

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON NOVEMBER 8, 2007**

Pursuant to notice dated October 31, 2007, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 3:00 PM at Nassau Community College in building CCB 252-253 located at One Education Drive, Garden City, NY.

The following Directors of the Authority were present:

**Ronald Stack, Chairman
Richard M. Kessel, Vice Chairman
Paul Leventhal
Gregory Raphael
Robert Smith (via telephone and non-voting)
Christopher Wright**

Also representing the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; Susan Rich, Treasurer; Jane Cunneen, Deputy Treasurer; and Laurie Leat, Corporate Secretary.

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

Chairman Stack asked Executive Director Evan Cohen to go through the action items.

Mr. Cohen stated that the first item on the agenda was a resolution to approve the minutes of the October 10, 2007 Directors' meeting.

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

Resolution No. 07-216

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 10, 2007 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, 2007 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.

* * *

Executive Director Cohen stated that the next item on the agenda was a resolution to hire Deloitte & Touche as NIFA's independent financial auditor.

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

Resolution No. 07-217

Authorization to Hire Deloitte & Touche LLP as Independent Financial 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 (“NIFA”); and be it further

RESOLVED, that in accordance with the Materials, the Chairman or his designee(s) is hereby authorized to select Deloitte & Touche LLP as the independent financial auditing firm to conduct an audit of NIFA for fiscal year 2007 at a fee of \$19,545 plus disbursements; and be it further

RESOLVED, that all actions heretofore taken by the Chairman or his designee(s) in furtherance of the foregoing resolutions are hereby ratified and approved; 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, including the execution of a contract or contracts and the taking of related actions.

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Mr. Cohen stated that the next item on the agenda is a resolution to submit NIFA’s 2008 Budget and Financial Plan to the Office of the State Comptroller and the Authority Budget office to comply with Regulation 2 of New York State’s Codes Rules and Regulations.

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

Resolution No. 07-218

AUTHORIZATION TO SUBMIT NIFA’S 2008 BUDGET AND FINANCIAL PLAN TO THE OFFICE STATE COMPTROLLER AND THE AUTHORITY BUDGET OFFICE TO COMPLY WITH 2 NYCRR, PART 203 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 Authority acknowledges enactment of 2 NYCRR, Part 203 (the “Regulations”) and its requirement that the Directors of the Nassau County Interim Finance Authority receive, review and approve a Proposed Budget for NIFA for FY 2008 and a Proposed Multi-Year Financial Plan for NIFA for FY 2008 – FY 2011; and be it further

RESOLVED, that the Authority hereby approves of the Proposed Budget for FY 2008 (“Budget”) and the Proposed Multi-Year Financial Plan for FY 2008 – FY 2011 (“Plan”); 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 file the Budget and Plan with the State Comptroller and 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 Stack stated that the next item on the agenda was a resolution to adopt NIFA’s report on Nassau County’s Adopted Budget and Financial Plan. The Chairman asked Executive Director Evan Cohen to summarize the report.

Mr. Cohen stated that the County Legislature did not address any of NIFA’s concerns as expressed in NIFA’s report dated October 10, 2007 and titled “Review of the Proposed Multi-Year Financial Plan Fiscal 2008-2011” and adopted the proposed budget without making any changes. Because of this, Mr. Cohen recommended that NIFA require the County to submit by January 15, a detailed contingency plan containing specific actions that will be implemented should revenues fall short, expenditures increase or projected savings not materialize in 2008. Mr. Cohen recommended that NIFA require the County to continue periodic reporting of sales

tax collections together with a projection of year-end results and the justification for that projection; a report showing by department, funded positions, filled positions, separations, transfers in and out, and new hires; a copy of the County's proposed state legislative agenda with sponsor and bill numbers for each gap closing initiative that requires implementation during fiscal year 2008 and 2009 together with monthly updates; the County's updated plan to reduce the certiorari backlog together with payment activity showing outstanding unpaid balance at the beginning of 2007, payments made during 2007 and 2008, and the gross number of claims added, together with the estimated County liability. Mr. Cohen also recommended that the County continue providing NIFA with the status of its union negotiations and meet with NIFA in March 2008 to review the 2007 sales tax collections along with the Comptroller's projection of fiscal year 2007 operating results.

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

Resolution No. 07- 219

**RESOLUTION APPROVING THE NASSAU COUNTY MULTI – YEAR FINANCIAL
PLAN FOR FISCAL YEARS 2008 – 2011**

WHEREAS, on October 10, 2007 the Directors approved a report by staff entitled, "Review of the Adopted Multi - Year Financial Plan Fiscal 2008 - 2011" (the "Report"); and

WHEREAS the Report was submitted to the County Executive, the majority and minority leaders of the Nassau County Legislature ("Legislature"), and other

interested parties; and

WHEREAS, on October 29, 2007 the Legislature adopted the Fiscal Year 2008 Budget (“Budget”) and the Multi – Year Financial Plan for Fiscal Years 2008 - 2011 (“Financial Plan”); and

WHEREAS, the County Executive has signed the Budget and submitted the Financial Plan and Budget to NIFA together with the other information required by the NIFA Act (collectively, the “Submission”); and

WHEREAS, the staff of NIFA has prepared a report dated November 8, 2007 entitled, “Review of the Adopted Multi-Year Financial Plan Fiscal Years 2008 – 2011” (the, “November 8 Report”), concerning the adopted Financial Plan and said report has been submitted to and reviewed by the Directors,

NOW, THEREFORE, BE IT RESOLVED, that the Directors of the Nassau County Interim Finance Authority (“NIFA”) hereby adopt the November 8 Report as a report of the Directors, and incorporate the November 8 Report into this resolution; and be it further

RESOLVED that the Directors have reviewed the Submission and found it to be in compliance with the NIFA Act; and be it further

RESOLVED, that within thirty days from the adoption of this resolution, the County shall provide to NIFA a copy of the Budget by quarter, and cash flow statements, and be it further

RESOLVED, that the County shall also submit to NIFA such other items as are required to be submitted in the November 8 Report; and be it further

RESOLVED, that notwithstanding the foregoing and the Resolution of the Directors on October 10, 2007, the County Executive shall submit to NIFA a revised Financial Plan no later than May 1, 2008; 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.

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Director Wright stated that he is particularly concerned with the sales tax.

He stated that while the 2008 budget can be balanced, it may be the last of its kind as

the County continues to use reserves and depends on sales tax that may not materialize.

Director Raphael stated that the report speaks for itself and is curious to see the January 15th County contingency plan.

Director Leventhal stated that he agrees with the NIFA report and is concerned about the combined effect of the slowing economy, the growing structural deficit and the spend-down of the reserves.

Director Kessel commended the staff for their hard work and noted his shared concern regarding sales tax revenue. He also commended Judy Jacobs for the extraordinary job she did as Presiding Officer. He stated that he believes if the County and NIFA work together they will be able to address the challenges ahead.

Chairman Stack also commended Judy Jacobs for her many years and work through the County's fiscal crisis. Chairman Stack commended staff for their work. He noted that Moody's concerns regarding the County were basically coincidental with NIFA's in that the County faces considerable challenges that stem from structurally imbalanced operations, as well as narrow liquidity and reserves with limited cushion to offset an economically sensitive revenue structure. Chairman Stack stated that NIFA's biggest concerns are the out years because NIFA

believes that the ability to balance the budget is getting more difficult to achieve. He stated that NIFA needs a close working relationship with the County to monitor the structural problem and for the County to make quick adjustments as it has in the past.

The Chairman then entertained a motion to go into executive session to discuss litigation matters.

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

RESOLUTION NO. 07-220

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.

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At 3:53 p.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 4:25 p.m. the executive session was adjourned and the open session was reconvened. No votes were taken during 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 4:27 PM.

Respectfully submitted,

Laurie A. Leat

Corporate Secretary