

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
MINUTES OF THE MEETING OF THE DIRECTORS  
HELD ON JUNE 18, 2008**

Pursuant to notice dated June 11, 2008, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 3:30 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

The following Directors of the Authority were present:

**Ronald Stack, Chairman  
Stanley Kreitman  
Paul Leventhal  
Gregory Raphael  
Robert Smith  
Christopher Wright**

Also representing the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; and Jane Cunneen, Acting Treasurer.

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

Chairman Stack started the meeting by introducing NIFA’s newest Director Stanley Kreitman who was appointed by the Governor. Chairman Stack then 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 April 16, 2008 Directors' meeting.**

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

**Resolution No. 08-230**

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 16, 2008 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 April 16, 2008 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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**Executive Director Cohen stated that the next item on the agenda was a resolution to approve NIFA's 2007 Annual Report. He stated that NIFA is required to submit an annual report each year. Executive Director Cohen stated that members of the Audit and Internal Controls Committee met earlier in the day to discuss NIFA's Annual Report and recommended that it be forwarded to the entire Board for adoption.**

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

**Resolution No. 08-231**

**APPROVAL OF REPORTS REQUIRED BY THE NASSAU COUNTY INTERIM FINANCE AUTHORITY ACT, PUBLIC AUTHORITIES LAW AND PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, 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 (“Authority”); and be it further

**RESOLVED**, that in accordance with the Materials, the 2007 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, 2007 together with Independent Auditor’s Compliance Report on Investment Policies and Procedures;**
- 3. Authority Report on Investments;**
- 4. Authority Prompt Payment Report;**
- 5. Authority Procurement Guidelines Report;**
- 6. Property Disposition Inventory and Report, and**
- 7. Authority Code of Ethics.**

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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Executive Director Evan Cohen stated that the next items on the agenda were the Investment Guidelines, Procurement Guidelines, Property Disposition

**Guidelines and the Code of Ethics, which have not been changed, but need to be readopted each year. He stated that the investment, procurement and property disposition guidelines were reviewed and approved for submission to the entire Board earlier in the day at the Audit and Internal Control Committee meeting. He pointed out that the Code of Ethics was not reviewed by the Audit and Internal Control Committee because it is more appropriate for it to be reviewed and re-adopted by the Directors of NIFA. Director Wright questioned if the Code of Ethics guidelines follow the State guidelines. General Counsel, Jeremy Wise, assured him that the guidelines included the State requirements in addition to other guidelines that NIFA felt were necessary for its Directors.**

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

**Resolution No. 08-232**

**RE-ADOPTION OF INVESTMENT GUIDELINES, AS AMENDED, AND THE TAKING OF 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 Investment Guidelines, as amended, which are annexed to the Materials”, are found to be satisfactory and are hereby re-adopted, as amended; 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. 08-233**

**RE-ADOPTION OF PROCUREMENT CONTRACT GUIDELINES, AS AMENDED, AND THE TAKING OF 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 “NASSAU COUNTY INTERIM FINANCE AUTHORITY GUIDELINES REGARDING THE USE, AWARDING, MONITORING AND REPORTING OF PROCURMENT GUIDLEINES,” as amended (the “Procurement Guidelines), annexed to the Materials, are hereby re-adopted, as amended; 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. 08-234**

**RE-ADOPTION OF PROPERTY DISPOSITION CONTRACT GUIDELINES AND THE TAKING OF 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 Property Disposition Contract Guidelines annexed to the Materials, are hereby re-adopted; 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. 08-235**

**RE-ADOPTION OF NIFA CODE OF ETHICS, AS AMENDED, AND THE TAKING OF 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 proposed Code of Ethics, as amended, which is annexed to the Materials, is found to be satisfactory and is hereby re-adopted, as amended; 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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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. 08-236**

**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 3:42 p.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 3:47 p.m. the executive session was adjourned and the open session was reconvened. The Chairman stated that no votes were taken during executive session.**

**Chairman Stack stated that the next item on the agenda is NIFA's Report on the County's Multi-Year Financial Plan Update. He asked Executive Director Cohen to brief the Directors.**

**Executive Director Cohen stated that the County has continued to rely on nonrecurring resources, potentially overly optimistic assumptions and unsuccessful initiatives that have been submitted in prior years. He stated that the County has balanced its budget through the use of reserves, fund balances, and one time revenues such that structurally its recurring expenditures still continue to exceed its recurring revenues. He stated that the County has continued to show significant out-year budget gaps that are projected to grow from \$134 million in fiscal year 2009 to \$195 million in fiscal year 2011. Executive Director Cohen stated that the major options provided by the County to close those projected gaps have not changed. He**

stated that the County has not accounted for a slowing economy that could threaten its sales tax estimates, has utilized aggressive assumptions regarding certain new revenue streams and savings, has proposed using an additional \$18 million of bond proceeds to fund certiorari claims and has increased its cash flow borrowings from earlier projections indicating a weakening cash position. He indicated that the County as funded a significant number of positions that it has no immediate plans to fill thereby providing a potential source of expenditure relief which it has used successfully in past years to ensure budget balance. He encouraged the County to ensure that its revenue and expenditure growth assumptions err on the conservative side as it prepares its fiscal year 2009 budget.

Chairman Stack asked if there were any significant variances from the adopted plan that would cause serious concern that the County would be unable to balance its budget. Mr. Cohen replied that there are not significant changes that make NIFA question, anymore than it previously had, that the County will be able to manage its way through the current year.

Director Wright asked if the sales tax was close to the County's projection. Mr. Cohen replied that at this time the County's estimates are not unreasonable for the current year.

Director Raphael commended NIFA staff on its thorough, excellent analysis

of the update to the plan. He stated that NIFA continues to see some of the same concerns such as trying to solve budgetary issues with the utilization of one-shots. He stated that NIFA needs to continue monitoring sales tax and would like to see the reserves being utilized at a less frequent and dramatic level. He acknowledged the County's work during this difficult time and stated that he was pleased that NIFA is here to provide the taxpayers of Nassau County with this great level of service.

Director Smith urged the County to continue thinking outside the box. He suggested privatization, and increased cost controls. He warned that he believes tough times are on the horizon.

Director Wright commended the staff on its work and agreed with the report. He stated that it looks like 2008 has an opportunity to succeed and the remaining years of the multi-year plan are going to be a challenge as the County tries to manage through some of the structural imbalance.

Director Leventhal shared the same concerns as the other Directors. He expressed concern about the continued structural deficit and the effect that the worsening economic environment will have on the County. He also stated that the reduction in reserves takes away one possible cushion that could protect the County in bad times.

Director Kreitman stated that putting it in context with the state of the world economy, the County has done a wonderful job but feels the economy is only going to get worse and the County should follow staff's recommendation of a contingency plan.

Chairman Stack thanked NIFA staff and the County for working in unison to refund all of the outstanding auction rate securities. He stated that NIFA was able in a most efficient manner to get the County liquidity and refund all its auction rate bonds with variable rate demand obligation.

Chairman Stack shared his concern that difficult times may lie ahead. He stated that he feels that 2009 is going to be a difficult year, but he has confidence that the County can handle the risks that the report points out.

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

**Resolution No. 08-237**

**RESOLUTION ADOPTING A REPORT CONCERNING THE MAY 1, 2008 NASSAU COUNTY MULTI – YEAR FINANCIAL PLAN UPDATE FISCAL YEARS 2008 – 2011**

**RESOLVED**, that the “Mid-Year Review and Analysis of the May 1, 2008 Nassau County Multi-Year Financial Plan Update Fiscal 2008 – 2011” (the “Report”), dated June 18, 2008, which is attached to this resolution and incorporated herein, 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 and other interested parties; 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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**County Executive Suozzi thanked NIFA for the work on the ARS crisis and said he looks forward to continuing to work together to try and figure out the best ways to address the problems the County faces.**

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

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

**RESOLUTION NO. 08-238**

**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 4:22 p.m. the open session of the Directors was temporarily adjourned and an executive session of the Directors was convened. At 5:25 p.m. the executive session was adjourned and the open session was reconvened. The Chairman stated that no votes were taken during executive session.**

**Director Smith then made a motion to adopt a resolution in which the Directors delegate to the Chairman of NIFA the responsibility to select and appoint a remarketing agent to replace USB on NIFA bonds. Upon motion duly made and seconded, the resolution was passed.**

**The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 5:27 PM.**

**Respectfully submitted,**

**Laurie A. Leat**

**Corporate Secretary**