

AGENDA

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
THURSDAY, NOVEMBER 19, 2015, 4:00 PM
MARRIOTT LONG ISLAND HOTEL & CONFERENCE CENTER
101 JAMES DOOLITTLE BLVD., UNIONDALE, NY 11553**

Call to Order

Action Items

- I. Approval of the Minutes of October 19, 2015 Meeting
- II. Authorization to Increase the Amount of NIFA's Contract with Lamont Financial Services Corporation and to Take Related Actions
- III. Authorization to Re-Appoint a Law Firm and to Take Related Actions
- IV. Replacement of the Remarketing Agent for NIFA's 2008D-1 Sales Tax Secured Variable Rate Bonds
- V. Consideration of Posillico Civil, Inc. Contract
- VI. Consideration of the County's Multi-Year Financial Plan for Fiscal 2016 - 2019

Adjournment

DRAFT – SUBJECT TO REVIEW AND REVISION

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MEETING OF THE DIRECTORS
MINUTES OF OCTOBER 19, 2015

The Directors of the Nassau County Interim Finance Authority met on October 19, 2015 at 5:00 PM at the Yes We Can Community Center, 141 Garden Street, Westbury, NY 11590.

Directors present: Jon Kaiman, Chairman
Paul Annunziato
John Buran
Adam Haber
Paul Leventhal
Lester Petracca
Christopher Wright

Directors absent:

Staff present: Evan Cohen, Executive Director
Carl Dreyer, Treasurer
Laurie Giardina, Corporate Secretary
Maria Kwiatkowski, Deputy Director
Jeremy Wise, General Counsel

1. Call to Order/Roll Call

The meeting was called to order at 5:45 PM.

2. Approval of Minutes

On a motion by Director Wright, the Directors approved the minutes from the meeting on July 1, 2015.

Positive votes: 7 Negative votes: 0

Resolution No. 14-578

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
SEPTEMBER 22, 2015 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY
INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on September 22, 2015 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.

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

3. Authorization to Enter into a Liquidity Facility in Connection with NIFA’s 2008D-1 Bonds and to Take Related Actions

The Directors were asked to approve a resolution to enter into a new liquidity agreement.

On a motion by Director Buran, the Directors approved the VSIP Agreement.

Positive votes: 6 Negative votes: 0 Recusal: 1 (Director Wright)

Resolution No. 15-579

AUTHORIZATION TO ENTER INTO LIQUIDITY FACILITY 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 BMO Harris Bank N.A. 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.

* * *

4. Authorization to Employ a Media Consultant and to Take Related Actions

DRAFT – SUBJECT TO REVIEW AND REVISION

The Directors were asked to approve a resolution to hire Zimmerman/Edelson as its media consultant to help the public understand the role of and decisions made by NIFA.

On a motion by Director Wright, the Directors approved the hiring of Zimmerman/Edelson.

Positive votes: 7 Negative votes: 0

Resolution No. 15-580

AUTHORIZATION TO EMPLOY A MEDIA CONSULTANT 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 (“Authority”); and be it further

RESOLVED, that the Directors of the Authority have determined that there is a need for a media consultant to help the public understand the role of and decisions made by the Authority; and be it further

RESOLVED, the consulting firm of Zimmerman/Edelson (“ZE”) shall be employed substantially upon the terms and 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 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 employ ZE as a media consultant for the Authority and to take any related actions.

* * *

5. Consideration of Tax Anticipation Notes Borrowing by Nassau County

The Directors were asked to approve the County’s request to issue Tax Anticipation Notes to help with cash flow until taxes are received. The notes are repaid within one year.

On a motion by Director Wright, the Directors approved the borrowing.

Positive votes: 7 Negative votes: 0

Resolution No. 15-581

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Committee (the “Materials”) are ordered to be filed with the records of the Nassau County Interim Finance Authority (the

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“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 TANs and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$202,507,400 including costs of issuance, and be it further

RESOLVED, that the final terms of the sale are subject to the 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.

* * *

6. Consideration of Issuance of General Obligation Bonds by Nassau County

The Directors were asked to approve the County’s request to issue General Obligation Bonds in the amount of \$7,500,000 to use for termination payments for Nassau Community College.

On a motion by Director Wright, the Directors approved the borrowing as long as it is paid back within 2 years.

Positive votes: 7 Negative votes: 0

Resolution No. 15-582

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

RESOLVED, that the materials presented to the Directors (the “Materials”) are incorporated into this Resolution and 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 discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Directors have reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to \$7,500,000 in bonds (plus costs of issuance not to exceed 2% of par) for the purposes described in Attachment A (Nassau Community College Termination Payments) in the Materials and upon the conditions outlined in the Materials; 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.

Attachment A
Nassau Community College Termination Pay

A capital expenditure was approved by the Nassau County Legislature for financing the cost of certain payments to Nassau Community College Federation of Teachers Member Employees at Nassau Community College upon separation from employment from the College in the amount of \$7,650,000. This includes total separation payments in the amount of \$7,500,000 plus two percent for costs of issuance for the making of said payments.

The bonds for the termination payments have a 10-year PPU. Notwithstanding the foregoing, the bonds shall mature within two (2) years of issuance, and the College will reimburse the County for debt service on such bonds within two (2) years.

* * *

7. Consideration of Contract Amendment from the County Attorney’s Office

The contract amendment is with Pannone Lopes Devereaux & West in the amount of \$495,000 and it is to represent the County with respect to the financing and development of the Nassau Coliseum and projects at the Nassau Hub and Mitchel Field. This amendment brings the total amount of the contract to \$1,415,000. The Directors are going to look more closely at contracts and have decided to approve up to \$100,000 of this contract at this time. The Directors may approve more towards this contract at a later date.

On a motion by Director Annunziato, the Directors approved the contract with Pannone Lopes Devereaux & West in the amount of \$100,000.

Positive votes: 7 Negative votes: 0

Resolution No. 15-583

REVIEW OF CONTRACT AMENDMENT FROM THE COUNTY ATTORNEY’S OFFICE

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 County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses; and be it further

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RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County's current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 partially approves the Pannone Lopes contract amendment in the amount of \$100,000; 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.

* * *

Director Wright stated that the County submitted a contract this afternoon relating to one of the sewer plants which is Superstorm Sandy related. He stated that Chairman Kaiman recused himself since it is Superstorm Sandy related. He stated that the contract will be voted on at the next NIFA Board meeting.

8. Adopting the Staff Report Concerning the Proposed Nassau County Multi-Year Financial Plan, Fiscal 2016-2019 and the Recommendations Contained Therein

Executive Director Cohen gave a summary of the Staff Report. He stated that NIFA projects significant deficits in each year of the plan on a GAAP basis, totaling approximately \$211 million in 2016 and much greater amounts in the Out-Years, if all of the identified risks are not resolved. The Chairman stated that NIFA is in the process of creating a Strategic Planning Committee and a Procurement and Contract Monitoring Committee. The Chairman stated that in the event that Nassau County and the Legislature are unwilling to make the necessary changes to the budget by increasing revenue and decreasing expenditures, the Directors will be prepared to take action.

On a motion by Director Wright, the Directors approved the NIFA Staff Report.

Positive votes: 7 Negative votes: 0

Resolution No. 15-584

ADOPTING THE STAFF REPORT CONCERNING THE PROPOSED NASSAU COUNTY MULTI-YEAR FINANCIAL PLAN, FISCAL 2016-2019 AND THE RECOMMENDATIONS CONTAINED THEREIN

WHEREAS, Nassau County continues to operate in a control period, which the Nassau County

DRAFT – SUBJECT TO REVIEW AND REVISION

Interim Finance Authority (“NIFA”) imposed on January 26, 2011; and

WHEREAS, on September 15, 2015, as required by law, the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2016 – 2019 (“Proposed Plan”), the first year of which is his proposed 2016 Budget; and

WHEREAS, the NIFA Staff has prepared a report (the “Staff Report”) on the County Executive’s Proposed Plan in which the Staff identified a number of risks; and

WHEREAS, the County Legislature has the opportunity to address the risks that NIFA staff has identified; and

WHEREAS, in accordance with Section 3667(2) the NIFA Act, NIFA will not take further action in regard to the Proposed Plan until “approval by the county of a budget in accordance with the provisions of the county charter and approval of the financial plan by the legislature;”

NOW, THEREFORE, BE IT RESOLVED, that the NIFA Directors adopt the Staff Report on the County Executive’s Proposed Plan.

9. Adjournment

The Chairman made a motion to adjourn. The meeting was adjourned at 6:15 PM.

Respectfully submitted,

Laurie A. Giardina
Corporate Secretary

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Employment of a Financial Advisor

REQUEST FOR: Authorization to Increase the Amount of NIFA's Contract with Lamont Financial Services Corporation and to Take Related Actions

Background:

Lamont Financial Services Corporation ("Lamont") has been an advisor to NIFA since 2004 and has worked under a variety of contracts for specific projects and under a contract for general advisory services. This is a request to increase the contract for its general advisory services.

Discussion:

NIFA has often authorized Lamont to assist in specific transactions, but there is often a need for general advice. For example, they have assisted in NIFA's analysis of the County's proposed P3 for wastewater treatment facilities. Additionally, NIFA often receives proposals from underwriters or has questions about the application of new laws or regulations, such as Dodd Frank. In those cases where general advice is needed, we have been able to rely on Lamont for assistance.

Currently, we believe that they will be needed to help NIFA review and administer the County's Multi-Year Plan.

Lamont:

Lamont is a nationally ranked independent financial advisor specializing in public finance. Its sole focus is to provide financial advisory services to its clients, which are primarily states, state agencies and municipalities.

Requested Actions:

In 2008, 2010 and 2013 Lamont was contracted to provide as-needed advice. This request is for a continuation of the contract to provide similar services. The authorization would increase the current contract with Lamont for up to an additional \$200,000 above the amount authorized in 2013.

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 15-

AUTHORIZATION TO INCREASE THE AMOUNT OF NIFA'S CONTRACT WITH LAMONT FINANCIAL SERVICES CORPORATION AND TO TAKE RELATED ACTIONS

WHEREAS, the Nassau County Interim Finance Authority ("NIFA") or the ("Authority") was created by Chapter 84 of the Laws of 2000 (the "Act") to be a corporate governmental agency constituting a public benefit corporation to issue bonds that are backed by county sales tax revenues as well as to perform certain budgetary oversight functions as set out in the Act; and

WHEREAS, the Directors deem these to be extraordinary circumstances that may require emergency actions to be taken by the Authority to fulfill its statutory responsibilities; and

WHEREAS, Lamont Financial Services Corporation ("Lamont") had previously been selected by NIFA as its Financial Advisor;

NOW, THEREFORE, BE IT 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 the Executive Director or his designee(s) shall take all actions necessary to amend NIFA's existing contract with Lamont for financial advisory service for an additional amount not to exceed \$200,000, plus disbursements, and be it further

RESOLVED, that the Chairman or his designees shall negotiate the terms of the service(s) to be provided by Lamont; 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.

Jon Kaiman
Chairman

Dated: November 19, 2015

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION **November 19, 2015**

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Statutory Interpretation and Litigation Counsel

REQUEST FOR: Authorization to Re-Appoint a Law Firm and to Take Related Actions

Background

As you are aware, the Authority has reviewed the County's Adopted 2016 Budget and 2016-2019 Multi-Year Financial Plan ("the "Plan").

NIFA may determine to take certain actions regarding the Plan or Budget that will require speedy implementation and may prompt litigation. NIFA must be prepared to act or react very quickly. It is essential that we act appropriately, within the law and with a comprehensive understanding of our statutory duties and powers.

Discussion

Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates ("Skadden") have acted as our advisors concerning statutory interpretation matters and related litigation since 2010. Based upon current circumstances, staff feels it is appropriate to re-affirm the appointment of Skadden and, if it is deemed necessary, extend their contract with the Authority.

Requested Action

It is hereby requested that the Chairman or his designees be delegated the authority to act on behalf of the Directors to extend the NIFA contract with Skadden upon substantially similar terms and conditions as in their prior contract of October 25, 2010.

Attachment:
Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 15-

**AUTHORIZATION TO RE-APPOINT 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 “NIFA”); and be it further

RESOLVED, that based upon the Materials presented to this meeting, including the need for real time legal advice and the possibility of litigation against NIFA and or its Directors or staff, we hereby re-appoint and approve the extension of the existing contract with Skadden, Arps, Slate, Meagher & Flom LLP and Affiliates (“Skadden”); and be it further

RESOLVED, that the continued utilization of Skadden is necessitated by extraordinary circumstance confronting the County of Nassau and NIFA as well as their unique expertise and knowledge of NIFA; and be it further

RESOLVED, that the Chairman or his designees may take all steps deemed necessary or appropriate to carry out the intent of this resolution.

Jon Kaiman
Chairperson

November 19, 2015

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Replacement of the Remarketing Agent for NIFA's 2008D-1 Sales Tax Secured Variable Rate Bonds

REQUEST FOR: Permission to Replace the Remarketing Agent for NIFA's 2008D-1 Bonds

Background:

On November 9, 2015, NIFA issued an emergency Request for Proposals to three underwriters. The RFP solicited their bids for the position of remarketing agent in connection with the reoffering of the Authority's \$91,875,000 aggregate principal amount Sales Tax Secured Variable Rate Bonds, Series D-1 (the "Bonds"). The Bonds are currently reissued in weekly mode.

Recent disclosures by the existing remarketing agent were deemed by staff and NIFA's Financial Advisor to warrant this emergency measure.

Discussion:

The solicitation was sent to the three underwriters from NIFA's recent refunding of \$116,310,000 Sales Tax Secured Refunding Bonds, Series 2015A. These underwriters had been selected for the refunding via a competitive RFP process, were familiar with NIFA's credit and were deemed to have the requisite experience to act as remarketing agents.

Each of the three underwriters submitted a bid, but the lowest bid was from BAML (Bank of America Merrill Lynch Merrill Lynch, Pierce, Fenner & Smith Incorporated). They bid 0.04% on the average daily amount of bonds outstanding. This is .02% lower than the current remarketing agent.

In order to effectuate this change on very short notice, we need(ed) to enlist the services of our current Financial Advisor, Lamont Financial Services Corporation ("Lamont") and the law firm that had handled our original sale of the Bonds, Sidley Austin LLP ("Sidley").

Recommendation:

We recommend that BAML be retained as remarketing agent for the Bonds and that you approve both the past and prospective use of Lamont and Sidley in connection with the matters discussed herein.

Attachment:
Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 15-

**PERMISSION TO REPLACE THE REMARKETING AGENT FOR THE NIFA'S 2008D-1
SALES TAX SECURED VARIABLE RATE DEMAND BONDS**

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 ("NIFA") and be it further

RESOLVED, that the Directors approve the replacement of the current remarketing agent for NIFA's 2008D-1 Sales Tax Secured Variable Rate Bonds with Bank of America Merrill Lynch Merrill Lynch, Pierce, Fenner & Smith Incorporated as well as the employment of a financial advisor, Lamont Financial Services Corporation, and a law firm, Sidley Austin LLP; and be it further

RESOLVED, that this replacement is deemed an emergency due to disclosures from the current remarketing agent; 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.

Jon Kaiman
Chairperson

November 19, 2015

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 19, 2015

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Posillico Civil, Inc. Contract

REQUEST FOR: Consideration of Posillico Civil, Inc. Contract

Introduction:

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, (“Guidelines”), which include the Contract Approval Request Form. The Guidelines delineate the dollar thresholds and approval process of all County contracts that must be submitted to NIFA for approval.

Discussion:

The County issued an RFP and selected a vendor to provide services at the Bay Park Sewage Treatment Plant Sludge Dewatering Building and the Cedar Creek Water Pollution Control Plant. The Legislature approved this contract for services between the Nassau County Department of Public Works and this vendor at its meeting held on July 27, 2015. The \$41,516,000 contract was submitted to NIFA for review on October 19, 2015.

Summary:

The selected vendor, Posillico Civil, Inc. is to provide restoration of the existing Bay Park STP Sludge Dewatering Building that was rendered inoperable due to damage from Superstorm Sandy. Also to be provide by the vendor are two (2) centrifuges that will be installed at the Cedar Creek Water Pollution Control Plant. The maximum amount of the contract is \$41,516,000 with the bulk of this amount, \$39,616,000 for the scope of services at Bay Park STP and will be funded by a FEMA grant. The remaining amount, \$1,900,000 for the scope of services at Cedar Creek is covered by capital funding that has already received approval from the County Legislature and NIFA.

Requested Action:

You are requested to review the contract referenced in the prior discussion.

Attachment: Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 15-XXX

CONSIDERATION OF COUNTY CONTRACT FOR POSILLICO CIVIL, INC.

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 based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves/disapproves the County’s Contract for Posillico Civil, Inc., which is projected to cost \$41,516,000; and be it further

RESOLVED, that NIFA’s approval of the agreement is given with the caveat that NIFA does not guaranty that it will approve any borrowing for this project; 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.

Chris Wright
Director

November 19, 2015

Consideration of the County's
Multi-Year Financial Plan for
Fiscal 2016 – 2019
will be sent under separate
cover