hearing no new business, Committee Chair Pro Tempore Floss asked for a motion to adjourn. Director SanFilippo made the motion and the Committee adjourned by consensus at 1:08 PM.