

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON DECEMBER 7, 2001**

Pursuant to notice dated November 29, 2001, the Nassau County Interim Finance Authority (NIFA) was convened at 3:00PM on the second floor of the Omni Building located in Uniondale, NY.

The following Directors of the Authority were present:

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

Also representing the Authority was Richard Luke, Executive Director, Jeremy Wise, General Counsel, Carol Kostik, Chief Financial Officer, Evan Cohen, Deputy Director, Timothy Sullivan, Deputy Director, Jane Cunneen, Deputy Chief Financial Officer, Laurie Leat, Corporate Secretary and Lisa Morelli, Administrative Assistant.

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

The Chairman entertained a motion to go into executive session to discuss litigation.

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

RESOLUTION NO. 01-74

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 Finance Authority shall convene in Executive Session for the purpose of discussing litigation.

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At 3:05 p.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 3:17 p.m. the executive session was adjourned and the open session was reconvened. The Chairman stated that no votes or actions had been taken in the executive session.

The Chairman stated that there are a number of items on the agenda, the last one being a resolution on the budget. He stated that NIFA staff will give an analysis of the budget which will be followed by comments from the NIFA Directors. Chairman Zarb stated that while this is an emotional and political issue, the NIFA Directors must make a decision that is in the best interest of the stability of Nassau

County going forward and ultimately will lead to a four-year financial plan which would get Nassau out of the crisis mode.

The Chairman stated that the first item on the agenda is a resolution to approve the minutes from the November 9, 2001 Directors' Meeting.

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

Resolution No. 01-75

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
NOVEMBER 9, 2001 MEETING OF THE DIRECTORS OF THE NASSAU
COUNTY INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on November 9, 2001, 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.

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Jeremy Wise stated that the next items on the agenda are resolutions allowing NIFA to go forward with a bond sale and an environmental resolution stating that by issuing the bonds, NIFA is not violating any laws. Carol Kostik stated that NIFA is undertaking an approximately \$300 million bond anticipation note financing on behalf of the County. She indicated that NIFA has received the highest

possible short-term ratings of SP-1+, Standard and Poors, and S&P, F1+ from Fitch and MIG1 from Moody's.

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

Resolution No. 01-76

NASSAU COUNTY INTERIM FINANCE AUTHORITY RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF BOND ANTICIPATION NOTES, SERIES 2001B-1 AND SERIES 2001B-2

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the "Act"), authorizes the Nassau County Interim Finance Authority (the "Authority") to issue bonds or notes (the "Bonds" or "Notes") for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the "County"); and

WHEREAS, the proceeds of one series of such Notes are expected to be used to finance (i) tax certiorari settlements and judgments; (ii) other judgments; (iii) reassessment funding; and (iv) the costs of issuance of such series of Notes (the "Series 2001B-1 Notes"), and the proceeds of the second series of such Notes are expected to be used to finance annual cash flow needs of the County and related costs of issuance (the "Series 2001B-2 Notes"), all such costs constituting Financeable Costs under the Act; and

WHEREAS, the Authority is required under the State Environmental Quality Review Act, as amended ("SEQR"), to complete environmental reviews in connection with certain of its activities, including the issuance of it Notes from time to time or the expenditure of the proceeds thereof for certain purposes:

NOW, THEREFORE, the Authority hereby adopts the following resolution:

I. SEQRA Findings and Delegation

RESOLVED, that the issuance of the Series 2001B-1 Notes and Series 2001B-2 Notes in order to finance (i) tax certiorari settlements and judgments; (ii) other judgments; (iii) reassessment funding; (iv) annual cash flow needs of the County; and (v) the costs of issuance of such Notes; and, in each case constitutes a "Type II" action under SEQR and, accordingly, no further action or review is required to be made with respect to the issuance of Notes and the application of the proceeds for such purposes.

* * *

Resolution No. 01-77

NASSAU COUNTY INTERIM FINANCE AUTHORITY RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES TWO AND BOND ANTICIPATION NOTES, SERIES 2001B-1 AND SERIES 2001B-2

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the "Act") authorizes the Nassau County Interim Finance Authority (the "Authority") to issue bonds and notes for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the County of Nassau (the "County"); and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance and sale of a series of its sales tax secured bonds (the "Bonds") and one or more series of bond anticipation notes in anticipation of such Bonds (such series of bond anticipation notes, including any renewals thereof, the "Notes"), through the approval of appropriate documentation, including, without limitation, the approval of the Fifth Supplemental Indenture (as such term is defined below), the authorization of the issuance of such series of Bonds and the issuance, sale and delivery of such series of Notes, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, the proceeds of such series of Notes will be used to finance Financeable Costs under the Act, including (i) annual cash flow needs of the County; (ii) tax certiorari settlements and judgments; (iii) other judgments; (iv) reassessment funding; and (v) the costs of issuance of such series of Notes; and

WHEREAS, the Authority is authorized by the Act, upon submission by the County to the Authority of an approved declaration of need in accordance with the Act, to enter into agreements, in the Authority's discretion, providing for the financing of Financeable Costs by the Authority and to issue its Bonds and Notes therefor, and the Authority is required to obtain the written approval of the State Comptroller for the sale of each series of Bonds or Notes and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the series of Bonds and Notes; and

WHEREAS, the Authority has previously approved a form of indenture entitled "Indenture between Nassau County Interim Finance Authority and The Bank of New York, as successor trustee to United States Trust Company of New York, dated as of October 1, 2000" (the "General Indenture"), authorizing the issuance of one or more series of bonds or notes, including bond anticipation notes, for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such bonds or notes and the security pledged to the payment thereof; and

WHEREAS, the duly Authorized Officers of the Authority have caused to be prepared a form of supplemental indenture entitled "Fifth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York, as Trustee Authorizing Up To \$350,000,000 Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series Two and Up To \$330,000,000 Nassau County Interim Finance Authority Bond Anticipation Notes, Series 2001B-1 and Series 2001B-2, dated as of December 1, 2001" (the "Fifth Supplemental Indenture"), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series Two (the "Series Two Bonds") and the Notes, initially bearing the designations "Bond Anticipation Notes, Series 2001B-1" and "Bond Anticipation Notes, Series 2001B-2", subject to any renewal thereof, (the General Indenture, as amended and supplemented, including by said Fifth Supplemental Indenture, being hereinafter collectively referred to as the "Indenture"); and

WHEREAS, the Authority has previously approved a form of financing agreement dated as of October 1, 2000 (the "Financing Agreement"), by and between the Authority and the County, pursuant to which the County has made certain agreements and covenants relating to the issuance of bonds or notes by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders and Noteholders; and

WHEREAS, pursuant to the Act and the Financing Agreement, the County has

requested (and, as a condition to the Authority's financing, has submitted an approved Declaration of Need in accordance with the Financing Agreement in form satisfactory to the Authority) that the Authority undertake this financing through the issuance of the Notes in one or more series or subseries for the purposes of financing (i) annual cash flow needs of the County at lower cost than the County could finance such cash flow needs on its own; and

WHEREAS, the County will issue and deliver to the Authority as noteholder, its issue of Tax Anticipation Notes (the "TANs"), the payments thereunder to the Authority expected to be sufficient for the Authority to pay in full amounts owing on the series or subseries of the Notes issued for such purposes (as well as an allocable share of costs of issuance thereof) at their respective maturity date or dates; (ii) tax certiorari settlements and judgments of the County; (iii) other judgments; (iv) reassessment funding; and (v) costs of issuance of each series or subseries of Notes; and

WHEREAS, the duly Authorized Officers of the Authority have participated in the preparation and distribution of a Preliminary Offering Circular (the "Preliminary Offering Circular"), relating to the Notes; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Notes and have negotiated a form of Contract of Purchase therefor (the "Purchase Contract"); and

WHEREAS, certain officers and employees of the Authority have negotiated a form of contract of purchase between the Authority and the County relating to the purchase by the Authority of the TANs from the County (the "TANs Purchase Contract"); and

WHEREAS, the duly Authorized Officers of the Authority have caused to be prepared a Nassau County Interim Finance Authority Bond Anticipation Notes, Series 2001B Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the Authority and the Trustee in order to assist the Underwriters (as defined below) in complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended:

NOW, THEREFORE, the Authority, hereby adopts the following resolutions:

Fifth Supplemental Indenture

RESOLVED, that the form of Fifth Supplemental Indenture presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Fifth Supplemental Indenture in substantially such form with such further changes thereto prior to the issuance and delivery of the Notes or the Series Two Bonds (which may be issued in one or more series or subseries) as may be approved by the Authorized Officer subject to the terms referred to in items VIII and X below, respectively; and further

Declaration of Need

RESOLVED, that pursuant to the Act and the Financing Agreement, the County has requested the Authority to undertake this financing and has submitted a Declaration of Need in substantially the form set forth in the Financing Agreement and any Authorized Officer is hereby authorized to execute and deliver an acceptance of said Declaration of Need consistent with this resolution; it being expressly understood that the Authority's undertaking of this financing through the issuance of the Notes is conditioned upon (i) submission of an approved Declaration of Need satisfactory to an Authorized Officer of the Authority and (ii) issuance and delivery by the County to the Authority as noteholder of the TANs on a date and in a form satisfactory to an Authorized Officer of the Authority and to bond counsel to the Authority; and further

Preliminary Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved, ratified and confirmed for use in marketing the Notes; and further

Offering Circular

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, a final Offering Circular ("Offering Circular") relating to the Notes, with such changes to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriters to comply with SEC rules; and further

Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters, in substantially the form presented to this meeting, copies of which shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

TANs Purchase Contract

RESOLVED, that the TANs Purchase Contract by and among the Authority and the County, in substantially the form presented to this meeting, copies of which shall be annexed to this resolution as Exhibit D is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

Continuing Disclosure Agreement

RESOLVED, that the Continuing Disclosure Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit E, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Continuing Disclosure Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

Terms of Notes

RESOLVED, that there is hereby delegated to any Authorized Officer of the

Authority, subject to the limitations contained herein and in the General Indenture, the power with respect to the Notes to determine and carry out the following:

The principal amount of Notes to be issued in an aggregate principal amount up to \$330,000,000 (after giving effect to any original issue discount and underwriters' discount from the principal amount) in one or more series or subseries;

The date or dates, maturity date or dates and principal amount of each maturity of the Notes; provided, however, that the Notes shall mature no later than January 31, 2003.

Provisions for renewal of the Notes consistent with the Indenture; provided that any renewal notes shall mature no later than December 31, 2004;

The interest rate or rates of the Notes (including a zero interest rate), the date from which interest on the Notes shall accrue and the interest payment dates, if any, therefor; provided, however, that the true interest cost on the Notes (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed six percent (6%) per annum, and the true interest cost of any renewal of such Notes as so determined shall not exceed eight percent (8%) per annum;

Additional provisions for the sale or exchange of the Notes and for the delivery thereof not otherwise set forth herein;

Directions for the application of the proceeds of the Notes and investment thereof not in conflict with the provisions hereof;

Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the General Indenture, including, without limitation, incorporating a credit facility, amending the pledge of collateral (other than the pledge of the Series Two Bonds) securing the Notes, or changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

Issuance of Notes

RESOLVED, that the Authority shall issue, award and deliver the Notes pursuant to the Purchase Contract, and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Notes; and further

Terms of Series Two Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the General Indenture, the power with respect to the Series Two Bonds to determine and carry out the following:

The principal amount of Series Two Bonds to be issued in an aggregate principal amount up to \$350,000,000 (after giving effect to any original issue discount and underwriters' discount from the principal amount);

The date or dates, maturity date or dates and principal amount of each maturity of the Series Two Bonds, the amount and date of each sinking fund installment, if any, and which Series Two Bonds, if any, are serial bonds or term bonds; provided, however, that the Series Two Bonds shall mature no later than December 31, 2022, unless this provision shall be amended by future resolution of the Directors, with the advice of bond counsel to the Authority;

The interest rate or rates of the Series Two Bonds (including a zero interest rate), the date from which interest on the Series Two Bonds shall accrue and the interest payment dates, if any, therefor; provided, however, that the true interest cost on the Series Two Bonds (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed eight percent (8%) per annum;

The redemption price or redemption prices, if any, and the redemption terms, if any, for the Series Two Bonds; provided, however, that the redemption price of any Series Two Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series Two Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

Additional provisions for the sale or exchange of the Series Two Bonds and for the delivery thereof not otherwise set forth herein, including, but not limited to, provisions for a negotiated sale thereof and preparation and approval of the Series Two Bond Instruments, as defined and provided for in Section 4.03 of the form of Fifth Supplemental Indenture;

Directions for the application of the proceeds of the Series Two Bonds and investment thereof not in conflict with the provisions hereof;

Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the General Indenture, including, without limitation, changing the designation of the Series Two Bonds, incorporating a credit

facility, changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

I Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the Deputy Chief Financial Officer, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant Treasurer and any Assistant Corporate Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an "Authorized Officer" for the purposes of this resolution; and further

Appointment of Underwriters

RESOLVED, that the firm of Goldman, Sachs & Co. is hereby appointed as book running senior managing underwriter, with UBS PaineWebber Inc. serving as co-senior manager for the financings authorized by this resolution. The other members of the underwriting team will include: First Albany Corporation, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., M.R. Beal & Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Quick & Reilly, Inc., Ramirez & Co., Inc. and Roosevelt & Cross Incorporated. These other members shall participate in the financing in the capacities set forth in the Authority's resolution dated August 23, 2000, or as further determined by an Authorized Officer, and be it further

Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of the Notes, renewal notes and the Series Two Bonds is found to be appropriate for the following reasons:

- (i)** the Underwriters, designated in item XII above, have and will continue to assist in all structuring tasks including preparation of the Offering Circular and presentations to rating agencies;
- (ii)** the Underwriters have and will continue to be able to undertake presale marketing to help determine the level of demand for the Notes, renewal notes and the Series Two Bonds; and
- (iii)** the Underwriters will have the flexibility to sell the Notes, renewal notes and the Series Two Bonds on short notice and make rapid changes in structure to accommodate the market; and further provided, that each

of the Notes, any renewal notes and the Series Two Bonds shall be awarded and sold to the Underwriters named in the Purchase Contract upon the terms and conditions set forth in the respective Purchase Contract at a purchase price of not less than ninety percent (90%) of the aggregate original principal amount of the Notes, any renewal notes and the Series Two Bonds, respectively, to be sold; and further

Appointment of Bond Counsel

RESOLVED, that, consistent with a resolution of the Directors adopted on August 23, 2000 authorizing the selection of bond counsel, Hawkins, Delafield & Wood is hereby appointed bond counsel for the Authority in connection with the authorization, sale and issuance of the Series Two Bonds, the Notes and any renewals thereof, and that any Authorized Officer is hereby authorized to enter into an agreement with bond counsel consistent herewith and with our previously concluded procurement process; and further

Sale of Notes and Bonds

RESOLVED, that, subject to obtaining the approval of the Comptroller of the State, the Authority shall sell and award, at private sale, the aggregate principal amount of each of the Notes, any renewal notes and the Series Two Bonds to the Underwriters; and further

Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Notes, any renewals thereof and the Series Two Bonds), 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 without limitation: the execution, sale and delivery of the Notes (and any renewals thereof) and the Series Two Bonds; the purchase of the TANs; any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution, the application of payments received by the Authority on the TANs; and that all such actions heretofore taken in connection with the Notes, any renewal thereof, the Series Two Bonds and the purchase of the TANs by any Authorized Officer, or his or her designee, are hereby ratified and approved.

* * *

Chairman Zarb stated that the next item on the agenda is a resolution regarding the first year of the Four-Year Plan. He stated that Nassau County is late in providing the Plan to NIFA, however, out of respect for the fact that there is a new County Executive, the Directors agreed to a delay in the submission of the Four-Year Plan. The Chairman asked Richard Luke to give a review of the staff's analysis of next year's plan.

Mr. Luke stated that while the staff believes that the budget is in the range of acceptability, it also recognizes that it does contain some risks, particularly in the area of sales tax. He stated that the budgeted number for sales tax is \$856 million, which presumes that the County will need three-percent growth from \$831 million, which NIFA believes is reasonable. He stated that the budget includes an attrition rate next year of approximately nine percent, which is slightly higher than historical levels and needs to be closely monitored within the County. Mr. Luke stated that based upon the analysis, NIFA staff recommends that the Directors accept the budget as presented.

Chairman Zarb stated that it is the intention of NIFA to work closely with the County Executive and the Legislative leaders and share information on a regular basis should there be a need to make changes to the budget during the course of the year. He stated that the primary effort will be to work with the County towards the construction of a Four-Year plan. The Chairman asked the Directors for their

comments prior to the vote.

Director Payson stated that in response to a memorandum that was given to the Directors just prior to this meeting from County Executive-Elect Suozzi, it is a mistake to distribute a serious document without advance notice as a matter of procedure. He stated that he is supporting this budget because it will give Mr. Suozzi a chance to be County Executive without a control board.

Director Stack stated the NIFA Directors have a responsibility to meet its statutory requirements to review and with advice of staff to determine whether or not this budget is balanced. He stated that the budget is reasonable and balanced and wishes the new County Executive and the staff of Nassau County the best of luck and looks forward to cooperating with them in the next year.

Director Wallach stated that while the budget is not perfect, it is a sound document and he supports the approval of this budget. He stated that the County needs to be as positive as it can about Nassau County because continued negative comments can only hurt the County with Wall Street and other people, who are very important to Nassau County's future.

Director Kessel stated that Nassau County needs to restructure and change the way it operates and make the appropriate steps that are necessary to put

the County back on strong fiscal footing. He further stated that once that is done, then the County should look at the revenue side of the equation. He stated that he supports this budget, but will not support any further budgets or plans that include tax increases without major restructuring of the way the County does business.

Director Peirez stated that he is not happy with the budget, which does not include long-term structural change. He stated that he will support it due to the determination of County Executive-Elect Suozzi. He urged that new County Executive and new Comptroller and entire legislative body to pay close attention to NIFA's recommendation for a thorough review of all the services, how they can be delivered, whether they should be delivered, what should be eliminated and what should be cut back.

Director Smith stated that he sees it as huge progress having both sides of the political fence sit together and make assessments, agreements and weighing things out. He stated that he supports the budget.

Chairman Zarb stated that in reference to the sales tax estimate, NIFA's original number was three percent. He stated that NIFA checked with a very senior economist in the County who stated that their number was three to five percent.

Chairman Zarb stated that NIFA approved the use of the surplus for pay

back of the payroll lag which would restore a tool that the County Executive needs.

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

RESOLUTION NO. 01-78

Resolution adopting a report concerning the first year of a four-Year financial plan of Nassau County, making CERTAIN DETERMINATIONS regarding said plan, and authorizing the taking of Related Actions

RESOLVED, that the report submitted to the Directors dated December 7, 2001 and entitled "Review of Year One of the Nassau County Four-Year Financial Plan" (the "Report") is hereby adopted; and be it further

RESOLVED that year one of the County's four-year financial plan, also known as the 2002 Budget, as filed with the Clerk of the Nassau County Legislature on December 6, 2001 (the "Proposed Budget"), is acceptable to the Nassau County Interim Finance Authority (the "Authority"), subject to the following:

1. the 2002 Budget must be finally adopted and implemented by the County Legislature in sufficient time to incorporate the terms of the 2002 Budget into the 2002 tax levy and contain substantially the same terms that are outlined in the Report and Proposed Budget or such other terms as are acceptable to the Authority; and

2. the \$18 million of fiscal year 1999 fund balance identified in the 2002 Budget may be used, in whole or in part, only to fulfill any County obligations in relation to a prospective termination of the lag payroll by the County;

and be it further

RESOLVED that to date the Authority has not received years two, three and four of the County's "Financial Plan," as defined in the Authority Act ("Act"), that are acceptable to the Authority and an acceptable four-year Financial Plan must be submitted to the Authority no later than April 1, 2002; and be it further

RESOLVED that notwithstanding the foregoing, the Authority reserves all of its rights under its Act, including the implementation of a control period, if it deems that sufficient progress is not being made toward the adoption of the four year Financial Plan or if there is non-compliance with any material provisions under its Act; and be it further

RESOLVED, that the Chairman of the Authority or his designees, shall notify the County of Nassau as to this determination and certify to the revenue estimates agreed to by the Authority in accordance with the Act; and be it further

RESOLVED, that the Directors acknowledge that the Act requires the continuous monitoring of the County of Nassau by the Authority and in furtherance thereof it requires that leaders of the Authority, County Executive, Legislative Majority, Legislative Minority, and Comptroller of Nassau County continue to meet together on a monthly basis; 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; and be it further

RESOLVED, that the Report is deemed to be a part of this resolution and ordered to be filed, together with this resolution, with the permanent records of the Authority.

* * *

The Chairman entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:20 p.m.

Respectfully submitted,

Laurie A. Leat
Corporate Secretary