

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON MARCH 22, 2001**

Pursuant to notice dated March 14, 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 (via telephone)
Ronald Stack (via telephone)
Robert Wallach (via telephone)**

Also representing the Authority was Richard Luke, Executive Director, Jeremy Wise, General Counsel, Carol Kostik, Chief Financial Officer, Janet Jones, Deputy 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 the first item on the agenda is the approval of

the minutes from the January 23 meeting of the Directors.

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

Resolution No. 01-48

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
JANUARY 23, 2001 MEETING OF THE DIRECTORS OF THE NASSAU
COUNTY INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on January 23, 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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Chairman Zarb stated that although a lot of good work has been done during the past six months, the surplus is due to artificial injections into the process, and that Nassau County is no where near a comfortable level at this time.

Mr. Luke stated that as a public authority, NIFA is required to have an annual independent audit. He stated that the audit was completed by Deloitte & Touche. He stated that representatives from the firm were at the meeting and are required to make comments on the audit.

Mr. Hardiman of Deloitte & Touche then stated that significant accounting policies are disclosed and noted to the financial statements. He stated that there were no significant estimates in the financial statement made by management. Mr. Hardiman stated that all proposed audit adjustments have been posted and there were no disagreements with management. He stated that no major issues were discussed with management prior to retention and they performed no consulting services for NIFA. He stated that his firm had the full cooperation and unrestricted access to management.

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

RESOLUTION NO. 01-49

RECEIPT AND ACCEPTANCE OF INDEPENDENT AUDITORS' REPORT ON THE AUTHORITY'S FINANCIAL STATEMENTS FOR THE PERIOD FROM JUNE 23, 2000 TO DECEMBER 31, 2000

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 the Authority acknowledges receipt of the Deloitte & Touche LLP Independent Auditors' Report on NIFA's Financial Statements for the Period of June 23, 2000 to December 31, 2000 (the "Audit") presented at the March 22, 2001 meeting of the Directors; and be it further

RESOLVED, that the Authority accepts the Audit and approves the release of the Audit to the public; and be it further

RESOLVED, that the Executive Director of the Authority or his designee(s) are hereby directed to promptly submit the Audit to those persons identified in the Authority Act to whom the Audit must be submitted, to make a reasonable number of copies available on request to all persons that request copies, and to take all actions he or she may in his or her sole discretion consider necessary to effectuate the foregoing and related actions; and be it further

RESOLVED, that this resolution shall take effect immediately.

* * *

Mr. Luke stated that the next item on the agenda is a resolution to approve long-term disability for the employees of NIFA. He stated that the anticipated cost is approximately \$1000 a month for the seven current employees.

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

RESOLUTION NO. 01- 50

**AUTHORIZATION TO ACQUIRE LONG TERM DISABILITY INSURANCE FOR
EMPLOYEES OF THE AUTHORITY**

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 authorize the Executive Director or his designee(s) to acquire long term disability insurance for its employees; and be it further

RESOLVED that the Executive Director 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.

* * *

Mr. Luke stated that the next item on the agenda is a resolution to appoint a law firm to provide assistance. He stated that the firm would analyze the existing situation from a budgetary standpoint and try to provide a set of labor guidelines that would be looked at by the County and addressed by the County in their negotiating process. Mr. Luke stated that the NIFA Directors are being asked to approve spending up to \$15, 000.

Director Peirez requested that each director have an opportunity to submit questions or concerns to Jackson Schnitzler. Chairman Zarb stated that as soon as NIFA receives a draft, it will go out to the Directors for comments.

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

RESOLUTION NO. 01- 51

**APPOINTING A LAW FIRM TO PROVIDE ASSISTANCE TO THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

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 based upon the Material presented to this meeting, the employment of Jackson, Lewis, Schnitzler & Krupman (“Jackson Lewis) is hereby authorized in an amount not to exceed \$15,000 plus disbursements; and be it further

RESOLVED, that the immediate utilization of Jackson Lewis is deemed to be an extraordinary circumstance which makes advertising impractical or inappropriate; and be it 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.

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Chairman Zarb asked Santa Albicocco of the County Executive’s Office to give the Directors an update.

Ms. Albicocco stated that the County is having weekly monitoring meetings and reporting to the NIFA staff members on a regular basis about these meetings. She stated that the tax certiorari is a major issue for the County and they are making progress with it. She stated that on April 2, the capital plan will be submitted to the Legislative Committee.

Chairman Zarb asked Judy Jacobs to address the Directors.

Ms. Jacobs stated that the Legislature took a very difficult vote on the ShOA contract and had to reject it. She stated that the Legislature hopes that negotiations will resume as soon as possible.

Ms. Jacobs stated that the Legislature will begin its first quarterly budget review hearings the week of April 15th.

Chairman Zarb asked Robert Lazaro to address the Directors.

Mr. Lazaro stated that the minority Legislators are pleased that NIFA has hired Jackson. He stated that the College contracts were approved and would like to see the ShOA contract worked out.

Director Peirez asked what the increase percentage is for the College contract and why is there a discrepancy.

Michael Nadol from Public Financial Management (PFM) stated that the College contract was reviewed but never completed. He stated that PFM conducted a limited review of the college's negotiated agreement and found that the agreement was within the terms of the budget and the multi-year financial plan. He stated that the discrepancy is the result of different methodologies, not different conclusions.

Director Stack asked if the labor contracts are submitted to the Controller for review. Director Kessel stated that going forward, the contracts will be reviewed by the Controller.

Director Stack asked about the selection of arbitrators. Chairman Zarb asked Ms. Albicocco to have a statement as to exactly what their position is and what they intend to do about it prior to the next Director's meeting.

Director Peirez asked for the rationale behind the County agreeing with the PBA on a three to five year contract in terms of impasse.

Chairman Zarb asked Richard Luke to present the Executive Director's report.

Mr. Luke stated that the County is in the process of hiring an economist on Long Island, to give some input in terms of sales tax projection, which NIFA will have access to.

Mr. Luke stated that in reference to the Coliseum rents, there is still some disagreement in terms of how much money is owed by SMG, the manager. He stated that the County is still trying to work through that.

Mr. Luke stated that in reference to the debt service, NIFA has received a debt service schedule from the County.

Mr. Luke stated that Fitch has taken the County off the negative watch list.

Mr. Luke stated that in reference to the sales tax, the January receipts are pretty much on target.

Director Stack asked about the future role of the NIFA Directors at the Leaders' meetings. Chairman Zarb stated that each month a different Director will attend the Leaders' meeting along with Director Kessel.

Director Stack asked about the tax certiorari plan. Mr. Luke replied that NIFA is still working with the County waiting for a plan that NIFA finds acceptable. Director Peirez asked when NIFA expects to get that plan. Ms. Albicocco stated that NIFA will have a complete timetable by April 19.

Director Wallach stated that the County should eliminate the certiorari process in its entirety for some period of time to clean it up.

Director Wallach asked what the MTA debt cost the County in principal and

interest. He stated that he would like to see what might happen in the current interest rate environment if the County could find a different way to resolve with the MTA this issue in today's environment. Chairman Zarb asked Ms. Albicocco to get some information and answers to these questions. Director Peirez stated that the County Executive and the Majority and Minority leaders should work together to try to resolve this matter with the MTA.

Chairman Zarb congratulated the Legislature on the work they have done so far and asked that all the parties, including labor, work in an austerity environment.

Chairman Zarb entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:15 p.m.

Respectfully submitted,

Laurie A. Leat