

AGENDA

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FRIDAY, APRIL 19, 5:00 PM
MARRIOTT LONG ISLAND HOTEL & CONFERENCE CENTER
101 JAMES DOOLITTLE BLVD., UNIONDALE, NY 11553**

Call to Order

Action Items

- I. Approval of the Minutes of March 14, 2013 Meeting
- II. Consideration of County Contract for Nassau County Bar Association
- III. Consideration of Contracts from the County Attorney's Office

Adjournment

DRAFT – SUBJECT TO REVIEW AND REVISION

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON MARCH 14, 2013

Pursuant to notice dated March 12, 2013, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 5:00 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

The following Directors of the Authority were present:

Ronald Stack, Chairman
John Buran
George Marlin
Dermond Thomas
Christopher Wright

Also present from the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; Jane Cunneen, Acting Treasurer and Laurie Boucher; Corporate Secretary.

Upon determining that a quorum was present, the Chairman called the meeting to order.

Chairman Stack then asked Executive Director Cohen to go through the items on the agenda.

Executive Director Cohen stated that the first item on the agenda was a resolution to approve the minutes of the February 7, 2013 Directors’ meeting.

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Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-414

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 7, 2013 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on February 7, 2013 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.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to consider the second extension of a liquidity facility with JP Morgan Chase Bank in connection with the 2008C variable rate bonds in the principle amount of \$150 million. He stated that NIFA did an RFP and based on the response JP Morgan gave a very competitive bid; 38 basis points per annum. He stated that based on NIFA's review of responses, its analysis and NIFA's financial advisor's analysis, he was recommending that NIFA approve the resolution.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-415

AUTHORIZATION TO EXTEND LIQUIDITY FACILITY WITH JPMORGAN CHASE BANK IN CONNECTION WITH NIFA'S 2008C BONDS AND TO TAKE RELATED ACTIONS.

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RESOLVED, that the materials presented to this meeting (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 in accordance with the Materials, the Chairman or his designee(s) is hereby authorized to negotiate and execute an agreement with JPMorgan Chase Bank (“JP Morgan”) for an extension of its liquidity agreement in connection with NIFA’s 2008C Bonds, for a three year term substantially upon the terms and conditions discussed in the Materials (the “Extension”); and be it further

RESOLVED, that the firm of Lamont Financial Services Corporation (“Lamont”) is hereby selected to provide financial advice to the Authority with respect to the Extension; and be it further

RESOLVED, that the law firm of Hawkins Delafield & Wood (“Hawkins”) is hereby appointed bond counsel for the Extension; and be it further

RESOLVED, that the Authority hereby finds that both Hawkins and Lamont have special expertise and experience with NIFA’s bonds that make them specially qualified to advise regarding the Extension and additionally extraordinary circumstances exist, in view of the accelerated time schedule for the transaction and the significant benefit to the County and the Authority of completing the transaction under current market conditions, which make competition impracticable or inappropriate; and further

RESOLVED, that the Authorized Officers or their designee(s) are each authorized and directed to approve and execute such documents or certifications, make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out this resolution, including expenses associated with the exploration of alternative methods to secure liquidity for the Bonds, and that all such actions heretofore taken in connection with the Extension by the Chairman or his designee(s) are hereby ratified and approved; and be it further

RESOLVED that the Chairman or his designee(s) are further authorized to take all actions deemed necessary or appropriate to implement the foregoing.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of two contracts between the County Attorney’s office and outside vendors. He stated that since the County Attorney’s office has a history of submitting contracts late and/or commencing

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work on contracts prior to NIFA approval, the NIFA Directors had stated that they would like to review them.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-416

REVIEW OF CONTRACTS FROM THE COUNTY ATTORNEY'S OFFICE

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 contracts numbered CLAT13000003 and CLAT13000004 in the Materials; 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.

* * *

Chairman Stack stated that the next item on the agenda was a resolution finding a wage freeze is essential to the adoption and maintenance of a Financial Plan and Budget for Nassau County in compliance with governing legislation. He stated that NIFA had previously adopted a similar resolution in 2011 and 2012. He stated that the County anticipates incurring \$213 million in operating expenses and hundreds of millions of dollars in capital needs because of Superstorm Sandy. In addition, he stated that the County is facing some uncertainty given the tax certiorari liabilities in 2014 and subsequent years. He stated that NIFA projects the County could close fiscal

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2013 with a cash deficit as much as \$41 million and a deficit as much as \$116 million under generally accepted accounting principles even with this wage freeze and without accounting for tax certiorari refunds and Superstorm Sandy related expenditures. Chairman Stack stated that NIFA finds that the savings from the wage freeze are a necessary component and essential to setting the County on a path to fiscal balance as required by law.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-417

FINDING A WAGE FREEZE IS ESSENTIAL TO THE ADOPTION AND MAINTENANCE OF A FINANCIAL PLAN AND BUDGET FOR NASSAU COUNTY IN COMPLIANCE WITH GOVERNING LEGISLATION

WHEREAS, on March 24, 2011, and again on March 22, 2012, NIFA adopted resolutions imposing successive wage freezes of one year each on County employees; and

WHEREAS, during the Control Period, NIFA has approved two Multi-Year Financial Plans for periods Fiscal 2012 – 2015 and 2013 – 2016, both contemplating that substantial borrowing would be necessary to finance operating expenditures, including the cost of tax certiorari settlements and judgments, while transitioning to a balanced budget; and

WHEREAS, the NIFA Staff issued an October 25, 2012 report on the County's proposed Multi-Year Financial Plan Fiscal 2013 – 2016, stating: "[T]he County has survived for another year, but is not on an upward trajectory. Poor fiscal practices like amortization of pension contribution payments, failure to timely pay certiorari claims, and use of fund balance are short-sighted ways to lower near term expenditures while failing to add new revenues"; and

WHEREAS, the NIFA Staff issued a November 29, 2012 report on the County's adopted Multi-Year Financial Plan Fiscal 2013 – 2016, stating: "[D]ue to the County's inability to create reserves, build infrastructure, negotiate proposed labor concessions, resolve its tax cert problem or achieve structural balance where recurring revenues meet recurring expenditures, NIFA will remain in a control period for the foreseeable future."; and

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WHEREAS, the County anticipates incurring \$213 million in operating expenses and hundreds of millions of dollars in capital needs that will be addressed in the coming years relating to Superstorm Sandy, and it is uncertain how much of these unforeseen expenditures will be covered by State and Federal aid; and

WHEREAS, the County planned to address its tax certiorari liabilities in 2014 and subsequent years with local legislation eliminating the County Guaranty, which plan has been invalidated by a unanimous panel of the New York State Appellate Division, thereby continuing the County's sole responsibility for \$75 to \$100 million in annual operating expenses; and

WHEREAS, the NIFA Staff currently projects that the County, even with the savings of the NIFA wage freeze, could close Fiscal Year 2013 with a cash deficit of as much as \$41 million, and a deficit of as much as \$116 million under Generally Accepted Accounting Principles (the standard required by the NIFA Act) without accounting for tax certiorari refunds above budgeted amounts and Superstorm Sandy-related expenditures; and

WHEREAS, NIFA, having analyzed the expenditure and revenue components of the County's current outlook for FY 2013 through FY 2016, finds that the savings contributed by a wage freeze are a necessary component for the next 12 months and will be essential to setting the County on a path to fiscal balance as required by law; and

WHEREAS, during a control period, by law NIFA may in appropriate circumstances adopt a Resolution finding that a wage freeze is essential to the adoption or maintenance of a County budget or a financial plan that is in compliance with the State legislation that established NIFA,

NOW, THEREFORE, BE IT RESOLVED, that NIFA hereby finds that a wage freeze as authorized by NIFA's governing legislation is essential to the County's adoption and maintenance of its FY 2013 Budget and MYP as well as compliance with State law.

* * *

Chairman Stack stated that the next item on the agenda was a resolution declaring a continuing fiscal crisis in Nassau County and ordering the suspension of any increases in salary or wages and suspension of increases in payments for holiday, vacation differentials, etc. He stated that NIFA had previously adopted similar resolutions in 2011 and 2012 which provided substantial savings to the County.

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Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-418

DECLARING A CONTINUING FISCAL CRISIS IN NASSAU COUNTY AND ORDERING, WITH RESPECT TO EMPLOYEES OF THE COUNTY, THE SUSPENSION OF ALL INCREASES IN SALARY OR WAGES, AND THE SUSPENSION OF INCREASED PAYMENTS FOR HOLIDAY AND VACATION DIFFERENTIALS, SHIFT DIFFERENTIALS, SALARY ADJUSTMENTS ACCORDING TO PLAN, AND STEP-UPS AND INCREMENTS

WHEREAS, on March 24, 2011, NIFA adopted resolutions declaring a fiscal crisis and imposing a one-year wage freeze on Nassau County employees; and

WHEREAS, on March 22, 2012, NIFA adopted resolutions declaring a continuing fiscal crisis and an additional one-year wage freeze; and

WHEREAS, on this date, March 14, 2013, NIFA adopted resolution No. 13-417, which finds that a wage freeze, as authorized by NIFA's governing legislation, is essential to the County's adoption and maintenance of the County's adopted Budget and Multi-Year Financial Plan, and to compliance with such legislation; and

WHEREAS, by law NIFA, after enactment of Resolution No. 13-417, may declare a fiscal crisis and, upon making such declaration, shall be empowered to order a wage freeze for one year;

WHEREAS, NIFA and its Staff have analyzed the County Executive's Proposed Multi-Year Financial Plan, Fiscal 2013-2016, adopted by the County Legislature, which was reluctantly approved by NIFA with conditions; and

WHEREAS, the County estimates that a wage freeze will provide substantial savings during the ensuing 12-month period; and

WHEREAS, even assuming such savings from a wage freeze, NIFA determines that the County will be significantly challenged to achieve statutory balance by the end of the Multi-Year Financial Plan, and will require additional borrowing to meet ongoing operating expenses as it endeavors to transition to a GAAP balanced budget,

NOW, THEREFORE, BE IT RESOLVED, that NIFA hereby declares that the fiscal crisis in the County continues; and be it further

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RESOLVED, that NIFA hereby orders that all increases in salary or wages of employees of the County, which will take effect after the date of this order pursuant to collective bargaining agreements, other analogous contracts or interest arbitration awards, now in existence or hereafter entered into, requiring such salary increases as of any date thereafter are suspended for one year; and be it further

RESOLVED, that NIFA hereby orders that all increased payments for holiday and vacation differentials, shift differentials, salary adjustments according to plan, and step-ups and increments for employees of the County which will take effect after the date of this order pursuant to collective bargaining agreements, and other analogous contracts or interest arbitration awards requiring such increased payments as of any date thereafter are, in the same manner, suspended for one year.

* * *

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 5:10 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

April 19, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Nassau County Bar Association Contract

REQUEST FOR: Consideration of County Contract for Nassau County Bar Association

Introduction:

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, (“Guidelines”), which include the Contract Approval Request Form. The Guidelines delineate the dollar thresholds and approval process of all County contracts that must be submitted to NIFA for approval.

On March 27, 2013, the County submitted a contract for Nassau County Bar Association to NIFA for approval. The vendor is a sole source provider. The contract is a 12 month contract valued at \$7,697,245.

Discussion:

Pursuant to County Law, the County is mandated to provide legal representation to criminal defendants and civil litigants in certain Family Court and Surrogate Court proceedings. Legal representation is provided through the Legal Aid Society and through a panel of private attorneys screened by the Nassau County Bar Association.

Requested Action:

You are requested to approve the County’s contract with Nassau County Bar Association.

Attachment:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-420

APPROVAL OF COUNTY CONTRACT FOR NASSAU COUNTY BAR ASSOCIATION

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 for Nassau County Bar Association which is projected to cost \$7,697,245; 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.

Ronald Stack
Chairperson

April 19, 2013

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

April 19, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Contracts from County Attorney's Office

REQUEST FOR: Consideration of Contracts from the County Attorney's Office

Introduction:

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, ("Guidelines"), which include the Contract Approval Request Form. The Guidelines delineate the dollar thresholds and approval process of all County contracts that must be submitted to NIFA for approval.

Discussion:

The County Legislature has approved the following contracts for legal services and the monies to pay the contracts have been encumbered. The descriptions of services are brief so as to avoid public dissemination of legal strategies; however, more detailed confidential descriptions are available and can be discussed in Executive Session.

Brief Summary:

Vendor	Contract #	Amount	Purpose
Jackson Lewis	CLAT13000005	\$350,000	This is the first amendment to increase funding to a contract to provide legal representation regarding various labor matters.
Lewis & Fiore	CLAT12000026	\$500,000	To amend an agreement to provide legal representation in the consolidated litigation Kogut v. County of Nassau, et al. This amendment increases the funding of the existing contract.

Requested Action:

You are requested to review and approve or disapprove entering into each of the contracts referenced in the prior discussion.

Attachment:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-421

REVIEW OF CONTRACTS FROM THE COUNTY ATTORNEY'S OFFICE

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/disapproves contracts numbered XXX in the Materials; 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.

Ronald Stack
Chairperson

April 19, 2013