

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MINUTES OF THE 4th MEETING

HELD ON SEPTEMBER 20, 2000

Pursuant to notice dated September 13, 2000, the Nassau County Interim Finance Authority (NIFA) was convened for the fourth time at 11:00 AM in the Omni Executive Club Room in Uniondale, NY.

The following Directors of the Authority were present:

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

Also representing the Authority was Richard Luke, Executive Director/Treasurer, Jeremy Wise, General Counsel/Corporate Secretary and Carol Kostik, Chief Financial Officer.

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

Chairman Zarb stated that NIFA is in the process of reviewing the details of the budget received as submitted from the County. He indicated that the analysis

will be done from an accounting purity standpoint and then there will be other categories and questions that need to be addressed. Chairman Zarb stated that if there are characteristics within the budget which the Legislature indicates it may not go along with, then it is up to them to come up with some other measure to replace it. He stated that there will be categories in the budget called at-risk numbers or to-be-verified numbers. He stated that if there is an item at risk, then the County will have to give NIFA some backups as to if this measure is not fulfilled, what it will put in it's place.

Chairman Zarb stated that NIFA will hold it's next meeting on October 2 at which time the Board will have already had a review of it's comments.

Director Payson questioned the areas that are undefined. He stated that there are a lot of numbers that the gap is to be filled without any identity of how the gap is to be filled. Chairman Zarb replied that those gaps are going to have to be more precisely addressed before NIFA can accept the numbers. Chairman Zarb stated that if the County Executive and the Legislature can not complete the task and for any reason the system falters, the assistance from the State will be in jeopardy. He stated that it is up to the NIFA Board to make that determination.

Director Peirez asked what else would NIFA be receiving from the County Executive between now and October 2. Chairman Zarb replied that NIFA will be

getting some clarification on some points that the staff will be addressing. Chairman Zarb stated that he intends to work concurrently with the County Comptroller so that there would be no surprises.

Director Peirez asked if the legislative process would begin immediately. Ms. Jacobs replied that the first hearing on the budget would be on September 25 regarding public safety. She stated that September 28 will be government services and October 2 will be health and social services. Ms. Jacobs stated that on October 4 will be the first of two full legislative hearings on the budget.

Director Payson asked about the health of the County Health System and it's huge deficits. Mr. Luke replied that NIFA would have to look at the contract between the hospital and the County and see what is required underneath that contract and make sure that the County is budgeting appropriate amounts to meet whatever subsidy is required. He stated that some of the subsidy that is required is met from some of the tobacco money that had been securitized in the past.

Director Kessel asked if NIFA would be receiving greater detail on the expenditure reductions for 2002, 2003 and 2004. Mr. Luke stated that NIFA will be asking the County for more details but the further out in the plan you go, it will be a little more difficult to be specific. Chairman Zarb stated that he expects a lot more detail regarding the \$27 million in expenditure reductions. Chairman Zarb stated

that this is not business as usual, this is a crisis.

Chairman Zarb stated that the first item on the agenda is the approval of the minutes from the August 23 Board meeting.

Upon motion duly made and seconded, the minutes of the August 23 Board Meeting were approved.

Mr. Luke stated that the next item on the agenda was to authorize the draw down of the State aid, both the transitional State aid of \$25 million and the targeted assistance of \$5 million, which relates to the tax certs. He stated that County had to close the budget gap for this year and come up with recurring savings of \$50 million.

Mr. Luke stated that the County has given NIFA their plan on how they are going to deal with the tax certs. He stated that NIFA will evaluate that plan. Mr. Luke stated that this authorizes the draw down of the \$25 million and the \$5 million. He indicated that NIFA would hold the \$5 million until the County plan regarding the tax certiorari is approved and will then remit the money to the County after the expenditures have actually been made.

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

RESOLUTION NO. 00-12

AUTHORIZATION TO MAKE CERTAIN FINDINGS NECESSARY TO DRAW DOWN TRANSITIONAL STATE AID AND TARGETED ASSISTANCE AND TO TAKE RELATED ACTIONS

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

RESOLVED, that in accordance with the Materials and the Nassau County Interim Finance Authority Act (“Act”), the Chairman or his designee(s) are hereby authorized in their discretion, to take all actions and make all representations deemed necessary in order for the Authority to draw down the \$25,000,000 transitional State aid and \$5,000,000 of targeted assistance which the Act requires to be paid to the Authority on or before September 30, 2000; and be it further

RESOLVED, that the Chairman or his designee(s) are hereby authorized to take all actions deemed necessary to implement the foregoing and to take related actions.

* * *

Mr. Luke stated that the next item on the agenda was a resolution to authorize the distribution of the Preliminary Offering Circular.

Director Payson stated that he was uncomfortable with this. He asked if some bonds are due to be refinanced. Mr. Luke replied that NIFA is expecting to have the sale on October 17 and the closing is October 25. He stated that this gives NIFA sufficient time to achieve the savings that are necessary.

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

RESOLUTION NO. 00-13

RESOLUTION AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFERING CIRCULAR AND THE TAKING OF RELATED ACTIONS

RESOLVED: that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Authority; and be it further

RESOLVED: that it is the current intent of the Authority to issue Sales Tax Secured Bonds, Series 2000A (“Bonds”), and be it further

RESOLVED: that the Authority authorizes the use of the Preliminary Offering Circular (“Circular”) which is attached to the Materials and incorporated herein, only in connection with the offering and sale of the Bonds and as required by the rules of the Securities and Exchange Commission, and be it further

RESOLVED: that the Authority approves of and ratifies the use by the underwriters listed on the cover of the Circular, of the Circular (including all appendices), in connection with the prospective offering of the Bonds; and be it further

RESOLVED: that the Executive Director or Chief Financial Officer of the Authority or their designee(s) are authorized to make any changes in the Circular that are deemed necessary or appropriate, including any representation deemed necessary to make the Circular into a deemed final document.

* * *

Mr. Luke stated that the next item on the agenda is an official intent resolution which is basically a legal formality. He stated that it does not bind NIFA in terms of issuing bonds, but set the framework for the issuing of bonds and give the flexibility to change the issue as appropriate depending upon what the County may end up coming in for.

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

RESOLUTION NO. 00-14

OFFICIAL INTENT RESOLUTION

WHEREAS, the Nassau County Interim Finance Authority (the "Issuer"), a public benefit corporation created under Title 1 of Article 10-D of the New York Public Authorities Law (the "Act"), to assist Nassau County (the "County"), has paid within the past 60 days or may pay in the future costs for certain original expenditures for its governmental purposes on a temporary basis with non-debt funds or the County may have so paid or may pay such original expenditures, both with the intention ultimately to reimburse or finance such original expenditures with the proceeds of certain tax-exempt bonds to be issued by the Issuer in one or more bond issues for such purposes (the "Bonds");

WHEREAS, this resolution (the "Resolution") covers original expenditures in the nature of capital expenditures, Bond issuance costs, or certain extraordinary working capital expenditures;

WHEREAS, this Resolution does not cover any original expenditures that have previously been financed with debt of the Issuer, the County, or related parties to them, and it is understood that the Bonds covered by this Resolution exclude any tax-exempt bonds to be issued by the Issuer for refunding purposes to refund principal or interest on prior existing debt of the Issuer, the County, or related parties to them that was used to finance original expenditures;

WHEREAS, the purpose of this Resolution is to declare the Issuer's official intent to reimburse or pay the described original expenditures from the proceeds of the Bonds in the described maximum principal amount in order to assure the eligibility of such original expenditures for financing with the Bonds under the principles of Treas. Reg. §1.150-2 regarding the use of tax-exempt bond proceeds for reimbursement purposes, and this Resolution otherwise imposes no binding obligation to issue the Bonds or to finance the original expenditures; and

NOW, THEREFORE, the Issuer does hereby resolve as follows:

Section 1. Project or Program Description. The Issuer reasonably expects and intends to reimburse or finance from the proceeds of the Bonds original expenditures that are described by general functional purpose, as follows:

- (i) capital expenditures for County purposes, including the following**

- general functional purposes: health related; social services; sanitation and sewer system; parks and recreation; law enforcement; road, and bridges, and traffic signals; community college; water remediation; and general county buildings and equipment;
- (ii) real property tax reassessment contract costs pursuant to an approved Nassau County bond ordinance, to the extent that they represent extraordinary, nonrecurring working capital expenditures;
 - (iii) tax certiorari settlements and other judgments to which the County is a party to the extent that they represent extraordinary, nonrecurring working capital expenditures;
 - (iii) payment by the County of Nassau for retirement incentives pursuant to New York Senate Bill number 8173 and New York Assembly Bill number 11451, adopted June 13, 2000 to the extent that they represent extraordinary, nonrecurring working capital expenditures; and
 - (iv) Bond issuance costs.

Section 2. Maximum Principal Amount of Bonds. The Issuer reasonably expects that the maximum principal amount of Bonds that it will issue either to reimburse or to pay for the first time the original expenditures described in Section 1 of this Resolution will not exceed \$240 million.

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Mr. Luke stated that the next item on the agenda was a resolution to appoint Carol Kostik as Assistant Corporate Secretary. He stated that Ms. Kostik is currently Chief Financial Officer at NIFA and appointing her Assistant Corporate Secretary would make it easier to sign documents.

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

RESOLUTION NO. 00-15**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 Carol S. Kostik, who already serves as the Chief Financial Officer of the Authority to serve as an officer of the Authority in the following additional capacity:

Carol S. Kostik as "Assistant Corporate Secretary"

and be it further,

RESOLVED, that said appointment shall take effect immediately.

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Mr. Luke stated that the next item on the agenda is a resolution requesting a corporate seal for use with official documents.

RESOLUTION NO. 00-16

AUTHORIZATION TO ADOPT A SEAL OF THE AUTHORITY AND TAKE ALL RELATED ACTIONS

RESOLVED: that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Authority; and be it further

RESOLVED: that the seal of the Authority in substantially the form outlined in the Materials is hereby adopted as the seal of the Authority; and be it further

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

* * *

Mr. Luke stated that the next item on the agenda was a resolution authorizing the leasing of office space and equipment. He stated that the space is located across the street from the County Comptrollers Office and a walking distance to the County Executive’s building. Mr. Luke stated that the rate is \$22 a square foot which is lower than the comparables which were \$25-\$27 per square foot. He stated that NIFA is also going to have to get furniture and office equipment.

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

RESOLUTION NO. 00-17

AUTHORIZATION FOR LEASING OF OFFICE SPACE FOR THE AUTHORITY AND PURCHASE OR LEASE OF RELATED ITEMS

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

RESOLVED, that the Chairman of the Authority or his designee(s) are authorized to execute a lease for up to five years for office space at 170 Old County Road in Mineola, New York (the "Office") substantially upon the terms and conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman or his designee(s) are furthered authorized to acquire the necessary furniture, fixtures and equipment for the Office; and be it further

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

* * *

Mr. Luke stated that the next item on the agenda is a resolution to authorize the use of a payroll service. He stated that the cost is estimated to be \$2000-\$2500 a year.

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

RESOLUTION NO. 00-18

**AUTHORIZATION OF EMPLOYMENT OF A PAYROLL SERVICE FOR THE
AUTHORITY AND THE TAKING OF RELATED ACTIONS**

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

RESOLVED, that NIFA finds that an emergency or other extraordinary circumstance exists which makes advertising in the “New York State Contract Reporter” impracticable or inappropriate; and be it further

RESOLVED, that the Chairman or his designee(s) are hereby ordered to enter into an agreement with Accu Data Payroll for payroll services for the Authority at a cost not to exceed \$2,500.00 per annum for a term not to exceed four years; 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 and to take related actions.

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Mr. Luke stated that the next item on the agenda was three resolutions to join the New York State Retirement System.

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

RESOLUTION NO. 00-19

RESOLUTIONS AUTHORIZING THE AUTHORITY TO JOIN THE NEW YORK STATE RETIREMENT SYSTEM AND TO TAKE RELATED ACTIONS

RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Authority; and

BE IT RESOLVED: that the Directors of the Nassau County Interim Finance Authority does hereby elect to provide the additional pension benefits of Section 41 (j) of the Retirement and Social Security Law, as presently or hereafter amended; and

BE IT FURTHER RESOLVED: that the effective date of such shall be the 20th day of September, 2000; and be if further

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

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RESOLUTION NO. 00-20

RESOLUTIONS AUTHORIZING THE AUTHORITY TO JOIN THE NEW YORK STATE RETIREMENT SYSTEM AND TO TAKE RELATED ACTIONS

RESOLVED, that the materials presented to this meeting (the “Materials”) are ordered to be filed with the records of the Authority; and

BE IT RESOLVED: that the Directors of the Nassau County Interim Finance Authority does hereby elect to provided the additional pension benefits of Section 75-c; Section 75-e; Section 75-g and Section 75-i of the Retirement and Social Security Law, as presently or hereafter amended; and

BE IT FURTHER RESOLVED: that the effective date of such shall be the 20th day of September, 2000; 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 and take related actions.

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RESOLUTION NO. 00-21

RESOLUTIONS AUTHORIZING THE AUTHORITY TO JOIN THE NEW YORK STATE RETIREMENT SYSTEM AND TO TAKE RELATED ACTIONS

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

BE IT RESOLVED: that the Directors of the Nassau County Interim Finance Authority does hereby elect to participate as an employer in the New York State and Local Employees Retirement System and approves inclusion of its officers and employees in such system, in accordance with any and all of the laws governing such participation as set forth in the Retirement and Social Security Law, as presently or

hereafter amended, together with any administrative rule, regulation or directive governing same; and

BE IT FURTHER RESOLVED: that this election shall become effective on the 20th day of September, 2000; 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 and take related actions.

* * *

Mr. Luke stated that the next item on the agenda were resolutions authorizing the Authority to participate in the New York State Health Insurance Program, to offer an insurance, dental and vision benefits package and to set employee benefits.

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

RESOLUTION NO. 00-22

RESOLUTION AUTHORIZING THE AUTHORITY TO PARTICIPATE IN THE NEW YORK STATE HEALTH INSURANCE PROGRAM AND TO TAKE RELATED ACTIONS

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

RESOLVED, that the Directors of the Nassau County Interim Finance Authority of the State of New York elects to participate as a participating employer in the New York State Health Insurance Program and to include in such plan its officers and employees and to include in such plan its retired officers and employees subject to and in accordance with the provisions of Article XI of the Civil Service Law and the

Regulations governing the New York State Health Insurance Program, as presently existing or hereafter amended, together with such provisions of the insurance contracts as may be approved by the President of the Civil Service Commission and any administrative rule or directive governing the plan; and be it further

RESOLVED: that the effective date of such participation shall be October 1, 2000 or such earlier or later date as is appropriate for the employees of the Authority, is permitted by law, and is acceptable to the Executive Director of the Authority; and be it further

RESOLVED: that the Authority shall pay up to 90% of the cost of membership in the program (including the drug plan), 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 and take related actions.

* * *

RESOLUTION NO. 00-23

RESOLUTION AUTHORIZING THE AUTHORITY TO OFFER AN INSURANCE, DENTAL AND VISION BENEFITS PACKAGE FOR EMPLOYEES AND TO TAKE RELATED ACTIONS

RESOLVED: that the materials presented to this meeting (the "Materials") are ordered to be filed with the records of the Authority; and be it further

RESOLVED: that the Directors of the Nassau County Interim Finance Authority of the State of New York elects to participate as a participating employer in the M/C Group Term Life Insurance Plan and to include in such plan its officers and employees who are not represented by a recognized or certified employee organization pursuant to Article Fourteen of the Civil Service Law subject to and in accordance with the provisions of Section 158 of the Civil Service Law and the regulations governing the M/C Group Term Life Insurance Plan, as presently existing or hereafter amended, together with such provisions of the insurance contracts as may be approved by the President of the Civil Service Commission and any administrative rule or directive governing the plan; and be it further

RESOLVED: that the effective date of such participation shall be October 1, 2000 or such earlier or later date as is appropriate for the employees of the Authority, is permitted by law, and is acceptable to the Executive Director of the Authority; and be

if further

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

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RESOLUTION NO. 00-24

AUTHORIZATION TO SET EMPLOYEE BENEFITS AND TO TAKE RELATED ACTIONS

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

RESOLVED, that the Executive Director, subject to approval of the Chairman, is hereby authorized to set all employee benefits upon the terms and conditions outlined in the Materials; 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 and to take related actions.

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Chairman Zarb stated that the last item on the agenda was a resolution authorizing the appointment of a consultant.

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

RESOLUTION NO. 00-25

**APPOINTING A CONSULTANT 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, Martin R. Cantor is a certified public accountant with extensive public sector experience who is available part-time to assist with NIFA's review of various County departments.

NOW, THEREFORE, BE IT RESOLVED, that employment of Martin R. Cantor is hereby authorized for a term not to exceed six months or an expenditure of \$4,999, which 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.

*** * ***

Chairman Zarb entertained a motion to go into executive session to discuss personnel issues.

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

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 Financial Authority shall convene in Executive Session for the purpose of discussing personnel matters.

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At 11:45 a.m. the open session of the Board of Directors was temporarily adjourned and an executive session of the Board of Directors was convened. At 11:59 a.m. the executive session was adjourned and the open session was reconvened.

Chairman Zarb stated that there was no action taken during executive session.

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Board voted unanimously to adjourn the meeting at 12:00 p.m.

Respectfully submitted,

Richard L. Luke

