

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON SEPTEMBER 12, 2003**

Pursuant to notice dated September 4, 2003, the Nassau County Interim Finance Authority (NIFA) was convened at 3:35 PM 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
Robert Smith (via telephone)
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, Jane Cunneen, Deputy Chief Financial Officer, and Laurie Leat, Corporate Secretary.

The Chairman stated that Mr. Luke will give his executive director report while waiting for a quorum to be reached.

Mr. Luke stated that the County is due to submit their financial plan on September 15th. He stated that the County is scheduled to brief the NIFA staff on

September 17th. Mr. Luke indicated that he would set up appointments to brief the Directors on staff's findings at the end of September. He stated that a draft will be provided to the Directors on October 1. He stated that there will be a Directors' Meeting on October 7th to take formal action on the County's plan. Mr. Luke stated that once the plan is finally adopted, NIFA will have a meeting to take formal action based on what the legislature has done.

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

Chairman Zarb stated that the first item on the agenda was a resolution to approve the minutes of the April 30, 2003 and May 13, 2003 meetings of the Directors.

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

Resolution No. 03-122

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
APRIL 30, 2003 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on April 30, 2003, 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. 03-123

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
MAY 13, 2003 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on May 13, 2003, 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 authorize the draw down of \$15 million of State aid. He stated that the money will be passed on to the County at a later date after another vote from the NIFA Directors.

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

Resolution No. 03-124

**Authorization to make certain findings necessary to
draw down Transitional State Aid 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 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 \$15 million of transitional State aid which the Act requires to be paid to the Authority on or before September 30, 2003 including, but not limited to a certification that Nassau County has met the requirements of the Chapter 50 of the Laws of 2003; 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. Luke stated that the next item on the agenda is a resolution approving NIFA’s annual report.

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

Resolution No. 03-125

**APPROVAL OF REPORTS REQUIRED BY THE NASSAU COUNTY INTERIM
FINANCE AUTHORITY ACT AND PUBLIC AUTHORITIES LAW AND
AUTHORIZATION 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 the 2002 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, 2002 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. Luke stated that the next items on the agenda are resolutions to readopt the investment guidelines and the procurement guidelines. He stated that there are no changes to the guidelines from last year.

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

Resolution No. 03-126

RE-ADOPTION OF INVESTMENT GUIDELINES AND THE TAKING OF 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 (the “Authority); and be it further

RESOLVED, that the Investment Guidelines annexed to the Materials, are found to be satisfactory and are hereby readopted; 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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Resolution No. 03-127

ADOPTION OF AMENDED PROCUREMENT CONTRACT GUIDELINES AND THE TAKING OF 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 (the “Authority); and be it further

RESOLVED, that the “NASSAU COUNTY INTERIM FINANCE AUTHORITY GUIDELINES REGARDING THE USE, AWARDDING, MONITORING AND REPORTING OF PROCURMENT GUIDLEINES,” as amended (the “Procurement Guidelines), annexed to the Materials, are hereby adopted as the Guidelines of the Authority; 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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Mr. Luke stated that the next item on the agenda is a resolution to

reappoint Deloitte & Touche as NIFA's auditors for another year. Director Payson stated that NIFA's Finance and Internal Controls Committee did meet on this subject and does recommend retaining them one more year to put them on the same cycle as the County and then put it out for bid. At the suggestion of Director Wallach, Chairman Zarb stated that next year NIFA will look into the benefits of having an auditor different from the County. Director Wallach questioned whether the County should give the auditors permission to disclose their findings to NIFA.

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

Resolution No. 03-128

AUTHORIZATION TO SELECT AUDITORS FOR THE AUTHORITY AND THE TAKING OF 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 the circumstances described in the Materials are found to be extraordinary thereby making the selection of a new auditing firm both impractical and inappropriate and be it further

RESOLVED, that in accordance with the Materials, the Chairman or his designee(s) are hereby authorized to negotiate and enter into a contract to provide independent financial auditing services to the Authority for fiscal year 2003 and to assist the Authority on an as-needed basis (collectively, "Services"), and be it further

RESOLVED, that the fee for Services shall not exceed 105% of the fees scheduled for the third year of the existing Deloitte & Touche contract, plus any costs that may be

associated in using the auditing firm or its materials to assist in the sale or issuance of any debt of the Authority in an amount not to exceed \$7,000 per issue; and be it further

RESOLVED, the Chairman or his designee(s) are further authorized to take all actions deemed necessary or appropriate to implement the foregoing, including the execution of a contract, and to take related actions.

* * *

Mr. Luke stated that the next item on the agenda was a resolution to approve the purchase of accounting software.

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

Resolution No. 03-129

AUTHORIZATION TO PURCHASE ACCOUNTING SOFTWARE AND TO TAKE RELATED ACTIONS

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

RESOLVED, that the Chairman or his designee(s) are hereby ordered to enter into an agreement with Micro Force Inc. to purchase a Microsoft-Great Plains governmental fund accounting software system and to install said system, transfer data from the Authority’s existing accounting software, and train NIFA personnel in its use, at a cost not to exceed \$14,999; and be it further

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

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Chairman Zarb stated that the next item on the agenda is a resolution authorizing NIFA to appoint a law firm. Mr. Luke added that this resolution also retroactively approves the hiring of this firm when it was used on the CSEA contract.

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

Resolution No. 03-130

**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 Ingerman Smith, L.L.P. (the “Firm”) is hereby authorized in an amount not to exceed \$5,500 including disbursements for review of a contract between Nassau County and the Civil Service Employees Association and in an amount not to exceed \$15,000 plus disbursements for review of a contract between Nassau County and the Police Benevolent Association; 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.

* * *

Director Kessel commended Chairman Zarb on his direct intervention with the Sewer and Storm Water Authority. He stated that without Chairman Zarb’s

intervention bringing the parties together there would be no Sewer and Storm Water Authority.

Director Wallach stated that what happened in the closing of the budget gap is a sin. He stated that removing the escheatment proposal from the package is allowing the landlords to keep millions of dollars that should have gone back to the County if the money was not returned to the tenants.

Majority Leader Jacobs stated that politics got in the way with the Sewer and Storm Water Authority. She stated that in the process the escheatment proposal was removed.

Comptroller Weitzman stated that due to the changes in the legislation, \$7 million was lost in return for the ability to borrow more money in 2006 and 2007, which is what got the County into the position it is in right now.

Director Payson stated that the changes in the legislation has cost the County the ability to layoff CSEA employees which is not worth the \$5 or \$6 million in a \$2 billion budget. He stated that he would like to see the escheatment proposal come back in an orderly way as opposed to being jammed into a package with the Sewer and Storm Water Authority. Director Payson stated that he would like a report from Art Gianelli on the status of tax certioraris. Chairman Zarb stated that it would

be on the agenda for the next meeting.

Director Kessel stated that he has seen the County make some extraordinary progress but is very concerned about labor contracts. He stated that he feels NIFA needs to take a good look at the PBA contract. Chairman Zarb stated that NIFA will look at it very closely in the context of the four-year plan and make its findings public.

The Chairman entertained a motion to go into executive session to discuss personnel issues.

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

Resolution No. 03-131

**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 personnel matters.

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The open session of the Directors was temporarily adjourned and an

executive session of the Directors was convened. At 4:40 PM 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 then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 4:41 PM.

Respectfully submitted,

**Laurie A. Leat
Corporate Secretary**