

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MINUTES OF THE 3rd MEETING

HELD ON AUGUST 23, 2000

Pursuant to notice dated August 16, 2000, the Nassau County Interim Finance Authority (NIFA) was convened for the third time at 3:00 PM at the Omni Board Room in Uniondale, NY.

The following Directors of the Authority were present:

**Frank G. Zarb, Chairman
Richard M. Kessel
David Peirez
Martin Payson (via telephone)
Robert G. Smith (via telephone)
Robert Wallach**

Also representing the Authority was Richard Luke, Executive Director/Treasurer.

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

Chairman Zarb stated that Directors will be asked to approve the hiring of bond counsel and underwriters. He stated that there will be a discussion on the work that Nassau County and NIFA have done as of today. Chairman Zarb asked Mr.

Luke to address the Board.

Mr. Luke stated that the first item on the agenda is the approval of the minutes from the July 13 Board meeting. He indicated that the minutes were changed to reflect the fact that Director Peirez had asked that all professional service contracts be subject to approval by the Board.

Upon motion duly made and seconded, the minutes of the July 13 Board Meeting were approved.

Mr. Luke stated that the next item on the agenda was the appointment of officers. He stated that the Directors are being asked to appoint Mr. Jeremy Wise as General Counsel and Corporate Secretary and Ms. Carol Kostik as Chief Financial Officer.

Upon motion duly made and seconded, the following resolutions were approved unanimously:

RESOLUTION NO. 00-07

APPOINTING AN OFFICER OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

WHEREAS, the Nassau County Interim Finance Authority ("NIFA") or the ("Authority") was created by Chapter 84 of the Laws of 2000 (the "Act") to be a

corporate governmental agency constituting a public benefit corporation to issue bonds that are backed by county sales tax revenues as well as to perform certain budgetary oversight functions as set out in the Act; and

WHEREAS, the Authority is authorized by law to appoint officers and employees, and to prescribe their duties to assist NIFA in the effectuation of its corporate purposes; and

WHEREAS, to facilitate the issuance of its bonds and the fulfillment of all other duties and responsibilities imposed, or which may be imposed, upon the NIFA by law or sound practice, the NIFA determines it is necessary to appoint certain officers of the Authority.

NOW, THEREFORE, BE IT RESOLVED that the NIFA appoints the following person to serve as an officer of the Authority:

Jeremy Wise, to serve as “General Counsel” and “Corporate Secretary”

and be if further,

RESOLVED, that said appointments shall be effective as of July 12, 2000.

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RESOLUTION NO. 00-08

APPOINTING AN OFFICER OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

WHEREAS, the Nassau County Interim Finance Authority ("NIFA") or the ("Authority") was created by Chapter 84 of the Laws of 2000 (the "Act") to be a corporate governmental agency constituting a public benefit corporation to issue bonds that are backed by county sales tax revenues as well as to perform certain budgetary oversight functions as set out in the Act; and

WHEREAS, the Authority is authorized by law to appoint officers and employees, and to prescribe their duties to assist NIFA in the effectuation of its corporate purposes; and

WHEREAS, to facilitate the issuance of its bonds and the fulfillment of all other duties and responsibilities imposed, or which may be imposed, upon the NIFA by

law or sound practice, the NIFA determines it is necessary to appoint certain officers of the Authority.

NOW, THEREFORE, BE IT RESOLVED that the NIFA appoints the following person to serve as an officer of the Authority:

Carol S. Kostik, as “Chief Financial Officer”

and be it further,

RESOLVED, that said appointment shall take effect immediately.

* * *

Mr. Luke stated that the next items on the agenda were resolutions to approve the selection of bond counsel as well as the selection of underwriters. He stated that Request for Proposals (RFP's) were sent out. He indicated that NIFA along with the State Dormitory Authority, which has experience doing similar types of financing, reviewed the responses.

Director Wallach stated that he would like to affirm, for the record, that Goldman Sachs understands that minority firms be given the opportunity to participate in the placement. Mr. Ingrassia from Goldman Sachs replied that Goldman Sachs will work with NIFA to accomplish these goals. Chairman Zarb asked Mr. Ingrassia to report back to the Board on how Goldman Sachs will accommodate this request. Director Peirez stated that at least two firms for co-managers are minority firms.

Upon motion duly made and seconded, the following resolutions were approved unanimously:

RESOLUTION NO. 00-09

Selection of Bond Counsel for NIFA's Initial Financing and a Pre-qualified List of Bond Counsel for Future NIFA Financings

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Nassau County Interim Finance Authority ("NIFA" or the "Authority"), there is hereby appointed the following law firms who are deemed qualified to act as bond counsel for the financings of the Authority for a term of up to three years, subject to extension by the Chairman for up to an additional year.

Senior Tier
Brown & Wood LLP
Hawkins, Delafield & Wood

Junior Tier
Clifford Chance Rogers & Wells LLP
Fischbein Badillo Wagner Harding
Orrick, Herrington & Sutcliffe LLP
Squire, Sanders & Dempsey L.L.P.
Whitman Breed Abbott & Morgan LLP

and be it further

RESOLVED, that the law firm of Hawkins, Delafield & Wood is hereby appointed as bond counsel for NIFA's initial financing, and be it further

RESOLVED, that the Chairman of the Authority or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider necessary or proper to effectuate the foregoing.

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RESOLUTION NO. 00-10

Selection of a Pre-qualified Team of Underwriters for NIFA Financings and a Book Running Senior Managing Underwriter for NIFA's Initial Financing

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Nassau County Interim Finance Authority ("NIFA" or the "Authority"), there is hereby appointed the following team of underwriters who are deemed qualified to assist in the financings of the Authority for a term of up to three years, subject to extension by the Chairman for up to an additional year.

Senior Managers:

**Goldman, Sachs & Co.
PaineWebber Incorporated**

Special Co-Managers:

**First Albany Corporation
Morgan Stanley Dean Witter
Salomon Smith Barney**

Co-Managers:

**Fleet Securities, Inc.
M.R. Beal & Company
Merrill Lynch & Co.
Ramirez & Co., Inc.
Roosevelt & Cross, Inc.
William E. Simon & Sons Municipal Securities,
Inc.**

(collectively the "Team"), and be it further

RESOLVED, that any of the Special Co-Managers and Co-Managers shall also be eligible to be Senior Managers based upon performance and circumstances deemed relevant, and be it further

RESOLVED, that the Authority may designate a “Selling Group” at the time of a sale based on marketing needs; however, preference in selecting the Selling Group shall be given to those firms who applied for management positions, and be it further

RESOLVED, that the firm of Goldman, Sachs is hereby appointed as book running senior managing underwriter for NIFA’s initial financing, and be it further

RESOLVED, that the other members of the Team shall also participate in the initial financing in the capacities listed above, and be it further

RESOLVED, that the Chairman of the Authority or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Authority to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider necessary or proper to effectuate the foregoing.

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Chairman Zarb stated that NIFA will be getting started right away with the financing plan. He indicated that NIFA should have something within a week to ten days as to the plan and the program going forward which it can share with the Board. The Chairman stated that he met with the Nassau County Executive and the two elected leaders today to assess the progress. He asked Ms. Jacobs and Mr. Schmitt to give their assessment as to the meeting.

Ms. Jacobs stated that she felt the meeting was a very positive step forward but there is still a long way to go. She stated she is committed to a meeting scheduled on Friday for the three principals. She stated that the goal is to have a working document from the County Executive in a week to ten days. She indicated that the County Executive’s final document is due by September 15 at which time the

legislature will proceed to schedule the necessary hearings. Ms. Jacobs stated that the legislature will be ready to vote on the budget before the October 30 deadline.

Mr. Schmitt stated that the legislature will wait for the County Executive's plan and will move expeditiously to have the budget in place on time.

Chairman Zarb stated that the first document will be presented to NIFA on September 5, which is a general outline of the categories of things that are going to have to happen with sufficient concurrence by the elected leaders to give NIFA some comfort that it can expect the final document on September 15. He stated that if NIFA is not satisfied with the document on September 5, it may have to start looking in a different direction. The Chairman stated that NIFA is not taking any role in determining what goes into the document and will not comment on any piece of the document until it sees the whole package.

Mr. Luke stated that the next item on the agenda is the selection of an accounting firm. He stated that NIFA sent out an RFP and after reviewing the responses, recommends selecting KPMG as the firm based upon their experience and qualifications.

Upon motion duly made and seconded, the following resolution was approved with Director Wallach objecting:

RESOLUTION NO. 00-11

**APPOINTING AN AUDITING FIRM TO PROVIDE TEMPORARY ASSISTANCE
TO THE NASSAU COUNTY INTERIM FINANCE AUTHORITY**

WHEREAS, the Nassau County Interim Finance Authority ("NIFA") or the ("Authority") was created by Chapter 84 of the Laws of 2000 (the "Act") to be a corporate governmental agency constituting a public benefit corporation to issue bonds that are backed by county sales tax revenues as well as to perform certain budgetary oversight functions as set out in the Act; and

WHEREAS, the Authority is authorized by the Act to perform audits and reviews of the government of Nassau County and any covered organizations as it deems necessary; and

WHEREAS, since NIFA is not yet fully staffed, but desires to fulfill its responsibilities under the Act, it is deemed to be necessary to immediately employ professionals to assist the current staff of NIFA; and

WHEREAS, four major accounting firms were contacted and asked to submit proposals to provide temporary assistance to the Authority; and

WHEREAS all four major accounting firms submitted proposals which were reviewed by staff for the Authority.

NOW, THEREFORE, BE IT RESOLVED that NIFA finds that an emergency or other extraordinary circumstance exists which makes advertising in the "New York State Contract Reporter" impractical or inappropriate; and be it further

RESOLVED, that employment of the accounting firm of KPMG is hereby authorized for a term not to exceed six months or an expenditure of \$75,000, whichever ever comes first, and be it further

RESOLVED, that the Chairman of the Authority or his designee(s) are hereby authorized to take all actions, including the negotiation and signing of a contract, to implement the foregoing.

* * *

Mr. Luke stated that the legislature adopted a budget for the Community College yesterday. He stated that raised the property taxes about \$2 million for the College which translates into just slightly under a \$4 tax increase for the average

home.

Mr. Luke stated that Nassau County is fairly comfortable that they are going to end the fiscal year in balance.

Chairman Zarb asked Goldman Sachs to work with Mr. Luke to assure that the financing package is the most effective that it can be or if NIFA should change directions.

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 4:23 p.m.

Respectfully submitted,

Richard L. Luke