

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**MINUTES OF THE MEETING OF THE DIRECTORS**

**HELD ON SEPTEMBER 20, 2002**

Pursuant to notice dated September 12, 2002, 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, Jane Cunneen, Deputy Chief Financial Officer, and Laurie Leat, Corporate Secretary.

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. 02-98**

**EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW**

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**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 10:05 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 stated that after taking care of some administrative matters, the County will make a brief presentation about their budget. He stated that the NIFA staff has not completed its analysis of the County's budget, therefore the Directors will not be taking any votes on the budget today. Chairman Zarb stated that the

Directors will have the benefit of the staff analysis over the next week or two and will then meet to vote on October 7, 2002.

The Chairman stated that the first item on the agenda is the approval of the minutes from the July 30, 2002 meeting of the Directors.

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

**Resolution No. 02-99**

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 30, 2002 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY**

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**RESOLVED**, that the Minutes of the meeting of the Authority held on July 30, 2002, 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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Mr. Luke stated that the next item on the agenda is a resolution to draw down the \$20 million which was appropriated in New York State's budget for the County's fiscal year 2002. He stated that the County has taken the necessary actions by adopting a balanced budget that contains sufficient recurring actions.

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

**Resolution No. 02-100**

**AUTHORIZATION TO MAKE CERTAIN FINDINGS NECESSARY TO  
DRAW DOWN TRANSITIONAL STATE AID AND TO TAKE RELATED ACTIONS**

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

**RESOLVED**, that in accordance with the Materials and the Nassau County Interim Finance Authority Act (“Act”), the Chairman or his designee(s) are hereby authorized in their discretion, to take all actions and make all representations deemed necessary in order for the Authority to draw down the \$20 million of transitional State aid which the Act requires to be paid to the Authority on or before September 30, 2002 including, but not limited to a certification that Nassau County has met the requirements of the Chapter 50 of the Laws of 2002; and be it further

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

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Director Kessel stated, for the record, that without NIFA traditional aid and restructuring aid, the County would be operating at a significant deficit each year. Chairman Zarb asked that in the future the County reflect their numbers with State assistance and without State assistance on an ongoing basis so that NIFA can see the difference. The County agreed to do this.

Mr. Luke stated that the next item on the agenda is a resolution to adopt NIFA's annual report and submit it to the State and other appropriate agencies as required under the Public Authorities Law.

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

**RESOLUTION NO. 02-101**

**APPROVAL OF REPORTS REQUIRED BY THE NASSAU INTERIM FINANCE AUTHORITY ACT AND PUBLIC AUTHORITIES LAW AND AUTHORITY TO TAKE RELATED ACTIONS**

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**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 2001 Annual Report of the Authority is hereby approved together with all the attachments thereto including:

1) Authority Report on Debt Issuance

2) Audited Financial Statements for the Period Ended December 31, 2001

together with Independent Auditor's Compliance Report on Investment Policies and Procedures;

3) Authority Report on Investments;

4) Authority Prompt Payment Report; and

5) Authority Procurement Guidelines Report;

and be it further

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

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**Mr. Wise stated that the next item on the agenda is a resolution to adopt rules and regulations regarding NIFA's Prompt Payment Policy.**

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

**RESOLUTION NO. 02-102**

**ADOPTION OF RULES AND REGULATIONS REGARDING NIFA'S PROMPT PAYMENT POLICY AND AUTHORIZATION TO TAKE RELATED ACTIONS.**

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**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 rules and regulations regarding the Authority's Prompt Payment Policy in substantially the form attached to the Materials, are hereby adopted and, as deemed necessary, may be filed by the General Counsel or Executive Director of the Authority, in accordance with the State Administrative Procedure Act, and be it further**

**RESOLVED that the Executive Director or his designee(s) may take such additional or further actions, including the execution and delivery of any and all documents, as he may in his sole discretion consider necessary or proper to effectuate the foregoing and related actions.**

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**Mr. Wise stated that the next item on the agenda is a resolution to accept the resignation of Proskauer Rose. He stated that it would appear to be a conflict of interest for them to continue representing NIFA since they have been retained by the County.**

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

**RESOLUTION NO. 02-103**

**ACCEPTING RESIGNATION OF PROSKAUER ROSE LLP AND APPROVING FINAL PAYMENT FOR SERVICES**

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**WHEREAS, by resolution of the Directors on September 24, 2001, the Chairman was authorized to employ a law firm ("Law Firm") to assist the Nassau County Interim Finance Authority ("Authority") with litigation and/or labor matters for an amount not to exceed \$20,000 plus disbursements; and**

**WHEREAS, the law firm of Proskauer Rose LLP ("Proskauer") was subsequently appointed by the Chairman and provided service to the Authority pursuant to an agreement; and**

**WHEREAS, the County has requested that Proskauer also represent it in legal matters, which the Directors believe would be a conflict with Proskauer's representation of the Authority; and**

**WHEREAS, Proskauer has asked to be relieved of its commitment to represent the Authority;**

**NOW THEEFORE, BE IT RESOLVED, that the materials presented to this meeting are ordered to be filed with the records of the Authority; and be it further**

**RESOLVED, that the Chairman or the Executive Director or their designee(s) are further authorized to accept the resignation of Proskauer and pay them the sum of \$2,230.27 which is in addition to the \$20,000 previously authorized and paid for their services; 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 any and 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 all actions heretofore taken by the Chairman or his designee(s) to**

carry out the intent of the foregoing are hereby authorized, ratified and confirmed.

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Mr. Luke stated that the development of NIFA's website is progressing and it will be available for the Directors to look at and provide feedback before it becomes a live site.

Chairman Zarb asked County Executive Suozzi to give the Directors a presentation of the general areas of the budget.

County Executive Suozzi stated that in August the County realized that the economic factors that had impacted the Nation, the State and this region were going to have a dramatic impact on the Nassau County budget. He stated that four factors created new problems that the County could not anticipate back in April. The four factors are: pension costs which have increased \$52 million; a dramatic increase in Medicaid which adds an additional \$25 million to the County's baseline; health insurance costs that are projected to go up an average of 16 percent; and sales tax receipts not being as good as the County hoped. The four factors will contribute \$80 million more in problems for the County to address in 2003. The County Executive stated that the County is ahead of schedule in workforce reduction. He stated that if the Sewer and Storm Water Authority is not in place before the next budget, he is committed to lay off 200 additional employees. He indicated that if the County does



not receive the union concessions, the County will cut discretionary spending available in health and human services.

County Executive Suozzi stated that the County has entered into an agreement concerning arbitration with the Police Benevolent Association. He stated that there will be five arbitrators as opposed to the one arbitrator that was selected by the previous administration and PBA.

County Executive Suozzi stated that if the economy remains bad the County will have to get a quarter percent increase in sales tax in 2004. He stated that the County will only get this increase if the economy remains bad and other Counties throughout New York also get the increase.

The County Executive stated that the County was liable for \$100 million due to a utility lawsuit it had lost at the Supreme Court level. The County pursued the case in the Appellate Division and won the case.

Chairman Zarb asked County Executive Suozzi to respond to the comment that 2003 is front loaded with taxes. County Executive Suozzi replied that that statement is irresponsible. He stated that the County has reduced its workforce, is on target to receive \$74 million in smart government initiatives, \$40 million in restructuring and debt reduction savings and hopes to get passage of the Sewer and

**Storm Water Authority.**

**Director Payson asked if the County has any contingencies in its plan for possible problems with the hospital in 2003 which is a critical year for it. County Executive Suozzi stated that the County is working with the hospital and thinks they can mutually find ways to enhance the relationship and financial performance of the hospital while reducing the burden on the County.**

**Director Stack asked about sales taxes getting worse. County Executive Suozzi stated that even if sales tax was flat, the County could withstand the \$16 million loss.**

**Director Kessel stated that there are three things the County should look at: labor negotiations and the possibility of reopening contracts with other unions; a pay-as-you-go philosophy in parks; and privatization. The County Executive replied that the County is considering each of those items.**

**Director Wallach asked what the dollar amount is for each percentage increase the unions might receive. County Executive Suozzi stated that each percent increase in the contract of all three police unions would cost \$3 million per year.**

**Director Smith commended the County and stated that the County will have**

to look at all the possibilities to cope with its problems and think out-of-the-box.

Director Peirez asked County Executive Suozzi what he will do if the union contract award comes out much higher than anticipated. County Executive Suozzi stated that the County has budgeted for the worst case scenario.

Majority Leader Jacobs stated that she hopes the Sewer and Storm Water Authority comes to fruition and would like to work together with all sides to see this happen. She also stated that the Majority in the Legislature is committed to seeing the County on a road to recovery.

Mr. Schmitt stated that the minority is very concerned with binding arbitration and the County's assumption that the award will be zero percent in the back years. He also stated he does not believe that the Sewer and Storm Water Authority is necessary. He stated that the Minority is still analyzing the budget but believes it is front loaded with taxes.

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:19 PM.

Respectfully submitted,

**Laurie A. Leat**  
**Corporate Secretary**