

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MEETING OF THE DIRECTORS
MINUTES OF APRIL 1, 2016

The Directors of the Nassau County Interim Finance Authority met on April 1, 2016 at 6:45 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

Directors present: Adam Barsky, Chairman
Paul Annunziato
Adam Haber
Paul Leventhal
Lester Petracca
Christopher Wright

Directors absent: John Buran

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

1. Call to Order/Roll Call

The meeting was called to order at 6:45 PM.

2. Approval of Minutes

On a motion by Director Buran, the Directors approved the minutes from the meeting on February 3, 2016.

Positive votes: 6 Negative votes: 0

Resolution No. 16-611

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 3, 2016 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on February 3, 2016 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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3. Consideration of a County Contract for Nassau County Bar Association

The contract is a 12 month contract valued at \$7.3 million. The program, which is State

mandated, provides legal assistance and representation to indigent persons in Nassau County. This is 100% funded within the operating budget.

On a motion by Director Wright, the Directors approved the contract with Nassau County Bar Association in the amount of \$7.3 million.

Positive votes: 6 Negative votes: 0

Resolution No. 16-612

APPROVAL OF COUNTY CONTRACT FOR NASSAU COUNTY BAR ASSOCIATION

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 the County’s Contract for the Nassau County Bar Association, which is projected to cost \$7,300,000; 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.

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4. Consideration of County Contract for Peter Scalamandre & Sons, Inc.

The contract is a 15 month contract valued at \$15.3 million. The County expects 25% to be funded by the NYS Environmental Facilities Corporation Storm Mitigation Loan Program. The other 75% will require a future County borrowing.

On a motion by Director Wright, the Directors approved the contract with Peter Scalamandre & Sons, Inc. in the amount of \$15,327,000.

Positive votes: 6 Negative votes: 0

Resolution No. 16-613

CONSIDERATION OF COUNTY CONTRACT FOR PETER SCALAMANDRE & SONS, 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 Peter Scalandre & Sons, Inc. in the amount of \$15,327,000; 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.

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5. Consideration of County Contract for WHM Plumbing and Heating Contractors Inc.

The contract is a 20 month contract valued at \$5.9 million. The work is part of a capital project and will require a future county borrowing which has not yet been approved by NIFA.

On a motion by Director Wright, the Directors approved the contract with WHM Plumbing and Heating Contractors Inc. in the amount of \$5,939,500.

Positive votes: 6 Negative votes: 0

Resolution No. 16-614

CONSIDERATION OF COUNTY CONTRACT FOR WHM PLUMBING AND HEATING CONTRACTORS, 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 the amendment of the County's Contract for WHM Plumbing & Heating Contractors, Inc. in the amount of \$5,939,500; 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.

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6. Consideration Authorization to Enter into a Liquidity Facility in Connection with NIFA's 2008C Variable Rate Demand Bonds and to Take Related Actions

The Directors were asked for authorization to enter into a liquidity facility with BMO Harris Bank N.A. The Liquidity Facility will be in the form of a Standby Bond Purchase agreement for the full amount of \$150,000,000 par amount of replacement liquidity capacity related to NIFA's Series 2008C Variable Rate Demand Bonds, which are currently in weekly mode.

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

Positive votes: 5 Abstention: 1 (Director Leventhal)

RESOLUTION NO. 16-615

AUTHORIZATION TO ENTER INTO LIQUIDITY FACILITY IN CONNECTION WITH NIFA'S 2008C VARIABLE RATE DEMAND 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 2008C Variable Rate Demand 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.

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7. Nassau County to Appoint a Director of Procurement Compliance, Create a Stand-Alone Position of Commissioner of Investigations, and the Taking of Related Actions

The Directors were asked to approve a resolution to request that the County appoint a

Director of Procurement Compliance and a Commissioner of Investigations. The resolution also recommends that the positions have their own employment contracts and budgets sufficient to hire staff.

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

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 16-615

DIRECTIVES TO NASSAU COUNTY REGARDING APPOINTMENT OF A DIRECTOR OF PROCUREMENT COMPLIANCE, CREATION OF A STAND_ALONE POSITION OF COMMISSIONER OF INVESTIGATIONS, AND THE TAKING OF RELATED ACTIONS

WHEREAS, the Nassau County contracting process has come under increased scrutiny and criticism due to its procedures for letting of contracts; and

WHEREAS, the criticism has come from the Directors of the Nassau County Interim Finance Authority and other sources including: the Nassau County District Attorney; an independent blue ribbon review panel; and numerous publications; and

WHEREAS, the Majority Leader of the New York State Senate was recently convicted of a crime, which resulted from the County's contracting procedures; and

WHEREAS, the County's contracting process was criticized in an independent report issued by the New York State Comptroller; and

WHEREAS, the County is in a Control Period brought about by its inability to properly manage its finances; and

WHEREAS, under the Control Period, NIFA is required to establish procedures to review County contracts; and

WHEREAS, on January 6, 2016 NIFA amended its Contract Procurement Guidelines in a manner that was intended to improve transparency and its review of the County's contracting process; and

WHEREAS, the County has repeatedly asserted that the amended Guidelines are not required because they are in the process of improving their contract procedures; and

WHEREAS, improvements to the County's contracting process have been slow and largely ineffective; and

WHEREAS, NIFA believes that part of its mission is to require the County to police its spending, including expenditures incurred through contracts;

NOW, THEREFORE, BE IT 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 are incorporated into this Resolution by reference; and be it further

RESOLVED, that the NIFA Directors deem the hiring a Director of Procurement Compliance and the creation of an independent stand-alone position of Commissioner of Investigations as essential first steps toward improving its contracting processes; and be it further

RESOLVED, that the NIFA Directors recommend that the Director of Procurement Compliance and the Commissioner of Investigations be given employment contracts co-terminus with the term of the current County Executive; and be it further

RESOLVED, that NIFA recommends that the Director of Procurement Compliance and the Commissioner of Investigations each be given budgets sufficient to hire such staff as they deem necessary to fulfill their responsibilities; and be it

RESOLVED, that NIFA will no longer tolerate delays in improving the County’s contracting process that that are universally accepted as necessary and will use all resources at its disposal, consistent with its mission, to improve the County’s financial position; and be it further .

RESOLVED, that Authority 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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8. Temporary Suspension of NIFA’s Amended Guidelines for the Review of Nassau County Contracts

The Directors were asked to suspend the implementation of the Amended Guidelines until May 31, 2016 in light of changes currently being contemplated by the County regarding the contracting process.

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

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 16-616

RESOLUTION TEMPORARILY SUSPENDING THE IMPLEMENTATION OF NIFA’S AMENEDDED CONTRACTED GUIDELINES FOR THE REVIEW OF COUNTY CONTRACTS AND THE TAKING OF 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 are incorporated into this Resolution by reference; and be it further
RESOLVED, that the County has made insufficient progress in reforming its contract process,

but based upon its current consideration of meaningful changes including: (1) hiring a Director of Procurement Compliance; (2) separating its Commissioner of Investigations' duties from the Office of the County Attorney; and (3) agreeing to comply with many of the provisions of NIFA's Amended Contract Guidelines, which were enacted on January 6, 2016, the Directors hereby agree to suspend the implementation of the aforementioned Amended Contract Guidelines until the date of their next meeting; and be it further

RESOLVED, the Contract Guidelines in effect prior to January 6, 2016 shall remain in effect until May 31, 2016; and be it further

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

9. Adjournment

The Chairman made a motion to adjourn. The meeting was adjourned at 7:05 PM.

Respectfully submitted,

Laurie A. Giardina
Corporate Secretary