

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON OCTOBER 8, 2003**

Pursuant to notice dated October 1, 2003, the Nassau County Interim Finance Authority (NIFA) was convened at 10:05 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
David Peirez
Robert Smith
Ronald Stack**

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, 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.

Chairman Zarb stated that the only item on the agenda was a resolution to

adopt a report concerning the County's multi-year financial plan. Chairman Zarb asked Rich Luke to give a brief review of the report.

Mr. Luke stated that the County is projecting a modest surplus for 2003. He also stated that during 2003 the County is probably going to generate about \$100 million in additional resources beyond what had been budgeted and plans to spend most of that in ways that are going to benefit the out-years of the financial plan.

Mr. Luke stated that NIFA's analysis of the 2004 budget shows that the budget is reasonably balanced with some minor risks. He stated that NIFA staff has come up with a net risk of about \$17 million for 2004.

Mr. Luke stated that in the broader context of the financial plan, NIFA remains concerned with the Nassau Health Care Corporation and tax certiorari settlements. He stated that the recent labor agreements contain productivity savings that need to be achieved and the County must manage those in order to achieve the targeted savings. Mr. Luke stated that NIFA remains concerned about the County's ability to meet critical service needs as it continues to reduce headcounts.

Mr. Luke stated that the County still faces a large out-year structural imbalance. He stated that NIFA is concerned that with all the structural changes being made, the out-year gaps have not gone down significantly.

Chairman Zarb stated that the report indicates that in the near-term things are in order and the out-years are areas of concern. He stated that although some of the areas of concern are beyond the control of the County, they are problems that must be solved by the County. Chairman Zarb stated that it is NIFA's job to continue to focus on the areas that are tough to deal with even though the County has done a good job in a number of areas.

Chairman Zarb stated that there are nine areas of concern in the out-years. He stated that attrition and headcount numbers need to be looked at in the months and years ahead. He stated that the savings contained in the PBA contract need to be monitored to ensure that savings are achieved. Chairman Zarb stated that the third area is productivity savings contained in the CSEA contract. He stated that the fourth point is the status of annual property revaluation; the fifth area is overtime expenditures, particularly for the police and the correction officers. He stated that the sixth area is sales tax revenues which need to be monitored. He stated that the seventh is social service caseload and cost, particularly Medicaid. He stated that police termination costs need to be managed. He stated that the last is the hospital, which is a very urgent, serious matter.

Director Stack congratulated the County for having an operating surplus for the first time since NIFA was created without NIFA assistance and State aid. Director Stack stated that due to Director Smith's and the Board's continued

insistence on budgeting pensions correctly, the County is in better shape today. He stated that tax certiorari is a continuing problem that has to be dealt with. He stated that the Health Care Corporation is a ticking time bomb that the County really has to address. Director Stack stated that he hoped the Administration would continue to not just look at what has to be done to achieve balance, but also what should be done.

Director Peirez applauded County Executive Suozzi and his staff for their commitment to smart government initiatives and their persistence in professionalizing the management of the County. He stated that he does not share the enthusiasm expressed in the multi-year plan for several key items. He stated that the surrender of the right to layoffs negotiated in the new CSEA contract, the statement that the solid PBA arbitration award was an achievement, and the overall wage increases for the CSEA and PBA were troublesome under the current circumstances. He expressed his disappointment that some public officials spend more time counting votes than making the tough choices. Director Peirez stated that NIFA serves a very useful function and the NIFA extension is good for the County.

Director Payson congratulated the County on the job it has done. He stated that while the County has accomplished a lot, it should not get too self-congratulatory about it. He stated that there is still an enormous amount of work that has to be done.

Director Payson stated that he is still waiting for a report from Art Gianelli on tax certiorari, which is too big an issue not to stay on top off. He stated that the Health Care Corporation is a very severe problem. He stated that the County's move to get a really qualified consultant is vital. He stated that once the consultant's report is done, the County, the Health Care Corporation and NIFA must take the report, analyze it and begin to see what role the hospital would play in the future for delivery of health care for the indigent. Director Payson congratulated Rich Luke and the NIFA staff on the extremely well-done, thorough document they produced which required a lot of work in a very short timetable.

Director Kessel congratulated the County Executive and the Legislature on the good work they have done. He stated that NIFA is a very useful resource that can be very helpful to the County. Director Kessel stated that NIFA is approving the financial plan but expects an update in June of 2004. He thanked NIFA staff for the good professional job they have done.

Director Smith stated that the issues that are in front of NIFA are rather big and heavy with political overtones; however, the Directors will play a proactive role in order to fulfill NIFA's mission.

Upon motion duly made and seconded, the following resolution was

approved unanimously:

Resolution No. 03-132

RESOLUTION MAKING CERTAIN FINDINGS AND ADOPTING A REPORT CONCERNING THE PROPOSED NASSAU COUNTY MULTI – YEAR FINANCIAL PLAN FOR FISCAL YEARS 2004 – 2007

RESOLVED, that the “Review of Proposed Multi - Year Financial Plan For Fiscal Years 2004 - 2007” (the “Report”), dated October 8, 2003 and attached to the Materials, is hereby approved as a report of the Directors; and be it further

RESOLVED, that the Chairman or his designee(s) are hereby authorized to submit said Report to the County Executive, the majority and minority leaders of the Nassau County Legislature (“Legislature”), and other interested parties; and be it further

RESOLVED, that based on the findings in the Report, the proposed Multi – Year Financial Plan for Fiscal Years 2004 - 2007 (“Financial Plan”) submitted to the Nassau County Interim Finance Authority (“NIFA”) by the County Executive, is complete and complies with the technical requirements of the NIFA Act; and be it further

RESOLVED, that upon approval of the Financial Plan and Fiscal Year 2004 Budget by the Legislature, the County Executive shall submit the Financial Plan and 2004 Budget to NIFA together with the other information required by the NIFA Act (collectively, the “Submission”); and be it further

RESOLVED, that after the Submission, NIFA shall review said Submission for compliance with the NIFA Act and if it is found sufficient shall make the certification required by the NIFA Act; and be it further

RESOLVED, that notwithstanding the foregoing, the County Executive shall submit to NIFA an updated Financial Plan for review no later than May 1, 2004; and be it further

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

* * *

County Executive Suozzi stated that he agrees with everything that was said by the NIFA Directors. He thanked the NIFA Directors and staff for all the time and effort that they have put in throughout this process. He stated that he has directed Art Gianelli to make proposals to the NIFA staff regarding risks that NIFA is concerned about. He stated that the out-years are challenges that remain. He stated that the County has a tremendous amount of work to do and will not rest on the small accomplishments that it has achieved so far.

Majority Leader Jacobs thanked NIFA for all it has done to help the County. She stated that she does not minimize the role NIFA has played and looks forward to continuing this partnership with NIFA.

Comptroller Weitzman congratulated NIFA for a truly outstanding job and the County Executive and Legislature for the management skills they have shown over the past two years. He stated that he is in agreement with ninety-five percent of what NIFA has said with the exception to the sales tax projections.

Dan McCloy, speaking on behalf of the minority in the Legislature, thanked NIFA for all the work they have done. He stated that there are good things that have happened and some concerns going forward. He stated that they will be in a better position to know the full budget implications in about two weeks after the budget

hearings are concluded.

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 11:00 AM.

Respectfully submitted,

**Laurie A. Leat
Corporate Secretary**