



STATEMENT BY THE BOARD OF DIRECTORS OF
THE NASSAU COUNTY INTERIM FINANCE AUTHORITY (NIFA)

Mineola, NY – September 9, 2013 - The Board and staff of NIFA have yet to receive a copy of the proposed agreement with the Police Benevolent Association (PBA) despite its apparent approval by the office of the County Executive and its submission by the leadership of the PBA to their board of governors.

However, given recent reports, we believe that all the parties involved must be aware – or reminded - of certain major preconditions that must be met in any attempt to fashion an agreement.

First, the issue of lifting the wage freeze for any collective bargaining unit. NIFA has clear authority to lift the freeze prospectively. However, our Act does not anticipate lifting the wage freeze retroactively. Paying any portion of wages frozen from 2011 to date in what would be a voluntary wage deferral is questionable. An agreement that includes such a retroactive wage deferral raises significant legal issues that might preclude NIFA approval.

Second, the use of deferrals. Deferrals, like borrowing, cannot be used to balance the budget in accordance with the provisions of our statute, which requires a GAAP balanced budget. Any new agreement that includes deferrals will, to the extent and in the amounts that they are included, exacerbate the County's current and multi-year plan deficits. Thus, any agreement that uses deferrals of wages or other expenses also violates the NIFA statute and NIFA would again be compelled to reject any such proposal.

Third, the County's substantial and recurring deficits. All parties should be aware, and are hereby reminded, that the County's multi-year plan must be fashioned to achieve balance no later than 2015. The proposed use of deferrals, along with other means which can't be approved by NIFA, would likely render the current multi-year plan out of balance and necessitate drastic near-term action to address such gaps.

Finally, the need to receive NIFA approval. We are directing the County, as our statute mandates [see Section 3669, 2(b) (c)], to deliver to NIFA Tuesday a copy of the proposed agreement with the PBA and any ancillary memoranda and work papers, as well as a memorandum by the County that analyzes the impact of the proposal on the County's MYP on a GAAP basis.

Since we have not received any documents from the County, we cannot comment further. However, we believed it important to explain the apparent flaws in what has been reported to be the basic structure of the agreement that is currently under discussion.

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