

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON JUNE 14, 2001**

Pursuant to notice dated June 7, 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 (via telephone)
Richard M. Kessel
David Peirez
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 and Laurie Leat, Corporate Secretary.

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

Chairman Zarb stated that all the County leaders have to be extra careful to

stay focused on the objectives and try to reserve the election year rhetoric for matters that do not affect the safety and integrity of the County's finances.

Chairman Zarb stated that in regard to the County's surplus, there is no surplus without the State assistance. He stated that some of the major events in the out years of the four-year plan that were predicted to take place in order to achieve a balance are in terrible jeopardy.

Chairman Zarb stated that in regard to the labor contracts, NIFA would look at the contract when it is a formal document submitted by the County Executive and compare it to the NIFA labor guidelines.

Director Kessel stated that the first item on the agenda is the approval of the minutes from the May 3 meeting of the Directors.

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

Resolution No. 01-58

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
MAY3, 2001 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on May 3, 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.

* * *

Director Kessel stated that the next item on the agenda is a resolution to authorize the employment of outside counsel to assist with SEQRA matters in connection with the expenditure of bond and note proceeds by NIFA. Jeremy Wise explained that the resolution authorizes NIFA to enter into a contract for up to \$25,000 with Hawkins, Delafield & Wood should the firm be needed to help with environmental issues.

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

Resolution No. 01-59

RESOLUTION CONCERNING EMPLOYMENT OF OUTSIDE COUNSEL TO ASSIST WITH STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE BONDS AND NOTES OF THE AUTHORITY

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 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 intend to provide from time to time for the authorization, issuance and sale of its bonds and notes (collectively, the "Bonds");

and

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

WHEREAS, the legal review required by SEQR is a specialized area of the law:

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

RESOLVED, that the materials submitted this meeting are hereby authorized to be filed with the official records of the Authority; and

RESOLVED, that the Executive Director or his designee(s) is hereby authorized and directed to take any and all actions necessary to comply with the requirements of SEQR prior to the issuance, or disbursement of proceeds, of Bonds (the "Reviews"); and further

RESOLVED, that to assist in said Reviews, the Executive Director or his designee(s) are hereby authorized to enter into a contract with the law firm of Hawkins, Delafield & Wood ("Firm") in an amount not to exceed \$25,000 plus disbursements; and further

RESOLVED, that advertisement in the "New York State Contract Reporter" is exempted because of the critical need to have the expertise of the Firm available on short notice to assist, *inter alia*, in the processing of funding requisitions submitted by the County; and further

RESOLVED, that the Executive Director or his designee(s) are each hereby authorized and directed to approve and execute such documents or certifications 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 making of any findings and the preparation of any assessment forms required by SEQR), and that all such actions heretofore taken in connection with the Bonds by the Executive Director or his designee(s), are hereby ratified and approved.

* * *

Ms. Kostik stated that the next resolution authorizes bidding out

certificates of deposit with various banks and to enter into collateral agreements in connection therewith and to take related actions.

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

Resolution No. 01-60

APPROVAL TO BID OUT CERTIFICATES OF DEPOSIT WITH VARIOUS BANKS AND TO ENTER INTO COLLATERAL AGREEMENT(S) IN CONNECTION THEREWITH 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 Nassau County Interim Finance Authority (“Authority”) and be it further

RESOLVED, that in accordance with the Materials, it is deemed necessary for the Authority to bid out certificates of deposit with the entities identified in the Materials and other entities and to enter into third party custodian agreements with such entities, 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 in his sole discretion consider necessary or proper to effectuate the foregoing and related actions.

* * *

Director Kessel asked Mr. Luke to present the Executive Director’s report.

Mr. Luke stated that NIFA has completed the borrowing and bonding of roughly \$180 million. He asked Ms. Kostik to update the Directors.

Ms. Kostik stated that NIFA completed its sale of \$181,480,000 Sales Tax Secured Bonds, Series 2001A. She stated that the bonds are maturing between 2002 and 2021. Ms. Kostik stated that NIFA received the same double A ratings as before and based on an economic analysis, bond insurance was used on some maturities.

Ms. Kostik stated that although the Directors authorized NIFA to do a refunding for savings, the level of cash savings from a refunding, about \$800,000 on a \$70 million refunding, was not sufficient to move forward at this time. She stated that the estimate of savings to the County for NIFA issuing this series of bonds is \$4.6 million or \$2.47 million on a present-value basis. Ms. Kostik stated that over the three issues that NIFA has done, the estimated savings to the County is \$16.42 million or \$10.5 million on a present value basis. Director Kessel asked Ms. Kostik to send the information to the Directors, specifically the savings numbers.

Mr. Luke stated that in the area of labor contracts, the PBA and Detectives Association International are still in mediation and there are no updates. He stated that the ShOA contract is presently in fact finding. He stated that NIFA would not make any public comments until it receives a formal submission from the County.

Mr. Luke stated that on the financial side, the County Comptroller is required under the County Charter to come out with a mid- year assessment of the budget. He stated that the Comptroller is projecting a surplus between \$35 million

and \$75 million for fiscal year 2001 and acknowledges the role that the NIFA assistance has played. He stated that sales tax may be \$10 to \$15 million over budget; investment income about \$11 million over budget; and with the number of positions still vacant there could be \$19 million in surplus. Director Peirez asked how much of the projected surplus is attributed to the reduced interest costs. Mr. Luke replied that this was not taken into account.

Director Kessel asked Ms. Albicocco to give NIFA an update at the next Leaders' meeting on the positions that were supposed to be filled to meet certain service requirements. Ms. Albicocco replied that she would be prepared to do that.

Mr. Luke stated that NIFA sent a letter to the County discussing the issue of the restructuring that was in this deal. He stated that as it relates to the 2002 budget, NIFA would be taking a very hard look at how much money in restructuring may be appropriate to provide to the County.

Mr. Luke stated that the Medical Center is another area that NIFA will closely monitor. He stated that based upon the most recent report, the Medical Center is running about \$5 million behind their initial plan. Mr. Luke stated that the Medical Center recently announced that it would be laying off 24 doctors for an annual savings of about \$5 million. He stated that there is a meeting with the hospital on August 15 to get an update on how the hospital will bring the deficit

down to below \$35 million.

Mr. Luke stated that a draft of the labor guidelines has been distributed to the Directors. He indicated that after receiving any comments from the County, they would be finalized and sent out.

In reference to the Cradle of Aviation museum, Mr. Luke stated that the agreement is almost complete and is just waiting for final legislative action.

Mr. Luke stated that NIFA is working on its annual report which would be circulated to the Directors.

Director Smith suggested that at the next leaders meeting there should be a discussion for future inclusion in the report as to what is appropriately called a surplus and what is unused cash.

Chairman Zarb stated that in reference to the four-year plan, there are good reasons to execute spending programs, particularly in services to residents of the County. He stated that the County can not defend some of the spend items simply because it is already budgeted for. He stated that there have to be other good reasons why those items should be ultimately spent.

Director Peirez asked if NIFA staff is seeking to establish a time framework to receive next year's budget and modifications to what will then be the out years. Mr. Luke replied that NIFA staff is working with the County Executive to understand where the budget is going prior to formal submission on September 17.

Director Kessel asked Santa Albicocco of the County Executive's Office to give the Directors an update.

Ms. Albicocco stated that she is continuing to monitor the 2001 budget and the initiatives in the plan. She stated that there is ongoing monitoring which is reported regularly to the NIFA staff.

Ms. Albicocco stated that in reference to the tax certiorari issue, the County is starting to show real progress. Director Peirez again requested a list of exempt employees who received significant salary increases. Ms. Albicocco stated that she would again attempt to get the personnel list of the exempt salary increases.

Director Kessel asked Judy Jacobs to address the Directors.

Ms. Jacobs stated that the County is having a hard time hiring qualified applicants due to the low starting salaries. Chairman Zarb suggested that the County get a survey comparing salaries of County positions with positions outside

the County.

Director Kessel asked Bob Lazaro, on behalf of the Minority to address the Directors.

Mr. Lazaro stated that the Minority has grave concerns about \$90 million worth of at-risk items and feels that the way to resolve those issues is with the labor unions.

Director Kessel 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. 01-61

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 and personnel matters.

* * *

At 3:55 p.m. the open session of the Directors was temporarily adjourned

.and an executive session of the Directors was convened. At 4:45 p.m. the executive session was adjourned and the open session was reconvened. Director Kessel stated that no votes were taken during executive session.

Director Kessel entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:46 p.m.

Respectfully submitted,

**Laurie A. Leat
Corporate Secretary**