

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MEETING OF THE DIRECTORS

MINUTES OF FEBRUARY 4, 2020

The Directors' Meeting of the Nassau County Interim Finance Authority was convened on February 4, 2020 at 7:00 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY, pursuant to legal notice given on January 29, 2020 and electronic notice posted on the Authority's website.

Directors present: Adam Barsky, Chairman
Paul Annunziato
Paul Leventhal
Lester Petracca
Howard Weitzman
Christopher Wright

Staff present: Evan Cohen, Executive Director
Carl Dreyer, Treasurer
Kathleen Stella, Corporate Secretary
Jeremy Wise, General Counsel
Martha Worsham, Deputy Director

Call to Order/Roll Call

The meeting was called to order at 7:00 PM.

Executive Session

Pursuant to section 105 subdivision 1e of the NYS Open Meetings Law, Director Wright entertained a motion, which was seconded, to go into Executive Session to discuss collective negotiations pursuant to article fourteen of the civil service law.

Positive votes: 6 Negative votes: 0

At 7:01 PM the open session of the Directors was temporarily adjourned, and an Executive Session of the Directors was convened.

RESOLUTION NO. 20-781

EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Directors of the Nassau County Interim Finance Authority shall convene in Executive Session for the purpose of discussing collective negotiations pursuant to article fourteen of the civil service law.

* * *

At 7:25 PM Director Wright made a motion to come out of Executive Session and the motion was seconded by Director Leventhal.

Positive votes: 6 Negative votes: 0

Reconvened

Chairman Barsky noted that no votes were taken in the Executive Session and reconvened the meeting.

1. Approval of Minutes

Upon a motion made and seconded, the Directors approved the minutes from the meeting on November 21, 2020.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-780

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 21, 2020 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on November 21, 2020 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

2. Consideration of County Contract for Village of Westbury

NIFA's Deputy Director, Martha Worsham, explained that DPW and the Village of Westbury have entered into an Inter-Municipal agreement after concluding that the Village of Westbury should take the lead on the Maple Avenue and Union Avenue Streetscape Improvement Projects; both roads are Nassau County roads. She further explained that the dollar allocation for each project was \$4,000,000 and \$3,000,000, respectively. The Inter-Municipal Agreement has been approved by the Village of Westbury Board of Trustees and the County Legislature.

She further explained that the County will fund the projects out of borrowed funds (Projects are included in the approved 2018 Capital Plan). Borrowing of these funds still requires approval from the NIFA Board of Directors. DPW will review and approve all expenses as the project develops. DPW will also sign off on the construction once completed. The Village will assume maintenance at completion.

The Directors were requested to consider the County's Contract with the Village of Westbury

A motion was made by Director Wright and seconded by Director Annunziato. The Directors approved the following resolution.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-776

CONSIDERATION OF COUNTY CONTRACT FOR THE VILLAGE OF WESTBURY

RESOLVED, that the materials presented to this meeting of the Directors (the "Materials") are ordered to be filed with the records of the Nassau County Interim Finance Authority (the "Authority"); and be it further

RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves the County's Contract with the Village of Westbury in the amount of \$7,000,000; and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

3. Consideration of County Contract for Legal Aid Society

The Directors were requested to consider the County's Contract with the following amendment:

- the term of NIFA's approval will be shortened to four (4) years (January 1, 2020 – December 31, 2023) to align this item with the term of the approved Multi-Year Financial Plan.
- the amount to be approved will be reduced to \$27,303,360.06, excluding the emergency approved amount of \$4,900,000. The total amount awarded to the Legal Aid Society is \$32,203,360.06 over the four years.

NIFA recommend that the County issue an RFP for these services before the end of the approved term.

On a motion by Director Wright and seconded by Director Leventhal, the Directors approved the

following resolution.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-777

CONSIDERATION OF COUNTY CONTRACT FOR THE LEGAL AID SOCIETY

RESOLVED, that the materials presented to this meeting of the Directors (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (the “Authority”); and be it further

RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves the County’s Contract with the Legal Aid Society for a term of four (4) years and \$27,303,360.06, excluding amounts already approved under an earlier emergency request; and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

4. Consideration of the Approval for the Memorandum of Understanding (“MOU”) between the County and the Detectives Association, Inc. (“DAI”)

NIFA’s outside Labor Counsel, Gary Dallaverson, presented a summary of the Memorandum of Understanding between the County and the Detectives Association.

On a motion by Director Wright and seconded by Director Weitzman, the Directors approved the following resolution.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-778

CONSIDERATION OF MEMORANDUM OF UNDERSTANDING BETWEEN NASSAU COUNTY AND THE NASSAU COUNTY POLICE DETECTIVES ASSOCIATION

WHEREAS, on December 31, 2017, the collective bargaining agreement between the County and the Detectives Association, Inc. (“DAI”) expired; and

WHEREAS, on December 3, 2019, the County Executive and the DAI executed a Memorandum of Understanding (“MOU”); and

WHEREAS, on January 27, 2020, the County Legislature adopted a resolution approving the MOU; and

WHEREAS, the MOU shall be incorporated into the consolidated collective bargaining agreement within six months; and

WHEREAS, the revised consolidated collective bargaining agreement shall be considered a complete agreement superseding any side agreements predating the MOU; and

NOW, THEREFORE, BE IT RESOLVED, that, pursuant to Section 3669(3)(b) of the NIFA Act, NIFA hereby approves/disapproves the MOU.

5. Information from Nassau Health Care Corporation, a Covered Organization of NIFA

NIFA's General Counsel presented a resolution to the Directors concerning the Nassau Health Care Corporation.

On a motion by Director Wright and seconded by Director Leventhal, the Directors approved the following resolution.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-779

DETERMINATION ON OVERSIGHT OF THE NASSAU COUNTY HEALTH CARE CORPORATION ("NHCC")

WHEREAS, the NHCC is a public benefit corporation created by New York State in 1996 pursuant to the New York State Public Authorities Law; and

WHEREAS, in September 1999, the NHCC acquired the health facilities owned by Nassau County ("County"); however, the NHCC is included as a discretely presented component unit in the financial statements of the County; and

WHEREAS, the County is a direct-pay guarantor of the NHCC's Series 2009 Bonds; and

WHEREAS, the County guarantees to the Trustee and the owners of the bonds full and prompt payment of the principal and interest, with total payments of more than \$20 million due annually in 2020 and beyond; and

WHEREAS, from FY 2015 to FY 2018 NHCC's auditors have reported a cumulative loss at NHCC of \$193.9 million; and

WHEREAS, NHCC's auditors expressed substantial doubt that NHCC will be able to continue as a going concern in their opinion letter as well as the notes to NHCC's financial statements for the Fiscal Year ending December 31, 2018, which were issued on June 14, 2019;

WHEREAS, NHCC lost its Chief Executive Officer on October 15, 2019, who was subsequently replaced by the Chairman of NHCC; and

WHEREAS, the former Chairman of NHCC resigned, effective January 17, 2020 and has been replaced by a new Chairman and the naming of an acting Chief Executive Officer; and

WHEREAS, NIFA is concerned with the fiscal stability and viability of NHCC and recognizes that under § 3651(10) of the NIFA Act NHCC is a "covered organization"; and

WHEREAS, under § 3669(2)(c) of the NIFA Act, NIFA "shall (i) receive from . . . the covered organizations and from the state comptroller, and review, such financial statements and projections, budgetary data and information, and management reports and materials as [NIFA] deems necessary or desirable . . . , and (ii) inspect, copy and audit such books and records of . . . the covered organizations as [NIFA] deems necessary or desirable." Id. § 3669(2)(c); and

WHEREAS, in carrying out its duties NIFA has authority to issue an order to an appropriate official of a covered organization, and willful violation of a valid order is a misdemeanor. Id. § 3669(2)(f) & (4)(c); and

WHEREAS, NIFA previously exempted NHCC from strict controls based on the fact that, at that time, NIFA did not believe NHCC posed a material risk to the overall financial condition of the County and consequently did not exercise its control powers and excluded its contracts from review in a resolution dated March 24, 2011; and

WHEREAS, in light of recent developments including but not limited to the inclusion of a going concern opinion by NHCC's external auditors in its financial statements for the period ended December 31, 2018, NIFA believes that NHCC poses a material threat to the County and finds that increased scrutiny is now warranted; and

WHEREAS, NIFA may terminate the exemption from its contract review guidelines upon a determination that the circumstances upon which such exemption was granted are no longer applicable;

NOW, THEREFORE, BE IT RESOLVED, that in view of the weakening financial outlook of NHCC, to the extent that NHCC has previously been exempted by NIFA from its statutorily authorized exercise of powers during a control period, NIFA has now determined that NHCC must be subjected to its control powers; and

BE IT FURTHER RESOLVED, that within thirty days from the date of this resolution, the County Executive and the President of NHCC shall each present to NIFA proposed guidelines respecting the categories and types of contracts and other obligations, which they believe should be reviewed by NIFA, after which the Directors shall review the proposed guidelines and promulgate contract guidelines for NHCC;

BE IT FURTHER RESOLVED, that effective immediately the following contracts shall be approved by NIFA before they shall take effect:

1. All personal services contracts exceeding \$50,000;
2. All employment agreements;
3. All revenue contracts, including billing, collection and denial outsourcing contracts;
4. All Certificates of Need; and
5. All asset sales; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer of NHCC shall provide accurate and timely reporting, which shall begin immediately, and include, but not be limited to:

1. Payroll and fringe benefits by department with headcount broken down showing union employees and those with prior service at Nassau County;
2. Billings activity by category with receivables turnover rate;
3. Detailed aged accounts payable schedule;
4. Revenue by program with each program's expiration date;
5. List of programs that are dependent on grants with the grant amounts and expiration dates with any matching percentage from operations;
6. Annual Budget and Multi-year Plan with Interim Revisions;
7. Monthly Financial Statements;
8. Analysis of miscellaneous revenue;
9. Analysis of interagency activity;
10. Projected Monthly Cash Requirements for next twelve months, broken down by category (i.e., operating, debt service) updated monthly and revised more frequently if there need to be major revisions;
11. Monthly Cash Analysis by Category (i.e., operating, reserved, escrow, restricted);
12. Analysis of accrued vacation and sick pay separated between union and non-union and employees transferred from County;
13. Stratification of current contracts by amount for potential review process;
14. Implementation of centralized contractual approval processes similar to those instituted at Nassau County;
15. Board meeting agendas;
16. Board meeting minutes;
17. Applications for all borrowing requests;

however, any of the foregoing that need to be created because they don't currently exist, shall be provided to NIFA within 60 days; and

AND BE IT FURTHER RESOLVED, that this resolution shall be deemed an "order" as that term is defined in the NIFA Act and failure to comply shall subject the appropriate officials of NHCC to the penalties provided by the NIFA Act; and

AND BE IT FURTHER RESOLVED, that the Chairman of NIFA or his designee(s) may alter or amend the information requests listed in this resolution to require more or less information depending circumstances as they may arise.

6. NIFA Treasurer, Carl Dreyer, explained the December 2019 Cash Basis Results

The Chairman made a motion to adjourn, which was seconded and affirmed. The Director's meeting was adjourned at 7:45 PM.

Respectfully submitted,

Kathleen Stella
Corporate Secretary