

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MINUTES OF THE 1ST MEETING

HELD ON JUNE 28, 2000

Pursuant to notice dated June 26, 2000, the Nassau County Interim Finance Authority (NIFA) was convened for the first time at 1:00 PM at the Omni Teleconference Center in Uniondale, NY.

The following Directors of the Authority were present:

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

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 the two key missions of the Authority, first, is to oversee a process which will restore fiscal integrity to Nassau County. He stated that the second mission is to be sure that the State contributions and mechanisms

and financing takes place under the guidelines and with the appropriate discipline that needs to be in place. The Chairman stated that the NIFA is not here to micromanage the County but to ensure that the job gets done.

Chairman Zarb publicly thanked Judy Jacobs and Peter Schmitt for their assistance given thus far and for being completely cooperative and committed to this objective.

Ms. Jacobs stated that she is very committed to the health and fiscal stability of Nassau County.

Mr. Schmitt stated that the will of the legislature bipartisan is strong to solve this problem.

Chairman Zarb stated that the first item on the agenda is to adopt the by-laws. Mr. Luke stated that the by-laws were put together to get the Authority going and over time will be modified and amended. He stated that it provides the terms of fiscal year, the period of time for things, the officers and the basic by-laws.

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

Resolution 00-1

Chairman Zarb made a motion to approve Richard Luke as Executive Director and Treasurer.

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

Resolution 00-2

Mr. Luke stated that the next item on the agenda is approving Nassau County's plan. He stated that Nassau County had to come up with \$50 million in savings this year and \$50 million in recurring savings in the out years. He stated that with so much of this fiscal year is gone, in order to close the gap, the County had to use a number of one shots. Mr. Luke stated that the Authority is fairly comfortable that the one shots will occur.

He indicated that in terms of the recurring savings going into 2001: there are a number of initiatives in the Police Department that will come up to about \$12 million. He stated that in personnel reductions there is about \$11.7 million through a hiring freeze and early retirement incentive. He also stated that there are some program cuts that come up to about \$11.9 million which deals with some

discretionary contracts, some additional revenues for day care and the restructuring of day care fees and salary enhancements. Mr. Luke stated that the last major item is for fees and fines totaling about \$2.6 million. He indicated that he met with some of the key departments to make sure they were comfortable with these initiatives.

Mr. Luke stated that he also met with staff from the County Executive's Office, the County Controller's Office and the Majority and Minority County Legislature to get their perspective on the plan. He stated that a key point will be monitoring the plan, possibly by assigning an individual for each of the initiatives along with some one from within Nassau County. He indicated that the other significant items are the restructuring of the County debt, and also the year 2000 to 2004 financial plan that will be submitted in September. Mr. Luke stated that based upon the work that had been done, he recommends the approval of the plan by the Board.

Chairman Zarb emphasized that the follow-up and close monitoring is going to be essential because there can be no slippage. He stated that the elected officials will have to make cuts within the goal and timetable of the plan. Chairman Zarb stated that the next year budget complete in detail and passed and a four-year plan approved by the County Legislature is needed by Labor Day.

Mr. Kessel asked how the \$14.3 million from the fund balance is being

utilized. Mr. Luke replied that the County's fund balance at the end of 1999 was \$21.4 million. He stated that the plan shows a negative \$13 million for 2000 due to the severance packages that the police officers get when they retire. Mr. Kessel stated that about \$7 million is left in the fund balance for 1999. Mr. Luke confirmed this.

Mr. Kessel asked if the County will report the Authority if they use that fund balance or another fund as part of the plan. Mr. Luke replied that the Authority would prefer to see other initiatives to balance out as opposed to use more fund balance. Chairman Zarb stated that there can not be any surprises and that this job gets done through this vehicle or it gets done through a different vehicle.

Mr. Payson asked if by approving the plan, does this automatically release funds. Chairman Zarb replied that it makes the funds releasable but there is a reasonable management oversight as to what is going on.

Mr. Kessel asked what would happen if the funds are released and then the County does not comply with the spending reductions. Chairman Zarb replied that the ability to benefit from the refinancing is under the Authority's control going forward, so the amount of savings the County gets through the refinancing plan is also under the control of the Authority.

Mr. Peirez asked if the monitoring is going to be on a quarterly basis. Mr. Luke replied that he anticipates that there become different timetables for the different initiatives depending upon the type of initiative.

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

Resolution 00-3

Chairman Zarb stated that the next item on the agenda is a resolution on approval authority. Mr. Luke stated that the resolution authorizes the opening of depository accounts, allows for the Authority to invest any unneeded money and talks about the transfer of the monies back to the County.

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

Resolution 00-4

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 1:35 p.m.

Respectfully submitted,

Richard L. Luke