

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 11-____

CONDITIONALLY APPROVING THE COUNTY'S MULTI-YEAR FINANCIAL PLAN FOR FISCAL 2012 – 2015

WHEREAS, Nassau County is operating in a Control Period, as defined in the NIFA Act, and declared by NIFA on January 26, 2011; and

WHEREAS, in the absence of a 2012 Budget approved by NIFA, the County may be unable to issue Tax Anticipation Notes by the end of 2011 to fund necessary operating expenditures (including payroll and other ordinary expenses as they come due), precipitating a cash-flow crisis; and

WHEREAS, in September 2011 the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2012 – 2015 (“Proposed Plan”), the first year of which is his proposed 2012 Budget; and

WHEREAS, on October 6, 2011, NIFA adopted a Resolution determining that the Proposed Plan failed to comply with the NIFA Act and making recommendations with respect to the financial plan to be considered and adopted by the County Legislature; and

WHEREAS, NIFA consulted with the County regarding potential modifications to the Proposed Plan; and

WHEREAS, on October 30, 2011, the County Legislature adopted its Multi-Year Financial Plan for Fiscal 2012 – 2015 (the “MYP”), the first year of which is the County’s 2012 Budget, which is now before NIFA for approval or disapproval; and

WHEREAS, the NIFA Staff has prepared a report on the MYP dated December 8, 2011 (“Report”).

NOW, THEREFORE, BE IT RESOLVED, that the NIFA Directors hereby adopt the Report.

AND BE IT FURTHER RESOLVED, that pursuant to Sections 3667(2) and 3669(2)(a) of the NIFA Act, NIFA approves the MYP, including the 2012 Budget, subject to the conditions set forth in the Report, to wit:

- (i) Unanticipated savings or revenues that are not directly used to offset negative variances in line items in the MYP must be disclosed to NIFA before they are committed. The County and NIFA will then consult as to their highest and best use including, but not limited to (but with a bias toward), the reduction of County debt service or debt issuance. In addition, all other significant variances and their resolution must be disclosed to NIFA on a timely/real time basis and through written reports referenced in item (v) below.
- (ii) No funds shall be borrowed until NIFA has detailed reports on the proposed uses of the funds and approves of the borrowing as required by law. Uses of borrowed funds must conform to the MYP and the County's promise to achieve a GAAP balanced budget in FY 2015.
- (iii) NIFA's approval of a plan for "transitional cert borrowing" in FY 2011 – 2014 is predicated on the understanding that the proceeds will be used to pay down new liability as well as the backlog so that in FY 2015 the County will be in a position to fund both the backlog and new liability with operating funds. Consequently, the County must adhere to the following backlog reduction goals before the commencement of such transitional cert borrowing:

By the conclusion of FY 2012	\$128 million
By the conclusion of FY 2013	\$103 million
By the conclusion of FY 2014	\$78 million

- (iv) NIFA's approval of a plan for \$65 million in borrowings for non-cert judgments and settlements is predicated on the understanding that the proceeds will be used only during FY 2011- 2014 and that beginning in 2015 all non cert judgments and settlements will be funded through operating revenues. The only exception shall be for large and unanticipated judgments, the determination of which will be subject to NIFA approval. Yearly progress in this regard must be presented to

NIFA at the time when the multi-year plan and budget are presented to the County Legislature.

- (v) The County will be required within 21 days after the end of every month to submit a report to NIFA that follows the same format as the “Quarterly County Budget Report.” Receipt of these reports will be a condition to approval of any additional borrowing and each report should include all budget variances including, but not limited to:
- A report of sales tax collections, together with a projection of year end results and the justification for the projection.
 - A report showing, by department, funded positions, filled positions, separations, transfers in/out, and new hires.
 - A copy of the County’s proposed State legislative agenda, with sponsor and bill numbers for each gap-closing initiative that requires implementation during FY 20012 and FY 2013, together with monthly updates.
 - An accounting of certiorari payment activity.

AND BE IT FURTHER RESOLVED, that NIFA adopts the attached Statement of Approval, which is deemed a part of this Resolution.

Ronald Stack
Chairperson

December 8, 2011

Attachment: Statement of Approval