

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON SEPTEMBER 24, 2012

Pursuant to notice dated September 19, 2012, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 5:15 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
John Buran
George Marlin
Dermond Thomas
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 welcomed John Buran as NIFA’s newest member to the Board.

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 August 30, 2012 Directors' meeting.

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

Resolution No. 12-379

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 30, 2012 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on August 30, 2012 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 NIFA's four year financial plan that was reviewed and approved by the Audit and Internal Controls Committee earlier today. He stated that once the requisite waiting period is over, the plan will be filed with the State Comptroller and the Authorities Budget Office as required.

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

Resolution No. 12-380

APPROVE SUBMISSION OF NIFA'S 2013 BUDGET AND FY 2013 – FY 2016 FINANCIAL PLAN TO THE OFFICE OF THE STATE COMPTROLLER AND THE AUTHORITIES 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 FY 2013 (“Budget”) and a proposed Financial Plan for FY 2013 – FY 2016 (“Plan”); and be it further

RESOLVED, that the Authority hereby conditionally approves the Budget and Plan subject to the conditions outlined in the Materials; 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 publish and file the Budget and Plan with the State Comptroller and any other necessary parties 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.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to replace Bank of America with Bank of New York Mellon as NIFA’s liquidity provider in connection with NIFA’s 2008 D-1 Bonds.

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

Resolution No. 12-381

AUTHORIZATION TO ENTER INTO LIQUIDITY FACILITIES IN CONNECTION WITH NIFA’S 2008D-1 BONDS 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 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 negotiate and execute one or more agreements with The Bank of New York Mellon (“BNY”) in connection with NIFA’s 2008D-1 Bonds (the “Bonds”) substantially upon the terms and conditions discussed in the Materials; and be it further

RESOLVED, that in connection with the substitution of liquidity providers for the Bonds, the Chairman or his designee(s) is authorized to cause a mandatory tender of said Bonds, and to take such steps as are necessary for the reoffering of said Bonds by the Remarketing Agent, including the preparation and distribution of a reoffering circular with respect to such Bonds, in such form as he may deem reasonable and appropriate; and be it further

RESOLVED, that reasonable outside counsel fees and disbursements for this liquidity provider substitution are hereby approved, as well as fees and disbursements for Sidley Austin LLP as NIFA’s outside counsel and Lamont Financial Services Corporation as NIFA’s financial advisor, as well as such other expenditures as are deemed necessary or appropriate in connection with the completion of the aforesaid actions; 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 and related actions.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution authorizing staff to enter into a transaction to refund a portion of NIFA’s bonds. He stated that the refunding of approximately \$313 million will take place with Goldman Sachs as the book running senior manager and MR. Beal as co-senior manager, and Bank of America, Citibank and Roosevelt and Cross as co-managers.

Chairman Stack stated that by refunding the bonds at this time NIFA hoped to achieve approximately \$30 million in savings.

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

Resolution No. 12-382

RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX SECURED BONDS, SERIES 2012A AND SERIES 2012B (FEDERALLY TAXABLE)

WHEREAS, the Nassau County Interim Finance Authority Act, incorporated in chapter 84 of the laws of 2000, as amended from time to time (the “Act”) authorizes the Nassau County Interim Finance Authority (the “Authority”) to refund any bonds of the Authority by the issuance of new bonds, whether the bonds to be refunded have or have not matured; and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance and sale of additional series of its sales tax secured bonds (the “Bonds”) through the approval of appropriate documentation, including, without limitation, the approval of the Eighteenth and Nineteenth Supplemental Indentures (as such terms are defined below), the issuance, sale and delivery of such series of Bonds, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, as a result of favorable market conditions, the Authority may be able to refund certain of its outstanding Bonds for debt service savings, thereby permitting greater residual sales tax revenue transfers to the County; and

WHEREAS, it is expected that the Bonds will be issued in one or more Series, to be secured by the Indenture, as supplemented by the Eighteenth and Nineteenth Supplemental Indentures (as such terms are defined below); and

WHEREAS, the Authority is required to obtain the written approval of the State Comptroller for the sale of each series of Bonds and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the additional series of Bonds; and

WHEREAS, the proceeds of such series of Bonds will be used (i) subject to the terms hereof, to refund outstanding bonds of the Authority (the “Refunded Bonds”) and (ii) to pay the costs of issuance of such series of Bonds; and

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered an indenture entitled “Indenture between Nassau County Interim Finance Authority and United States Trust Company of New York, as (original) Trustee, dated as of October 1, 2000” (the “General Indenture”), authorizing the issuance of one or more series of Bonds for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such Bonds and the security pledged to the payment thereof; and

WHEREAS, the duly Authorized Officers (as defined below) of the Authority have caused to be prepared a form of supplemental indenture entitled “Eighteenth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York Mellon, as Trustee, Authorizing Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2012A, dated as of October 1, 2012” (the “Eighteenth Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2012A (the “Series 2012A Bonds”); and

WHEREAS, the duly Authorized Officers of the Authority have caused to be prepared a form of supplemental indenture entitled “Nineteenth Supplemental Indenture between Nassau County Interim Finance Authority and The Bank of New York Mellon, as Trustee, Authorizing Nassau County Interim Finance Authority Sales Tax Secured Bonds, Series 2012B (Federally Taxable), dated as of October 1, 2012” (the “Nineteenth Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax Secured Bonds, Series 2012B (Federally Taxable) (the “Series 2012B Bonds” and, together with the Series 2012A Bonds, the “Series 2012 Bonds”) (the General Indenture, as amended and supplemented, being hereinafter collectively referred to as the “Indenture”)

WHEREAS, the duly authorized officers of the Authority have previously caused to be executed and delivered a financing agreement dated as of October 1, 2000 (the “Financing Agreement”), by and between the Authority and the County of Nassau (the “County”), pursuant to which the County has made certain agreements and covenants relating to the issuance of Bonds by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders; and

WHEREAS, the duly authorized officers of the Authority have caused to be prepared a form of Preliminary Offering Circular (the “Preliminary Offering Circular”) relating to the Series 2012 Bonds; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of the Offering Circular to be used in connection

with the issuance and sale of one or more series of the Series 2012 Bonds (the “Offering Circular”) and have negotiated the Contract of Purchase therefor (the “Purchase Contract”); and

NOW, THEREFORE, the Authority, hereby adopts the following resolutions (collectively hereinafter referred to as the “resolution”):

I. Eighteenth and Nineteenth Supplemental Indentures

RESOLVED, that the forms of Eighteenth Supplemental Indenture and Nineteenth Supplemental Indenture presented to this meeting, copies of which shall be annexed to this resolution as Exhibit A-1 and Exhibit A-2, respectively, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Eighteenth Supplemental Indenture and Nineteenth Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Series 2012 Bonds (which may be issued at one time or from time to time in one or more series, subject to redesignation as hereinafter provided) as may be approved by the Authorized Officer subject to the terms referred to in clause VI below; and further

II. Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in substantially the form of the Preliminary Offering Circular presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved for use in marketing one or more series of the Series 2012 Bonds with such changes as an Authorized Officer may approve and any Authorized Officer is hereby authorized to approve the distribution of the same on behalf of the Authority; and further, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, the Offering Circular, with such changes, insertions and omissions to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriters to comply with SEC rules; and further

III. Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriters of the Series 2012 Bonds in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as any Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

IV. Continuing Disclosure Agreement

RESOLVED, that the form of Continuing Disclosure Agreement presented to this meeting, a

copy of which shall be annexed to this resolution as Exhibit D, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver one or more Continuing Disclosure Agreements in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

V. Escrow Deposit Agreements

RESOLVED, that one or more Escrow Deposit Agreements relating to the retirement of the Refunded Bonds, in substantially the form presented to this meeting and annexed to this resolution as Exhibit E, are hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Escrow Deposit Agreements in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof; and further

VI. Terms of Series 2012 Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the Indenture, the power with respect to the Series 2012 Bonds to determine and carry out the following:

- (a) The number of series of the Series 2012 Bonds and the designation for each series;
- (b) The principal amount of each series of the Series 2012 Bonds to be issued in an aggregate total principal amount up to \$360,000,000;
- (c) The Refunded Bonds or series of Refunded Bonds which are to be refunded or restructured with a portion of the proceeds of the Series 2012 Bonds for the purpose of reducing the Authority's debt service; provided, however, that (i) any such Bonds selected shall achieve present value debt service savings, as further specified in the table below, (ii) the negative arbitrage for any such Refunded Bond cannot exceed the present value savings and (iii) in the aggregate, the present value debt service savings shall equal at least two percent (2.00%) of the par amount of the Refunded Bonds;

		<u>Years to Call</u>		
		0-2	3-7	8-10
<u>Years from Call to Maturity</u>	0-5	0.5%	1.0%	2.0%
	6-10	1.0	2.5	4.0
	11-15	3.0	4.0	5.0
	16-20	4.0	5.0	5.5

- (d) The date or dates, if any, on which the Refunded Bonds are to be called for redemption, the selection of a bidding agent for the funding of an escrow, the provisions of any escrow deposit agreement, and any other matters necessary as determined by such

Authorized Officer to best carry out the Authority's statutory purposes and the purposes of this Resolution;

(e) The date or dates, maturity date or dates and principal amount of each series and maturity of the Series 2012 Bonds, the amount and date of each sinking fund installment, if any, and which Series 2012 Bonds, if any, are serial bonds or term bonds; provided, however, that the final maturity of the Series 2012 Bonds shall mature no later than November 15, 2025;

(f) The interest rate or rates of each series of the Series 2012 Bonds (including a zero interest rate), whether such interest rate or rates shall be fixed or variable, tax-exempt or taxable, the dates from which interest on each series of the Series 2012 Bonds shall accrue, the interest payment dates, if any, therefor and the interest rate mode or modes thereof, as provided in the Seventeenth Supplemental Indenture;

(g) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series 2012 Bonds; provided, however, that (i) the redemption price of any Series 2012A Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2012A Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption and (ii) the redemption price of any Series 2012B Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall be established based on a readily quantifiable formula, consistent with market convention for taxable indebtedness issued in the municipal market and determined by the an Authorized Officer of the Authority in consultation with the Authority's Financial Advisor;

(h) Additional provisions for the sale or exchange of the Series 2012 Bonds and for the delivery thereof not otherwise set forth herein;

(i) Directions for the application of the proceeds of the Series 2012 Bonds and investment thereof not in conflict with the provisions hereof;

(j) The deposit of one or more Surety Bonds into the Debt Service Liquidity Account in accordance with the Indenture to the extent approved by such Authorized Officer;

(k) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the Indenture, including, without limitation, incorporating bond insurance or other form of credit facility to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

VII. Issuance of Bonds

RESOLVED, that the Authority shall issue, award and deliver each series of the Series 2012 Bonds pursuant to the Purchase Contract, and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Series 2012 Bonds; and further

VIII. Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the General Counsel, the Treasurer, the Corporate Secretary, any Assistant or Acting Treasurer and any Assistant Corporate Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an “Authorized Officer” for the purposes of this entire resolution; and further

IX. Appointment of Underwriters

RESOLVED, that the firm of Goldman, Sachs & Co. is hereby appointed as senior book running manager, M. R. Beal & Company is hereby appointed co-senior manager and the firms of Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Roosevelt & Cross, Incorporated are hereby appointed as co-managers for the offering, provided that other underwriters may participate in the financing in capacities as determined by an Authorized Officer; and further

X. Appointment of Bidding Agents

RESOLVED, that, if required or deemed necessary, the firm of Lamont Financial Services Corporation, through its affiliate Lamont Investment Advisers Corp., may serve as bidding agent for the purchase of escrow securities, to the extent specified by an Authorized Officer; and further

XI. Appointment of Financial Advisor

RESOLVED, that the firm of Lamont Financial Services Corporation is hereby selected to provide financial advice to the Authority with respect to the issuance of the Series 2012 Bonds; and further

XII. Appointment of Verification Agent

RESOLVED, that the firm of Samuel Klein and Company is hereby selected to provide services as verification agent with respect to the Escrow Deposit Agreements described in clause V hereof and the calculation of the yields on the Refunded Bonds or Series 2012 Bonds, as necessary; and further

XIII. Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of each series of the Series 2012 Bonds is found to be appropriate for the following reasons:

(i) the Underwriters have and will continue to assist in all structuring tasks including preparation of the Offering Circular and presentations to or discussions with rating agencies;

(ii) the Underwriters have and will continue to be able to undertake presale marketing to help determine the level of demand for the Series 2012 Bonds; and

(iii) the Underwriters will have the flexibility to sell the Series 2012 Bonds on short notice and make rapid changes in structure to accommodate the market; and further provided, that each series of the Series 2012 Bonds shall be awarded and sold to the respective Underwriters named in the Purchase Contract upon the terms and conditions set forth in the related Purchase Contract at a purchase price of not less than ninety percent (90%) of the aggregate original principal amount (issuance value) of such series of the Series 2012 Bonds to be sold; and further

XIV. Sale of Series 2012 Bonds

RESOLVED, that, subject to obtaining the approval of the Comptroller of the State, the Authority shall sell and award, at private sale, the aggregate principal amount of each series of the Series 2012 Bonds to the Underwriters; and further

XV. Escrow Agent

RESOLVED, that The Bank of New York Mellon is hereby selected to serve as escrow agent with respect to the Escrow Deposit Agreement described in item V hereof; and further

XVI. Appointment of Bond Counsel

RESOLVED, that the law firm of Sidley Austin LLP is hereby appointed bond counsel for the Series 2012 Bonds; and further

XVII. Authority Auditors

RESOLVED, that Deloitte & Touche LLP, the Authority's outside auditors, are hereby requested to undertake any procedures necessary for accomplishing the purposes of the financing including consenting to the inclusion of their report on the Authority's financial statements in the Preliminary Offering Circular and the Offering Circular, and that the Authorized Officers are hereby directed and authorized to take all necessary or useful actions to effect such purposes, including the negotiations and payment of any customary related fees to Deloitte & Touche LLP and further

XVIII. Printer

RESOLVED, that any Authorized Officer shall solicit, or cause to be solicited, proposals for the service of a Printer with respect to the Preliminary Offering Circular and the Offering Circular; and further

XIX. Findings With Respect To Consultants And Advisors

RESOLVED, that the Authority hereby finds and determines that extraordinary circumstances exist, in view of the accelerated time schedule for the transaction and the significant benefit to the County and the Authority of completing the transaction under current market

conditions, which make competition impracticable or inappropriate and merit the procurement of certain consultants and advisors deemed necessary or appropriate in carrying out the intent of this resolution, on a sole source or single source basis, as provided in the Authority's Procurement Contract Guidelines, upon such terms and conditions as the Authorized Officer may find reasonable and appropriate; and further

XX. Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Series 2012 Bonds), make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out this resolution, including without limitation the execution, sale and delivery of the Series 2012 Bonds, any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution, and that all such actions heretofore taken in connection with the Series 2012 Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to accept a settlement from UBS for problems that occurred with their derivative products. He stated that even though to the best of his knowledge NIFA did not have any problems with UBS derivative products, various attorneys general agreed to a gross settlement and gave everyone who had derivatives with UBS a share of that settlement which amounted to approximately \$518,000 for NIFA.

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

Resolution No. 12-383

AUTHORIZATION TO ACCEPT A SETTLEMENT WITH UBS AG AND TAKE RELATED ACTIONS.

RESOLVED, that the materials presented to this meeting of the 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 the Directors hereby accept the out-of-court settlement offer arrived at for the Authority by various state Attorneys General and UBS AG as outlined in a letter to the Authority’s General Counsel and Chief Borrowing Officer dated August 30, 2012; and be it further

RESOLVED, that the Chairman or his designee(s) are authorized to take all related actions, including but not limited to the execution of a “Release,” by or on behalf of the Authority.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to accept a settlement from Wachovia. He stated that this settlement is very similar to the UBS settlement but since NIFA only had one transaction, its pro rata share is only \$12,900.

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

Resolution No. 12-385

**AUTHORIZATION TO ACCEPT A SETTLEMENT WITH WACHOVIA BANK,
N.A. AND TAKE RELATED ACTIONS.**

RESOLVED, that the materials presented to this meeting of the 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 the Directors hereby accept the out-of-court settlement offer arrived at for the Authority by various state Attorneys General and Wachovia Bank, N.A. as outlined in a letter to the Authority’s Chairman dated August 2, 2012; and be it further

RESOLVED, that the Chairman or his designee(s) are authorized to take all related actions, including but not limited to the execution of a “Release,” by or on behalf of the Authority.

* * *

Chairman Stack stated that NIFA only received the County's four year financial plan last week and has not finished reviewing it. He stated that a couple of risks that are most apparent in initially looking at the plan were the cert transactions, fund balance which has significantly declined in the plan and the sewer borrowing. He stated that although the County did not include monies in the 2013 budget for the sewer borrowing, there was money in the out years of the plan for the sewer transaction which NIFA would require the County to remove from the Plan.

Director Wright stated that if the County enters into this transaction with a third party, it would be a loan with high rates of interest and not a public/private partnership. He stated that if this deal moves forward he is going to ask the NIFA Board to issue an order that carries the force of law requiring the County to submit the documents for this transaction to NIFA for approval.

Director Marlin agreed with Director Wright's comments and stated that this transaction must be submitted to NIFA for approval since it is a borrowing. He then made the following statement:

"The County's proposal to finance property tax judgments is another scheme to evade the approval process to borrow money.

If the County could execute a deal with RPTF LIC of Uniondale (a firm Newsday reports "has not been incorporated and does not have a web site or phone number listed in public records") it would not be "selling" judgments it would be borrowing money for seven years at an outrageous annual interest rate of 5.95%.

When a government entity sells its unpaid bills or liens or uncollected judgments, it sells them at a deep discount (i.e., 10 cents on a dollar) then it writes down the receivables on its balance sheet and gives up any future claims. The vendor who purchases these government uncollectibles has the right to go out and try to collect the unpaid balances.

The County's proposal is completely different. The County would not be selling receivables, it would be borrowing money at 5.95% to pay down tax refunds which are listed on the County's balance sheet as liabilities. County Comptroller Maragos got it right last week when he said the proposal would be "adding millions of dollars of debt to the County's books."

The County Attorney claims he has the power to settle judgments under \$100 thousand. This may be true. But it does not mean he has the authority to borrow money to pay the judgments he settled. That approval must come from the Legislature.

As for the 5.95% annual interest rate, the County announced it would be willing to pay on a seven-year loan—it is an egregious amount. The County could issue tax-exempt municipal bonds for seven years at an approximate rate of 1.50% or lower. The County's claim that it can issue only 20 year tax-exempt bonds is wrong.

If the County does not abandon this ill-conceived borrowing scheme, County legislators should go into court and request a Temporary Restraining Order (TRO)."

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 5:45 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary