

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MEETING OF THE DIRECTORS
MINUTES OF NOVEMBER 9, 2017

The Directors of the Nassau County Interim Finance Authority met on November 9, 2017 at 6:32 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

Directors present: Adam Barsky, Chairman
Paul Leventhal
Lester Petracca
Howard Weitzman
Christopher Wright

Directors absent: Paul Annunziato
John Buran

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 6:32 PM.

2. Approval of Minutes

On a motion by Director Wright, the Directors approved the minutes from the meeting on October 17, 2017.

Positive votes: 5

Negative votes: 0

Resolution No. 17-690

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 17, 2017 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on October 17, 2017 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 County Contract for Peter Scalamandre & Sons, Inc.

The Directors were asked to approve a resolution for a contract change order for Peter Scalamandre & Son, Inc. This change order is to complete installation of 3 miles of Sewer Force Main to connect from a pumping station in Hempstead to the existing sewer interceptors along Merrick Ave. The vendor was selected through a County RFP process for the original contract. The term is for 450 calendar days and is valued at \$7,665,000.

The contract is to be funded with capital approved by the County Legislature but would require a future borrowing needing the NIFA Board of Directors approval.

On a motion by Director Wright, the Directors approved the contract for Peter Scalamandre & Sons, Inc. in the amount of \$7,665,000.

Positive votes: 4 Negative votes: 0 Recused: 1 (Director Weitzman)

Resolution No. 17-691

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 Scalamandre & Sons, Inc. in the amount of \$7,665,000; 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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4. Consideration of County Contract for Pratt Brothers, Inc.

The Directors were asked to approve a resolution for a County contract with Pratt Brothers, Inc. The contract is to provide resurfacing of all or part of various County roads in the Towns of Hempstead, North Hempstead & Oyster Bay & in the Cities of Glen Cove & Long Beach. The maximum amount of the contract is \$8,000,000 to be paid for with capital funding that require additional approval from the NIFA Board of Directors.

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

Positive votes: 4 Negative votes: 0 Recused: 1 (Director Weitzman)

Resolution No. 17-693

CONSIDERATION OF COUNTY CONTRACT FOR PRATT BROTHERS, 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 Pratt Brothers, Inc., which is projected to cost \$8,000,000; 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 Posillico Civil, Inc.

The Directors were asked to approve a resolution for a County contract with, Posillico Civil, Inc. The contract is to provide resurfacing of all or part of various County roads in the Town of Oyster Bay. The maximum amount of the contract is \$8,912,513 to be paid for by a combination of capital funding and Federally approved grant funding.

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

Positive votes: 4 Negative votes: 0 Recused: 1 (Director Weitzman)

Resolution No. 17-692

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 \$8,912,513; 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 of Tax Anticipation Notes Borrowing by Nassau County

The Directors were asked to approve a resolution for the County’s proposed sale of Tax Anticipation Notes. The maximum amount of proceeds will be \$380,000,000 plus costs of issuance. It is currently anticipated that the TANs will be structured with two maturities in March and September 2018. The TAN issuance will enable the County to pay its pension bill in December 2017 instead of on the scheduled payment date of February 1, 2018. By pre-paying the pension bill, the County will save approximately \$1.6 million.

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

Positive votes: 5

Negative votes: 0

Resolution No. 17-694

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

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 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 \$380,000,000 plus 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.

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**7. Consideration of Bond Anticipation Notes Borrowing or General Obligation Bonds
Borrowing by Nassau County**

The Directors were asked to approve a resolution for the County’s proposed sale of Bond Anticipation Notes. The maximum amount of proceeds will be \$98,150,000 plus costs of issuance. The purpose of the issuance of the 2017 BANs or bonds is to refund the 2016 Series D BANs scheduled to mature on December 15, 2017. The 2016 Series D BANs were issued to refund the following series of BANs, all of which matured on December 15, 2016: (i) 2015 Series C BANs with a par amount of \$40,835,000; (ii) 2016 Series A BANs with a par amount of \$25,300,000; and (iii) 2016 Series C BANs with a par amount of \$35,130,000. These three series of BANs were issued to fund sewer projects.

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

Positive votes: 5

Negative votes: 0

Resolution No. 17-695

**CONSIDERATION OF ISSUANCE OF BOND ANTICIPATION NOTES OR BONDS BY
NASSAU COUNTY**

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 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 BANs or bonds and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$98,150,000 plus 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.

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8. Disapproving the County’s Multi-Year Financial Plan For Fiscal 2018 – 2021, and

Requiring that the County Shall Provide A Modified Plan by November 27, 2017

The Directors were asked to approve a resolution disapproving the County Multi-Year Plan for Fiscal 2018-2021. The County is required to submit a modified plan by November 27th with \$31.5 million of recurring revenues or recurring expenditure reductions to substitute for:

1. \$19,500,000 to substitute for the use of fund balance and disencumbrances in the Revised Plan because they are not recurring and not allowable as a revenue under GAAP;
2. \$2,000,000 to substitute for the over estimation of savings in the Revised Budget from a County refunding;
3. \$5,000,000 to substitute for sales tax receipts because the assumed growth rate in the Revised Budget exceeds historical average growth rates; and
4. \$5,000,000 to substitute for overly optimistic overtime reductions.

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

Positive votes: 5

Negative votes: 0

Resolution No. 17-696

DISAPPROVING THE COUNTY’S MULTI-YEAR FINANCIAL PLAN FOR FISCAL 2018 – 2021, AND REQUIRING THAT THE COUNTY SHALL PROVIDE A MODIFIED PLAN BY NOVEMBER 27, 2017

WHEREAS, Nassau County is operating in a control period, which the Nassau County Interim Finance Authority (“NIFA”) imposed on January 26, 2011; and

WHEREAS, the County Executive submitted a proposed Multi-Year Financial Plan Fiscal 2018 – 2021 (“Proposed Plan”), to the County Legislature on September 15, 2017; and

WHEREAS, on October 30, 2017 the Legislature took certain actions in contravention of the NIFA Act and NIFA resolution numbered 17-689, by adopting a revised version of the Proposed Plan, which, among other changes, eliminated certain recurring sources of revenue for which alternative sources of revenue were substituted (hereinafter, the “Revised Plan;” of which the first year is the “Revised Budget”); and

WHEREAS, because the County Executive has not exercised, within the ten days permitted by the County Charter, his prerogative to veto items in the Budget, it is now ready for review by NIFA, and

WHEREAS, staff has written a report dated November 9, 2017 (the “Report”), which discusses the Revised Plan and makes certain recommendations,

NOW, THEREFORE, BE IT RESOLVED, that the Report is hereby accepted by the Directors; and

BE IT FURTHER RESOLVED, that pursuant to Sections 3667(2)(e) and 3669(2)(a) of the NIFA Act, NIFA hereby disapproves the Revised Plan, because it:

1. Fails to contain projections of revenues and expenditures that are based on reasonable and appropriate assumptions and methods of estimation; and
2. Fails to provide that operations of the County will be conducted within the cash resources available according to NIFA's revenue estimates; and
3. Fails to comply with the requirements of the NIFA Act; and
4. Fails to comply with NIFA resolution 17-689.

BE IT FURTHER RESOLVED, that pursuant to Section 3667(2)(g) of the NIFA Act, NIFA hereby requires that the County shall provide NIFA no later than November 27, 2017 or such later date as approved by the Chairman of NIFA, with a modification of the Revised Budget, which substitutes \$31,500,000 of recurring revenues or recurring expenditure reductions to substitute for the following:

1. \$19,500,000 to substitute for the use of fund balance and disencumbrances in the Revised Plan because they are not recurring and not allowable as a revenue under GAAP;
2. \$2,000,000 to substitute for the over estimation of savings in the Revised Budget from a County refunding;
3. \$5,000,000 to substitute for sales tax receipts because the assumed growth rate in the Revised Budget exceeds historical average growth rates; and
4. \$5,000,000 to substitute for overly optimistic overtime reductions.

BE IT FURTHER RESOLVED, that any changes to the Revised Budget shall be carried forward and reflected in the Revised Plan; and

BE IT FURTHER RESOLVED, that the failure of the County to fully fund the Revised Budget with recurring revenues or recurring expenditure reductions totaling the \$31.5 million required by this resolution, shall, in the opinion of NIFA, place the County in a "fiscal crisis" as defined in the NIFA Act; and

BE IT FURTHER RESOLVED, that pursuant to Sections 3667(2)(g) and 3669(2)(a)(iv) of the NIFA Act, NIFA stands ready, should the County fail to provide a modified plan in sufficient detail or within the time-period specified above, to make an appropriate finding of such failure, to declare a "fiscal crisis," and to formulate and adopt its own modifications to the Adopted Plan, such modifications to become effective on their adoption by NIFA.

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9. Adjournment

The Chairman made a motion to adjourn. The meeting was adjourned at 6:48 PM.

Respectfully submitted,

Laurie A. Giardina
Corporate Secretary