

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON NOVEMBER 9, 2001**

Pursuant to notice dated November 7, 2001, the Nassau County Interim Finance Authority (NIFA) was convened at 9:30 AM 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 (via telephone)
David Peirez
Ronald Stack
Robert Smith
Robert Wallach (via telephone)**

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 Jane Cunneen, Deputy Chief Financial Officer.

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

The Chairman stated that the purpose of this meeting is to approve a resolution to send a letter to the County regarding the FY2002 budget.

The Chairman stated that the County had submitted four proposed budgets to NIFA for review which are deficient. He stated that the budget has a gap of approximately \$55 million. The Chairman stated that the next four years are going to be more difficult for Nassau County than anyone ever envisioned with a lot of negative surprises which will impact the budget. He stated that the County could not depend on additional financial aid from the State since the events of September 11, has put new stresses on the State.

The Chairman stated that the resolution authorizes the release of a letter to the County stating that the County must have a balanced budget for the year 2002 that is acceptable to NIFA no later than November 28 and that the NIFA Board will schedule a meeting to take whatever action is required in the face of whatever action the County takes.

The Chairman stated that although the NIFA directors are often asked to comment on a specific provision in the proposed budget, NIFA's legal authority is only to see if the budget is balanced not on how it is balanced.

The Chairman stated that the County should be working together along

with the new leadership of the County to create an acceptable balanced budget. He stated that since the Legislature has not approved a four-year plan, the County is in default and NIFA could take whatever action it deems appropriate. He indicated that the Board has discussed this in the past and decided that once NIFA gets a balanced budget for 2002, NIFA will give the County some extension of time to concluded a four-year plan.

The Chairman asked the Directors for their comments.

Director Peirez stated that he hoped that in reviewing the budget, the County would look at the how it could cut expenses in addition to other options. No other Directors had any comments.

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

Resolution No. 01- 70

RESOLUTION MAKING CERTAIN DETERMINATIONS REGARDING THE NASSAU COUNTY MULTI-YEAR FINANCIAL PLAN FOR FISCAL YEARS 2002-2005 AND AUTHORIZATION TO TAKE RELATED ACTIONS

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

RESOLVED, that based upon the Materials and the discussions of the Directors at this meeting, it is hereby found that the Nassau County Multi-Year Financial Plan for Fiscal Years 2002-2005 (“Plan”) does not comply with the requirements of the NIFA Act (“Act”) because pursuant to Section 3667 Subdivisions 2(e)(i), (ii), and (iii) of the Act, the Plan is:

- (i) incomplete;**
- (ii) fails to contain projections of revenues and expenditures that are based on reasonable and appropriate assumptions and methods of estimation; and**
- (iii) fails to provide that operations of the County and covered organizations will be conducted within the cash resources available according to the Authority’s revenue estimates (collectively, the “Determinations”);**

and be it further

RESOLVED, that the County shall be given until November 28, 2001 to provide a modified Plan in which at least the first year, which shall be the same as the County budget for Fiscal Year 2002, complies with the requirements of the Act; and be it further

RESOLVED, that the Chairman or his designee(s) are hereby authorized to notify the appropriate persons and entities as to the Determinations together with such other information as he, in his discretion, may consider to be useful; and be it further;

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

* * *

The Chairman stated that the next items on the agenda are resolutions to approve the minutes from the September 24, 2001 and October 10, 2001 Directors’ meetings.

Upon motion duly made and seconded, the following resolutions was

approved unanimously:

Resolution No. 01-71

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
SEPTEMBER 24, 2001 MEETING OF THE DIRECTORS OF THE NASSAU
COUNTY INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on September 24, 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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Resolution No. 01-72

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
OCTOBER 10, 2001 MEETING OF THE DIRECTORS OF THE NASSAU
COUNTY INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on October 10, 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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The Chairman asked if the County leaders had any questions or comments.

Judy Jacobs stated that there is no question that NIFA will have a balanced budget by November 28 and will work with County Executive to achieve it.

Director Kessel stated that the County should look at what the Suffolk

Legislature did with their budget with property taxes and significant spending cuts. He urged the County to forge a budget that recognizes and balances the revenue side with the expenditure side.

Director Wallach stated that the Majority and the Minority are going to have to put together a budget without the help, insight or experience of the County Executive. Chairman Zarb stated that he has gotten assurance from the County Executive that he will participate to put together a budget.

Bob Lazaro from the legislative Minority stated that the Minority will work again with the Majority and the County Executive to try to come up with a proposed budget that will pass, along with a four-year plan.

Director Smith stated that the business or mission review is really important for the four-year plan and whatever NIFA can do to help in guiding the four-year plan is important.

Chairman Zarb stated that for the four-year plan, the County needs to look at every single program and see if it is still needed and can be afforded.

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. 01-73

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 9:53 a.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 10:15 a.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 entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 10:16 a.m.

Respectfully submitted,

Laurie A. Leat
Corporate Secretary