

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MINUTES OF THE MEETING OF THE DIRECTORS

HELD ON January 23, 2001

Pursuant to notice dated January 16, 2001, the Nassau County Interim Finance Authority (NIFA) was convened at 3:00 PM in the Omni Executive Club Room in Uniondale, NY.

The following Directors of the Authority were present:

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

Also representing the Authority was Richard Luke, Executive Director/Treasurer, Jeremy Wise, General Counsel/Corporate Secretary, Carol Kostik, Chief Financial Officer, Janet Jones, Deputy Chief Financial Officer, Evan Cohen, Deputy Director, Timothy Sullivan, Deputy Director and Laurie Leat, Chief Administrator.

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

Chairman Zarb stated that the first item on the agenda is the approval of

the minutes from the December 8, 2000 meeting of the Directors.

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

Resolution No. 01-44

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
DECEMBER 8, 2000 MEETING OF THE DIRECTORS OF THE NASSAU
COUNTY INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on December 8, 2000, 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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Chairman Zarb stated that the next item on the agenda is the approval of auditors for the Authority.

Mr. Luke stated that NIFA sent out a Request for Proposals (RFP) to approximately forty firms and advertised in the "Contract Reporter". He stated that NIFA received six proposals back. Mr. Luke stated that after evaluating the proposals, NIFA is recommending the selection of Deloitte & Touche to be the auditors. Chairman Zarb stated that since Deloitte & Touche also audits Nassau County; to avoid any conflicts, they would be used only for the audit of NIFA books.

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

RESOLUTION NO. 01-45

**AUTHORIZATION TO SELECT AUDITORS FOR THE AUTHORITY
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 Nassau County Interim Finance Authority ("Authority"); and be it further

RESOLVED, that in accordance with the Materials, the Chairman or his designee(s) are hereby authorized to select Deloitte & Touche LLP as the Authority's independent financial auditing firm to conduct audits of NIFA for fiscal years 2000, 2001 and 2002 at a yearly fee of \$15,000 for fiscal year 2000, \$15,580 for fiscal year 2001 and \$16,600 for fiscal year 2002, and to assist the Authority on an as-needed basis at fees according to the schedule included in the Materials, in an amount not to exceed \$10,000; 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, including the execution of a contract, and to take related actions.

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Mr. Luke stated that the next item on the agenda is a resolution appointing the Corporate Secretary and Assistant Corporate Secretary. He stated that Mr. Wise would resign as Corporate Secretary and become Assistant Corporate Secretary and Ms. Leat would be appointed Corporate Secretary.

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

RESOLUTION NO. 01-46

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 materials presented to this meeting (the "Materials") are ordered to be filed with the records of the Nassau County Interim Finance Authority (the "Authority"); and be it further

RESOLVED, that in accordance with the Materials, the Authority does hereby accept the resignation of Jeremy Wise as Corporate Secretary of the Authority, and be it further

RESOLVED, that in accordance with the Materials, the Authority does hereby appoint, Laurel Leat, to serve as "Corporate Secretary" and Jeremy Wise, to serve as an "Assistant Corporate Secretary" and be if further,

RESOLVED that the Chairman of the Authority or his designees(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 and related actions, and be it further.

RESOLVED, that this resolution shall take effect immediately.

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Mr. Luke stated that the next item on the agenda is a resolution to authorize participation in the New York State Deferred Compensation Plan.

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

RESOLUTION NO. 01-47

**ADOPTION OF THE STATE OF NEW YORK DEFERRED
COMPENSATION PLAN**

WHEREAS, the Nassau County Interim Finance Authority (“NIFA”) wishes to adopt the Deferred Compensation Plan for Employees of the State of New York and Other Participating Public Jurisdictions (the “Plan”) for voluntary participation of all eligible employees; and

WHEREAS, NIFA is a local public employer eligible to adopt a Plan pursuant to Section 5 of the State Finance Law of New York (“Finance Law”); and

WHEREAS, NIFA has reviewed the Plan established in accordance with Section 457 of the Internal Revenue Code and Section 5 of the Finance Law”; and

WHEREAS the purpose of the Plan is to encourage employees to make and continue their career with NIFA by providing eligible employees with a convenient and tax favored method of saving on a regular and long-term basis and thereby provide for retirement;

NOW, THEREFORE, it is hereby

RESOLVED that NIFA hereby adopts the Plan for voluntary participation of all eligible employees; and it is further

RESOLVED, that the appropriate officials of NIFA are hereby authorized to take such actions and enter such agreements as are required or necessary for the adoption, implementation, and maintenance of the Plan; and it is further

RESOLVED that the Administrative Services Agency for the Plan is hereby authorized to file copies of these resolutions and other documents with the President of the State of New York Civil Service Commission.

* * *

Chairman Zarb stated that NIFA's mission is going to be to continue to probe the numbers, look for soft spots and find ways to deal with them. He stated that NIFA will look at the facts, determine whether the facts have any chance of impacting the integrity of the budget, and if they do, work with the County and insist that the problem be rectified and the budget remain intact.

Chairman Zarb asked Mr. Luke to give an informative and brief Executive Director's report.

Mr. Luke stated that since this is the first report of this nature, he would be interested in getting feedback from the Directors in terms of whether the report is sufficient or requires more or less information.

Mr. Luke stated that the report goes from December 8, 2000 to January 18,

2001. He stated in terms of key events, that the County took action in late December to allow for prepayment of 2001 debt service with a projected 2000 surplus. He stated that the County also filled several key management vacancies. Mr. Luke stated that after all the key positions are filled, the County has to start filling the middle management positions that are vacant due to promotions and early retirements. He stated that the County did not receive the projected \$19 million in tobacco revenues from the Tobacco Corporation due to a problem with the hospital completing some paperwork. He stated that the County is discussing whether or not the revenue can be accrued for the end of 2000 or would have to be taken in 2001.

Mr. Luke stated that NIFA is meeting regularly with the County leaders and the first meeting was found to be a very positive, constructive meeting.

Mr. Luke stated that NIFA met with Moody's Investment rating firm to supply them with information they requested about the County.

Mr. Luke stated that NIFA has been holding meetings on the tax certiorari problem, which is a significant financial concern for the County. He stated that he is waiting for the County to provide a plan on how the money provided by the State will be used.

Mr. Luke stated that NIFA staff met with the Nassau County Health Care Corporation and will be receiving financial reports from them on a regular basis.

Mr. Luke stated that NIFA is developing a process to independently evaluate the County's financial position and monitor the budget. Mr. Luke stated that NIFA would also be looking at property taxes.

He stated that on the expenditure side, NIFA will monitor salaries on a regular basis. Mr. Luke stated that Medicaid is another area that will be closely monitored.

Director Peirez asked when the sales tax revenue results are actually available. Mr. Luke replied that after NIFA meets with Department of Taxation and Finance, he will have a better sense of the flow and what's actual and estimated to get a better understanding. Chairman Zarb asked Mr. Luke to report back on this at the next meeting.

Director Smith asked Mr. Luke to comment on the media reporting a \$4 million shortfall in rental from the Coliseum. Mr. Luke stated that he has raised the issue with the County and is awaiting a response. Chairman Zarb asked Mr. Luke to report back on this at the next meeting.

Director Payson asked if the County Executive has a debt service schedule available yet. Ms. Albicocco replied that there is a debt service schedule and she will supply it to NIFA. Ms. Albicocco stated that in response to the Coliseum, there is about \$300,000 owed to the County when you subtract the specific projects.

Director Payson and Director Peirez inquired about the status of labor contracts. Mr. Luke replied that the ShOA contract has been agreed to with the union and has gone to the members for ratification. He stated that there are increases consistent with what had been previously discussed. Mr. Luke stated that the Detectives Association is waiting for a decision from PERB regarding their negotiations.

Director Payson asked about the traffic and parking violation bureau. Ms. Albicocco stated that she is working on it and while it will not be solved by the end of this year, she hopes to have it changed to function better this year.

Director Smith asked for an update on the hospital. Director Kessel replied that there will be a regular process where NIFA will be meeting with the hospital Board members and top staff to make sure that the hospital stays on track. Director Payson asked what the County is doing in reference to the hospital. Ms. Albicocco

replied that she is meeting with them to monitor their operations. Ms. Jacobs expressed her concern about the hospital. She stated that there is a hearing schedule for February 13 to discuss what the problems might be.

Mr. Lazaro stated that his major concerns are the labor agreements.

Director Payson asked how the County functioned in snow removal in the face of the layoffs and cutbacks. Ms. Albicocco replied that the County did a terrific job.

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 3:45 p.m.

Respectfully submitted,

Laurie A. Leat
Corporate Secretary