

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON MAY 2, 2011

Pursuant to notice dated April 27, 2011, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 9:00 AM at the Nassau County Bar Association located at 15th and West Streets, Mineola, NY 11501.

The following Directors of the Authority were present:

Ronald Stack, Chairman
George Marlin
Robert Wild
Christopher Wright

Also present from the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; Jane Cunneen, Acting Treasurer; and Laurie Boucher, Corporate Secretary.

Upon determining that a quorum was present, the Chairman called the meeting to order. Chairman Stack stated that Directors Steinman and Stokes both emphasized that their lack of attendance at the meeting did not indicate their disagreement with any of the resolutions put before the Board and if they were in attendance that they would vote in favor of the resolutions.

Chairman Stack then asked Executive Director Cohen to go through the items on the agenda.

Executive Director Cohen stated that the first item on the agenda was a resolution to approve the minutes of the April 20, 2011 Directors' meeting.

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

Resolution No. 11-318

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 20, 2011 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on April 20, 2011 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 approve the County's request to issue General Obligation Bonds not to exceed \$88 million. He stated that NIFA's approval of the issuance is required in accordance with the NIFA Act during a control period.

Director Marlin stated that any monies raised for judgments and settlements cannot be counted towards balancing the County budget on a GAAP basis. He stated going forward he will not support any long term bonding that will be used for general operating purposes.

Director Wild commented that NIFA should insist that these monies be used for the purpose as stated for the capital plan and for no other purpose.

Chairman Stack stated that NIFA has indicated to the County that in the future it would look askance at the use of borrowing for judgments. He requested that the 2012 budget be put together with the assumption that NIFA would not approve any borrowing for judgments. He stated that judgments should be paid out of operating revenues. Chairman Stack stated that the resolution before the Board delegated to himself or his designee final approval in terms of interest rates or change in terms, which could lead to NIFA rejecting the borrowing.

Director Wright stated that although NIFA is approving the borrowing, any spending against the borrowing would also be subject to NIFA's contract review procedures.

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

Resolution No. 11-319

APPROVAL OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Board of Directors (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 discussion in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County's proposed Issuance of up to \$88 million of General Obligation Bonds, Series 2011, including cost of issuance, and hereby

approves such borrowing, subject to the final review and approval of the Chairman of the Authority or his designee(s); and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

* * *

Executive Director Cohen stated that the next item on the agenda was a resolution to order the County Attorney to immediately submit approved contracts to NIFA in accordance with NIFA's Contract Guidelines. He stated that NIFA has only received two contracts and has received numerous phone calls from vendors who were told by the County that NIFA was causing the delays.

Chairman Stack stated that he regretted that it has become necessary for NIFA to issue a formal order. He stated that the County Attorney must comply with the formal order or he will face certain penalties as stated in the NIFA Act.

Director Wild stated that it is distasteful that NIFA is being blamed for holding up contracts that it has never received.

Director Wright stated that NIFA is either dealing with a refusal to comply or an inefficient process for evaluating and providing contracts to NIFA and it is appropriate at this time to give the County Attorney the formal order, subject to penalties.

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

unanimously:

Resolution No. 11-320

ORDER REQUIRING COUNTY ATTORNEY TO IMMEDIATELY SUBMIT APPROVED CONTRACTS TO NIFA IN ACCORDANCE WITH CONTRACT GUIDELINES

WHEREAS, the Nassau County Interim Finance Authority (the “Authority”), pursuant to Section 3669 2(f) of the Authority Act, shall issue, to the appropriate official of the County, such orders as it deems necessary to accomplish the purposes of the Act; and

WHEREAS, NIFA adopted Contract Approval Guidelines on March 24, 2011, and requested that the County Attorney submit all approved contracts to NIFA for review, as required by the Guidelines; and

WHEREAS, to date the County Attorney has not submitted such contracts to NIFA as requested,

NOW THEREFORE BE IT RESOLVED, that the materials presented to this meeting of the Board of Directors (the “Materials”) are ordered to be filed with the records of the Authority; and be it further RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(f) of the Authority Act, the Authority hereby orders the County Attorney to immediately submit all approved contracts to NIFA for consideration, in accordance with NIFA’s approved Guidelines; and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

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Executive Director Evan Cohen stated that the last item on the agenda was a resolution approving a contract for Armor Correctional Health Services of New York. He stated that Armor will be responsible for providing medical, mental health, dental and ancillary services to inmates incarcerated at the Nassau County Correctional Center.

Director Wild stated that approving this contract does not indicate an approval of the

process itself or an approval of the selection of this particular vendor. He stated that NIFA has not inspected this company and is relying completely upon the County as to whether the company is competent or able to deliver the services it is asked to do. Chairman Stack agreed.

Director Wright stated that the County cannot just sign the contract and walk away and expect to have savings. He stated that it will require active management by the County and the vendor to realize cost savings.

Director Marlin stated that the project is projected to cost \$11.2 million the first year and will be subject to an inflator in the second year which purports to cost less than the current arrangement. He stated that the County will have to manage it correctly to see savings. Chairman Stack agreed with Director Marlin.

Chairman Stack stated that NIFA will also monitor this contract and if it does not save money then it would then be out of compliance with the financial plan and NIFA would take other actions.

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

Resolution No. 11-321

APPROVAL OF COUNTY CONTRACT FOR ARMOR CORRECTIONAL HEALTH SERVICES OF NY, INC.

RESOLVED, that the materials presented to this meeting of the Board of Directors (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 discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves the County’s Contract for Armor Correctional Health Services of NY, Inc., which is projected to cost \$11,280,005 for the first year and will be subject to an inflator in the second year (and which purports to cost less than the current arrangement, purportedly enabling the County to save significant costs and meet its objectives for the cost of this program); and be it further

RESOLVED, that staff may take all actions and do all things that they deem necessary to carry out the intent of this resolution.

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The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 9:20 AM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary