

**AGENDA**

NASSAU COUNTY INTERIM FINANCE AUTHORITY

**DIRECTOR'S MEETING**

**TUESDAY, NOVEMBER 27, 2018      7:00 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 16, 2018
- II. Consideration of County Contract for E&A Restoration, Inc.
- III. Consideration of County Contract for Welsbach Electric Corp. L.I.
- IV. Consideration of County Contract for WSP USA Inc.
- V. Consideration of the County's Multi-Year Financial Plan for Fiscal 2019 – 2022
- VI. Consideration of Tax Anticipation Notes and Revenue Anticipation Notes Borrowing by Nassau County
- VII. Consideration of Issuance of General Obligation Bonds and Bond Anticipation Notes (for Capital Projects and maturing BANs) by Nassau County
- VIII. Consideration of Issuance of General Obligation Bonds (for Tax Certiorari Payments) by Nassau County

Adjournment

NASSAU COUNTY INTERIM FINANCE AUTHORITY

**MEETING OF THE DIRECTORS**

MINUTES OF OCTOBER 16, 2018

The Directors' Meeting of the Nassau County Interim Finance Authority was convened on October 16, 2018 at 7:00 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY, pursuant to legal notice given on October 9, 2018 and electronic notice posted on the Authority's website.

Directors present: Adam Barsky, Chairman  
Paul Annunziato  
John Buran  
Paul Leventhal  
Howard Weitzman  
Christopher Wright

Absent: Lester Petracca

Staff present: Evan Cohen, Executive Director  
Carl Dreyer, Treasurer  
Kathleen Stella, Chief Administrator  
Jeremy Wise, General Counsel  
Martha Worsham, Deputy Director

**1. Call to Order/Roll Call**

The meeting was called to order at 7:36 PM.

**2. Approval of Minutes**

Upon a motion made by Director Wright and seconded, the Directors approved the minutes from the meeting on July 31, 2018.

Positive votes: 6      Negative votes: 0

RESOLUTION NO. 18-718

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 31, 2018 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

---

RESOLVED, that the Minutes of the meeting of the Authority held on July 31, 2018 are hereby

DRAFT – SUBJECT TO REVIEW AND REVISION

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.

\* \* \*

**3. Approve Submission of NIFA’s 2019 Budget and FY 2019 – FY 2022 Financial Plan to the Office of the State Comptroller and the Authorities Budget Office to Comply with 2 NYCRR, Part 203**

The Directors were asked to approve a resolution to disclose, and if no negative comments were received from the public, file NIFA’s budget with the NYS Comptroller. NIFA’s budget was approved by the Audit and Internal Control Committee just prior to this meeting.

On a motion by Director Buran and seconded by Chairman Barsky, the Directors approved the resolution.

Positive votes: 6      Negative votes: 0

RESOLUTION NO. 18-719

**APPROVE SUBMISSION OF NIFA’S 2019 BUDGET AND FY 2019 – FY 2022 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 2019 (“Budget”) and a proposed Financial Plan for FY 2019 – FY 2022 (“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.

\*\*\*

**4. Consideration of County Contract for E&A Restoration**

The Directors were requested to consider the County’s Contract with the A& E Restoration, Inc. The contract was valued at \$42,973,000. The principal features of the work under the contract included: furnishing all labor, materials, and equipment required for all general, mechanical electrical, and plumbing associated with the construction of a new 3 story, steel framed Police Department Training Facility Building.

Deputy Director Marth Worsham gave a briefing on the contract. It was discussed by the Directors that the consideration required further analysis to fulfill their fiduciary responsibilities.

Upon a motion given by Director Wright and seconded by Director Buren the Consideration was tabled till the next NIFA Director’s meeting.

**5. Consideration of County Contract for Hope for Youth Inc.**

The Directors were requested to consider the County’s Contract with Hope for Youth Inc. The vendor was selected through a County RFP process. The term is for 4 years and seven months and is valued at \$7,652,348. The principal features of the work under this contract include: preventive services for out of home placement of at risk youths.

After a briefing by Deputy Director Martha Worsham, a motion by Director Buran was seconded and the Directors approved the resolution.

Positive votes: 6      Negative votes: 0

RESOLUTION NO. 18-721

CONSIDERATION OF COUNTY CONTRACT FOR HOPE FOR YOUTH 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 County’s Contract for Hope for Youth Inc. in the amount of \$7,652,348; 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. Adopting the Staff Report Concerning the Proposed Nassau County Multi-Year Financial Plan, Fiscal 2019-2022 and the Recommendations Contained Therein**

Executive Director Cohen gave a summary of the Staff Report. He stated that the County has made notable progress in realigning its finances and reducing the size of its deficits since peaking in 2014. He also stated that staff is projecting a potential GAAP deficit of \$59.1 million in FY 2019 if the risks identified in the staff report are not resolved by year-end.

Executive Director Cohen also stated that staff is projecting significant deficits in each of the Out-Years of the Plan, growing from approximately \$105 million in 2020 to \$163 million in FY 2022, if decisive actions with recurring value are not taken now to resolve the risks we have identified in FY 2019. He emphasized that the projections for FY 2019-2022 do not account for additional costs that are likely to result from new collective bargaining agreements that will ultimately replace expired labor agreements.

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

Positive votes: 6      Negative votes: 0

RESOLUTION NO. 18-722

ADOPTING THE STAFF REPORT CONCERNING THE PROPOSED NASSAU COUNTY MULTI-YEAR FINANCIAL PLAN, FISCAL 2019-2022 AND THE RECOMMENDATIONS CONTAINED THEREIN

---

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

WHEREAS, on September 17, 2018, as required by law, the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2019 – 2022 (“Proposed Plan”), the first year of which is his proposed 2019 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 several risks; and

WHEREAS, the County Legislature will now have 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 any final action in regard to the Proposed Plan until the concerns in the Staff Report are adequately addressed by the County Legislature, there is “approval by the County of a budget for FY 2019 in accordance with the provisions of the County Charter and approval of the Proposed Plan by the Legislature;”

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

DRAFT – SUBJECT TO REVIEW AND REVISION

\*\*\*

**7. Adjournment**

The Chairman made a motion to adjourn. The meeting was adjourned at 7:55 PM.

Respectfully submitted,

Kathleen Stella  
Corporate Secretary

## NASSAU COUNTY INTERIM FINANCE AUTHORITY

### **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: E&A Restoration Contract

REQUEST FOR: Consideration of County Contract for E&A Restoration, Inc.

---

### **Introduction:**

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, 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.

On September 20, 2018, the County submitted a contract with E&A Restoration, Inc. (the "Firm") to NIFA for approval. The vendor was selected through a County RFP process. The term is for 24 months and is valued at \$42,973,000.00.

### **Discussion:**

On July 23, 2018, the County Legislature approved the contract for services between the Nassau County Department of Public Works and the Firm. The principal features of the work under this contract include: furnishing all labor, materials, and equipment required for all general, mechanical electrical, and plumbing associated with the construction of a new +/- 92,000 sq. ft., 3 story, steel framed Police Department Training Facility Building, and associated site improvements, such that it will be complete and ready for operations.

The funding will be entirely through borrowing and NIFA anticipates receiving a bonding request in the near future. Any bonding will require the approval from the NIFA Directors.

### **Requested Action:**

You are requested to consider the County's Contract with the E&A Restoration, Inc.

### **Attachments:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 18-720**

**CONSIDERATION OF COUNTY CONTRACT FOR E&A RESTORATION, 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 E&A Restoration, Inc. in the amount of \$42,973,000.00; 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(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.

---

Adam Barsky  
Chairperson

November 27, 2018

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Welsbach Electric Corp. L.I.

REQUEST FOR: Consideration of County Contract for Welsbach Electric Corp. L.I.

---

### **Introduction:**

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, 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.

On November 21, 2018, the County submitted a contract with Welsbach Electric Corp. L.I., (the “Firm”) to NIFA for approval. The vendor was selected through a County RFP process. The term is for 24 months and is valued at 8,000,000.

### **Discussion:**

On October 29, 2018, the County Legislature approved the contract for services between the Nassau County Department of Public Works and the Firm. The principal features of the work under this contract include: modify, repair, install and keep in good working order the County existing 1,600+ traffic signals; add new signals; maintain 350+ miscellaneous devices and 600+ street light devices on County property.

The funding will be allocated as follows:

OPERATING YR 1	OPERATING YR 2	CAPITAL	TOTAL
3,000,000	3,000,000	2,000,000	8,000,000

### **Requested Action:**

You are requested to consider the County’s Contract with the Welsbach Electric Corp., L.I.

### **Attachments:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 723**

**CONSIDERATION OF COUNTY CONTRACT FOR WELSBACH ELECTRIC CORP. L.I.**

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 Welsbach Electric Corp. L.I. in the amount of \$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(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.

---

Adam Barsky  
Chairperson

November 27, 2018

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: WSP USA Inc.

REQUEST FOR: Consideration of County Contract for WSP USA Inc.

---

### **Introduction:**

On March 24, 2011 NIFA adopted the Contract Approval Guidelines, as subsequently amended, 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.

On November 21, 2018, the County submitted a contract with WSP USA Inc. (the "Firm") to NIFA for approval. The vendor was selected through a County RFP process. The term is for six years from execution with option for two additional years is valued at 13,788,083.40.

### **Discussion:**

On October 29, 2018, the County Legislature approved the contract for services between the Nassau County Department of Public Works and the Firm. The principal features of the work under this contract include: divert treated effluent from Bay Park STP to the Cedar Creek plant and combine both plant's effluent for discharge through the existing outfall pipe.

### **Requested Action:**

You are requested to consider the County's Contract with the WSP USA Inc.

### **Attachments:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 724**

**CONSIDERATION OF COUNTY CONTRACT FOR WSP USA. 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 WSP USA Inc. in the amount of \$13,788,083.40; 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(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.

---

Adam Barsky  
Chairperson

November 27, 2018

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 18-725**

**APPROVING NASSAU COUNTY'S MULTI-YEAR FINANCIAL PLAN FOR FISCAL 2019–2022**

---

WHEREAS, Nassau County is operating in a Control Period, which NIFA imposed on January 26, 2011; and

WHEREAS, on September 17, 2018, the County Executive submitted to NIFA her proposed Multi-Year Financial Plan for Fiscal 2019 – 2022 (“Proposed Plan”), the first year of which is her proposed 2019 Budget; and

WHEREAS, on October 16, 2018, NIFA accepted a staff report which discussed and analyzed the Proposed Plan; and

WHEREAS, on October 29, 2018, the County Legislature adopted its Multi-Year Financial Plan for Fiscal 2019 – 2022 (the “MYP”) with certain amendments that were not part of the MYP presented by the County Executive; however, those amendments were vetoed by the County Executive (except for certain technical amendments) and the veto was not overridden by the County Legislature;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Sections 3667(2) and 3669(2)(a) of the N.Y. Public Authority Law, Chapter 43-A, NIFA approves the Multi-Year Financial Plan for Fiscal 2019 – 2022, which includes the 2019 Budget

---

Adam Barsky  
Chairperson

November 27, 2018

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Tax Anticipation Notes and Revenue Anticipation Notes Borrowing

REQUEST FOR: Consideration of Tax Anticipation Notes and Revenue Anticipation Notes Borrowing by Nassau County

---

### **Introduction:**

Nassau County has requested NIFA's approval of a proposed sale of Tax Anticipation Notes ("TANs") and Revenue Anticipation Notes ("RANs", and together with the TANs, the "Notes"). It is anticipated that the Notes will be sold in December and that the TANs will close in December and the RANs will close early in January 2019.

The reason for the County's request is found in section 3669 2(e) of the NIFA Act, which states that during a Control Period:

"The authority shall review the terms of each proposed long-term and short-term borrowing by the county and any covered organization to be effected during any control period, and no such borrowing shall be made during any control period unless it is approved by the authority."

Issuance of the County's TANs was delegated to the County Treasurer by Ordinance 116-1959, and issuance of the County's RANs was delegated to the County Treasurer by Ordinance 243-1975; consequently, the Notes do not require new authorization by the County Legislature.

### **Discussion:**

Notes are a common device used by public entities to help with cash flow until taxes are received. The Notes are issued to provide monies to meet cash flow deficit expected to occur during the period the Notes are outstanding. The TANs will provide liquidity from their date of issuance to their final repayment in September of 2019. The RANs will provide additional liquidity from January 2019 until their repayment in early December of 2019.

The TANs alone will meet the County's cash needs in December, 2018; the combined TANs and RANs will meet the County's peak cash needs in January and February 2019. The TANs will be

repaid from March and September property taxes; the RANs will provide County liquidity through the Fall of 2019, and will be repaid from the pledged sales tax in November and December 2019.

After discussions between NIFA and County staff, we are convinced that this issuance is needed in order to meet the County's financial obligations.

**Requested Action:**

Although cash flow borrowings of any kind are not the sign of a robust financial position, they are commonly used by public entities. In this case, the County's rationale appears to be sound. You are requested to approve the County's proposed cash flow borrowing through TANs and RANs, subject to the final review and approval of the terms thereof by the Chairman or his designee(s).

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**RESOLUTION NO. 18-726**

**CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES AND REVENUE  
ANTICIPATION NOTES BY NASSAU COUNTY**

---

RESOLVED, that the materials presented to this meeting of 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 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 Notes and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$380 million 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 Chairperson 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.

\_\_\_\_\_  
Adam Barsky  
Chairperson

November 27, 2018

# NASSAU COUNTY INTERIM FINANCE AUTHORITY

## **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: County General Obligation Bonds and BANs

REQUEST FOR: Consideration of Issuance of General Obligation Bonds and BANs by Nassau County

---

## **Introduction**

The County has communicated with NIFA its desire to raise money through its sale of general obligation bonds (“Bonds”) and bond anticipation notes (“BANs”). The breakdown of the amounts requested is as follows:

<b><u>BANs and New Money Bonds</u></b>	<b><u>Amount</u></b> <sup>(1)</sup>
BANs:	
Finance Maturing BANs	\$198,905,000.00
Bonds:	
General Capital Projects	66,396,664.00
Sewer and Storm Water Capital Projects	<u>20,892,636.00</u>
Total	\$286,194,300.00

(1) Excludes costs of issuance.

The amounts requested, and associated debt service, are consistent with the County’s FY 2019-2022 Multi-Year Plan borrowing assumptions. All of the project amounts requested have bond ordinances that have been approved by the Legislature. It is anticipated that the Bonds and BANs will be sold in early December 2018 and close shortly thereafter.

## **Background:**

The reason for the County’s request is found in section 3669 2(e) of the NIFA Act, which states that during a control period:

“The authority shall review the terms of each proposed long-term and short-term borrowing by the county and any covered organization to be effected during any control period, and no such borrowing shall be made during any control period unless it is approved by the authority.”

**Discussion:**

**BANs** – The County had been funding sewer capital projects through the issuance of bond anticipation notes (“BANs”) because it was exploring the possibility of entering into a public-private partnership (“P3”) transaction involving its sewer system (“System”). There are three series of outstanding BANs that mature on December 14, 2018: the 2017 Series A (Federally Taxable), the 2017 Series B and the 2018 Series A.

It is the County’s preference that the three series of maturing BANs be repaid with the proceeds of a new BAN issue for two reasons. First, there are three projects totaling \$60 million for which the County anticipates receiving Federal and/or State reimbursement estimated to be 90% of the total cost. The projects numbers and the amount of outstanding BANs are shown in the table below.

<u>Project #</u>	<u>BANs Outstanding</u>
35121	\$25,042,824
35123	20,000,000
3P311	<u>15,017,036</u>
Total	\$60,059,860

Secondly, with the exception of the maturing BANs, all of the County’s debt (excluding cash flow notes) is in the form of fixed-rate long-term debt. Therefore, the County believes it makes sense financially to diversify its debt with some short-term financing. If the maturing BANs are rolled into a new BAN issue, only 6.4% of the County’s total debt (excluding cash flow notes) would be in the form of short-term debt. See attached memorandums from PFM Financial Advisors, the County’s Financial Advisor, and the County’s Deputy County Executive for Finance (collectively, “Attachment A”) supporting the County’s rationale for issuing BANs, including projected savings from developing a rolling BAN program and recommending this course of action.

***Sewer and General Capital Project Bonds*** – The list of proposed projects is appended to these Materials as Attachment B. NIFA staff has worked with the County to be certain that these are of the highest priority and can be funded through the issuance of bonds.

The amount of bonds issued shall be reduced if premium bonds are issued, such that total proceeds from the transaction are sufficient to cover the projects plus any necessary costs of issuance.

**Requested Action:**

You are requested to approve/disapprove the County's proposed issuance of Bonds and BANs, subject to the terms and conditions outlined in these materials and the attached resolution(s).

**Attachments:**

Attachment A Memorandums from PFM and County's Deputy County Executive for Finance

Attachment B List of General Capital and Sewer Projects

Resolution



November 9, 2018

## Memorandum

**To:** Mark Page, Nassau County  
**From:** Tracey Keays, PFM Financial Advisors LLC  
**RE:** Nassau County December Bond Issue

---

As a follow-up to my memo regarding a Nassau County BAN program, I think it is important to consider the impact of potentially doubling the size of the County's December bond issue from \$200 to \$400 million. Given the timing of required approvals and the estoppel period for the bonds, the County expects to price its bonds on December 12th. December is traditionally a high volume month for tax-exempt debt issuance due to the Thanksgiving holiday at the end of November, as well as institutional investors' need to close their books by year-end. These timing constraints compress the issuance window at year-end, resulting in heavy volume in the first two weeks of December.

Under New York State LFL, the County's new money bonds must be sold competitively. This means that interested bidders must be comfortable that they can find investors to resell the bonds to in a high volume period within three days as most institutional investors will not purchase bonds after December 14th. In order to hedge against market movements prior to being able to place all the bonds, December bids are typically less aggressive than bids during other times of the year. Reselling \$400 million of bonds in three days could be a challenge, and PFM's pricing group estimates that the size penalty for a \$400 million competitive issue to be 5-10 basis points compared to a \$200 million issue.

The December financing calendar for New York is already starting to fill up. DASNY has a \$2 billion Personal Income Tax deal scheduled to price the week of December 10th, the same week as the Nassau bonds. Although the new tax law has capped SALT deductions, and so increased demand for tax-exempt bonds, this is a huge amount of New York bonds to be sold in a single week, especially given the December 14th deadline for investors. Leading into December, New York City is also scheduled to sell \$1 billion of general obligation bonds to retail on November 27th and 28th, with institutional pricing on November 29th.

A \$400 million competitive bond issue is a significantly larger par amount compared to most recent Nassau new money transactions. The largest new money Nassau bond issue in the last several years was the Series 2015B, which had a par amount of approximately \$169 million, and priced in May of that year. Nassau did issue \$338 million of refunding bonds in December 2017, but that was a negotiated transaction which allowed the underwriters to actively pre-market the bonds. Because the refunding triggered a call on outstanding Nassau bonds, there was also a fairly ready pool of investors familiar with the Nassau credit that could be targeted as purchasers of the refunding bonds.



As indicated in my prior memo recommending that Nassau develop a combination BANs / bond program, over time there are significant debt service savings related to this financing mechanism compared to solely issuing long term bonds. In terms of the market impact on the County's upcoming note transaction, if the outstanding BANs were to be rolled rather than bonded out long term, it would increase the amount of Nassau notes to be sold the first week in December by approximately \$200 million to \$580 million. Although this is a larger combined note volume than the County traditionally issues, the note sale would be negotiated, giving underwriters time to pre-market. The various maturities and securities also appeal to different investor groups. As I indicated yesterday, the New York note market is highly liquid, and widely recognized names such as Nassau County routinely price well. As in past years, Suffolk County is planning to sell about \$400 million of notes in the second week of December, although this is not expected to impact Nassau's pricing.



November 8, 2018

## Memorandum

**To:** Mark Page, Nassau County  
**From:** Tracey Keays, PFM Financial Advisors LLC  
**RE:** Nassau County BANs Program Recommendation

---

The County is considering issuing BANs on a programmatic basis to generate debt service savings. Traditionally, Nassau has issued long term fixed rate bonds to finance its capital projects. New York State Local Finance Law (“LFL”) prohibits most local issuers from issuing variable rate debt, but short term debt in the form of BANs, tax anticipation notes (“TANs”) and revenue anticipation notes (“RANs”) is permitted. While rating agencies have concerns about significant / increasing amounts of TANs and RANs being issued, BANs do not present any of these concerns. BANs are a short term financing mechanism for long term projects, and by definition, will be refinanced long term in the future. However, overall they provide significant interest rate savings to the issuer. PFM recommends that Nassau develop a BANs / bond program based on our analysis of the cost benefit of this program compared to just issuing long term bonds.

We have modelled a combination BAN / bond program where the County would annually issue \$200 million of BANs with a one-year maturity. At maturity, each BAN would be refinanced with a 29-year fixed rate bond. In order to be LFL compliant, the first principal payment date on the bonds would be in the following year, or two years from the time it was initially financed. We then compared this combined issuance to a traditional 30-year fixed rate bond, with its first principal payment in the second year. Our analysis assumes all bonds were structured with level debt service and priced at current interest rates over a ten year issuance cycle. The benefit of the 1-year BAN / 29-year bond program compared to the 30-year bond is summarized in the table on the following page.

Importantly, the bond pays only a half year of interest in the first year, while the BAN pays a full year of interest at maturity. As a result, in the first year the BAN / bond program is more expensive than just issuing a 30-year bond. While it seems counterintuitive that a fixed rate long term bond would have lower debt service than a BAN in the initial year, in addition to the half year interest payment, market standards with respect to bond couponing also have an impact on the interest cost. BANs generally price close to par, whereas bonds typically carry a 5% coupon and are downsized by the amount of premium generated, so the bond interest is paid on a lower par amount, albeit at a higher overall interest rate. Once the issuance cycle is established, the combination BAN / bonds program also benefits from the 29-year bond being downsized by the premium amount as well as the fact that the entire \$200 million was financed at a short term rate for one year. In each of the following years, the BAN / bond program generates incremental value. Over a ten year period, the BANs / bonds program produces a cash flow savings benefit in excess of \$10 million compared to issuing \$200 million of fixed rate bonds annually.

The New York note market is highly liquid, and widely recognized names such as Nassau County routinely price well in this market. Additionally, many tax-exempt issuers, including the Metropolitan Transportation Authority, New York City, the Pennsylvania Turnpike Authority and the Port Authority of New York and New Jersey routinely utilize variable rate or short term debt to reduce their debt service costs. PFM recommends that the County take advantage of the BAN market to achieve debt service savings.



**Benefit of Combined BAN / Bond Program Over a 10 Year Cycle**

	<b>Issuing BANs &amp; Bonds</b>	<b>Issuing Only Bonds</b>	<b>Savings from Issuing BANs</b>
	Debt Service	Debt Service	Debt Service
2018	-	-	-
2019	4,979,125	4,848,133	(130,992)
2020	16,808,154	16,853,383	45,229
2021	28,637,842	28,862,883	225,042
2022	40,465,404	40,869,133	403,729
2023	52,293,217	52,874,633	581,417
2024	64,123,154	64,881,383	758,229
2025	75,951,654	76,890,883	939,229
2026	87,779,842	88,899,133	1,119,292
2027	99,608,342	100,906,883	1,298,542
2028	111,437,279	112,914,383	1,477,104
2029	123,266,279	124,921,383	1,655,104
2030	130,115,342	132,079,000	1,963,658
<b>Total</b>	<b>835,465,633</b>	<b>845,801,217</b>	<b>10,335,583</b>

## Attachment B

### Appendix A

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
14007	General Capital	Med Exam Crime Lab Equipment	<p>Following the closure of the Nassau County Police Department (NCPD) Crime Laboratory on February 18, 2011, the Medical Examiner Department of Forensic Genetics was tasked with the expansion of its forensic DNA laboratory into a multidisciplinary crime laboratory now operating as the Division of Forensic Services (DFS). Currently the laboratory is accredited and conducting casework in forensic DNA and latent print analysis. The DFS is requesting capital funds in the 2013 budget to purchase crime laboratory equipment to maintain accreditation in forensic DNA and latent print analysis, but more importantly to establish ASCLD/LAB-International accreditation in (1) firearms and tool mark analysis, (2) drug chemistry and general unknown analysis, (3) fire debris (arson) analysis, and (4) trace evidence analysis. Since the closure of the NCPD crime laboratory the police department and district attorneys office have been outsourcing its criminal evidence to private and public crime laboratories located within the northeast region. The funds from this capital request will eliminate this costly and inefficient outsourcing and facilitate the establishment of a full service crime laboratory for the criminal justice system of Nassau County.</p>	\$0	\$250,000	\$250,000
41365	General Capital	Sands Point Park Seawall Rehabilitation Ph II	<p>The Sands Point Seawall serves as a protective barrier which prevents beach erosion and thus protects historic buildings such as the Falaise Mansion and Hempstead House.</p>	0	1,500,000	500,000
41410	General Capital	Battlerow Campground Improvement	<p>This project will improve the existing facility as well as expand and create new camp sites. The expansion will install the additional camp sites with electric and a sewer connection. The additional sites will generate additional revenue. The number of sites will be determined after a feasibility study is complete.</p>	0	100,000	100,000
41482	General Capital	Mitchel Field - Rifle Range Improvements	<p>This project is for improvements to the Mitchel Field Rifle Range. It will include the removal and replacement of sand which contains lead fragments.</p>	0	752,672	300,000
41829	General Capital	Various Parks Outdoor Lighting Rehabilitation	<p>This is a multi-year program to replace outdoor park and vehicular lighting systems in parks. Existing systems are old, damaged, and inefficient. This creates unsafe conditions and unusable facilities. Dark areas attract vandalism and other security problems. Most of the existing system is over 25 years old with faulty wiring resulting in frequent shorts and outages which increases maintenance costs. Modern lights and controls are also more energy efficient resulting in decreased energy costs.</p>	0	3,125,000	3,000,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
41844	General Capital	Various Parks Athletic Field & Court Rehabilitation Phase II	This project will address the deteriorating condition of the County Park System's athletic fields and courts. Where feasible softball fields, tennis and basketball courts that are in poor condition will be rehabilitated.	0	46,737	45,000
41861	General Capital	Various County Park Buildings - Infrastructure Improvements	This project will rehabilitate various park buildings, including the County's museums. The infrastructure (HVAC, electrical, plumbing, etc.) in many Parks' buildings is outdated and will be modernized through project funds.	0	500,000	500,000
41865	General Capital	Inwood Bulkhead	The Inwood Bulkhead has deteriorated. It is necessary that the bulkhead be replaced which would establish a safer environment for the general public	0	3,512,887	1,250,000
41869	General Capital	Various Park Improvements	This project will allow for a variety of park improvements and infrastructure upgrades throught Nassau County's Park System.	0	1,500,000	1,500,000
41870	General Capital	Various County Beaches Restoration and Mitigation	Super Storm Sandy caused severe devastation at many County beaches. This project will fund the restoration of these beaches, as well as fund mitigation work to reduce damage and erosion during severe weather events in the future.	0	1,629,240	10,776
41872	General Capital	Wantagh Park Improvements	This project will fund numerous improvements at Wantagh Park, including the athletic fields.	99,296	1,800,000	800,000
41876	General Capital	Centennial Park Improvements	This project will fund a complete rebuild of Centennial Park including the athletic courts.	0	2,800,000	300,000
41877	General Capital	Christopher Morley Park Improvements	This project would make various improvements at Christopher Morley Park.	0	2,000,000	500,000
41878	General Capital	Inwood Park Improvements	This project would make various improvements at Inwood Park.	0	2,500,000	220,000
41879	General Capital	Bayville Park Improvements	This project will fund various improvements to the Park.	0	250,000	10,000
41880	General Capital	Lions Triangle Refurbishment	This project is for the refurbishment of the Lions Triangle at the intersection of Roslyn Road and Old Country Road.	0	275,000	275,000
41881	General Capital	Cantiague Park Miniature Golf Refurbishment	The project will enhance the existing Golf area.	0	200,000	200,000
50687	General Capital	Village Police 911 Upgrade	This project will replace end of life telecommunications hardware and workstations in the 16 village police departments that act as public service answering points (PSAPS) over a three (3) year period.	0	5,500,000	3,062,666
50699	General Capital	Police Academy	This project will fund the creation of a new state of the art Police Academy.	0	54,000,000	11,000,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
			<p>The Correction Law requires that the Office of the Sheriff maintains a safe and secure facility to house inmates. Staff at NCCC is responsible for maintaining a list of projects. These ever changing lists are comprised of projects directly related to new needs, maintenance and renewal. The project list must support the current and future needs of the jail. Project Rationale in recent years have become a basic component of the capital budget process. The key objective is to help reduce the amount of maintenance and renewal. These projects require completion so deficiencies can be properly addressed and repairs made to maintain the NCCC daily operation. Funding these requests will reduce future capital requests and will result in overall security, safety, and operating efficiencies.</p>			
51037	General Capital	Jail Six Year Master Plan	<p>Example: "A Building" has deteriorated and has been closed to inmates for several years. We have a need to focus on several key areas in NCCC. The initial focus of this project will be to rehabilitate portions of the "A Building" in order to allow it to house inmates.</p>	706,738	6,186,644	4,000,000
53001	General Capital	First Responder Personal Protection Equipment	<p>This project will provide first responders with personal protection equipment. This may include, but not be limited to, carbon monoxide detectors.</p>	0	271,260	271,260
60045	General Capital	Park Street Drainage Improvements, Atlantic Beach	<p>This project is located in a low lying tidal area on a barrier beach. Current drainage is insufficient and local roads and properties experience flooding which is compounded during storm events. The area being investigated for this project runs from Albany St. to Clayton Ave. At this point alternative solutions are being evaluated and could result in some type of combination of them.</p>	0	481,948	481,948
60052	General Capital	Lido Beach Drainage	<p>Drainage system pipe improvements to mitigate flooding in Lido Beach, Point Lookout and surrounding areas.</p>	0	100,000	100,000
61101	General Capital	Uniondale Avenue/Front Street Improvements	<p>This project will fund various improvements to the area of Union Avenue and Front Street.</p>	0	2,000,000	250,000
61103	General Capital	Austin Blvd Road Improvement, Island Park	<p>This project will be to study road improvements to Austin Boulevard in Island Park in order to increase pedestrian and vehicular safety.</p>	0	3,253,788	1,600,000
61111	General Capital	Wantagh Avenue Road Improvements	<p>This project will fund sidewalk repair work on Wantagh Avenue between Sunrise Highway and Merrick Avenue.</p>	0	1,500,000	100,000
61126	General Capital	Merrick Road, Bellmore Road Improvements	<p>This project will fund safety improvements along Merrick Road in Bellmore.</p>	0	3,400,000	800,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
61127	General Capital	Westbury Avenue, Westbury Road Improvements	This project will fund safety improvements along Westbury Avenue in Westbury.	217,709	675,000	151,334
61130	General Capital	Babylon Turnpike, Roosevelt Streetscape	This project will improve the aesthetics of Babylon Turnpike in Roosevelt, potentially adding stamped concrete, decorative street lights, and benches.	0	500,000	50,000
61131	General Capital	Nassau Road, Roosevelt Streetscape	This project will improve the aesthetics of Nassau Road in Roosevelt, potentially adding stamped concrete, decorative street lights, and benches.	0	500,000	50,000
61132	General Capital	Union Avenue, Westbury - Streetscape and Traffic Improvements	This project will improve the aesthetics of Union Avenue, in Westbury, potentially adding stamped concrete, decorative street lights, and benches. Ways to improve traffic flow and safety will also be investigated.	0	300,000	300,000
61133	General Capital	Maple Avenue, Westbury - Streetscape and Traffic Improvements	This project will improve the aesthetics of Maple Avenue, in Westbury, potentially adding stamped concrete, decorative street lights, and benches. Ways to improve traffic flow and safety will also be investigated.	0	400,000	400,000
61134	General Capital	Woodfield Road, Lakeview - Streetscape and Traffic Improvements	This project will improve the aesthetics of Woodfield Road, in Lakeview, potentially adding stamped concrete, decorative street lights, and benches. Ways to improve traffic flow and safety will also be investigated.	0	100,000	40,000
61135	General Capital	Prospect Avenue, Sea Cliff - Streetscape and Traffic Calming	This project will improve the aesthetics of Prospect Avenue, in Sea Cliff, potentially adding stamped concrete, decorative street lights, and benches. Ways to improve traffic flow and safety will also be investigated.	0	400,000	40,000
61137	General Capital	Shore Road, Port Washington - Stabilization Feasibility Study	This project will study potential methodologies of stabilizing Shore Road in Port Washington.	0	400,000	40,000
61139	General Capital	Long Beach Road Improvements - Phase II	This project will make additional improvements to Long Beach Road.	0	300,000	30,000
61140	General Capital	Motor Avenue Farmingdale, Road Improvements	This project will improve Motor Avenue in Farmingdale, such as installing curbs and sidewalks, and other improvements to the road.	0	50,000	50,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
62023	General Capital	South Shore Traffic Signal Improvements	In October 2012, Superstorm Sandy hit Long Beach and the south shore of Nassau County. As a result, 134 traffic signals, ancillary equipment, and communication infrastructure were compromised. The Long Beach and South Shore Signal Replacement Project will replace the traffic signaling and communication infrastructure. Emphasis will be placed on incorporating mitigation measures to prevent damage from future storms similar to Sandy. The objective of the project is to have a traffic signaling system that improves safety, maximizes roadway capacity, and minimize traffic delays.	0	3,297,135	250,000
62202	General Capital	Elmont Road Traffic Safety Improvements	This project will investigate and explore options to improve traffic and pedestrian safety in the vicinity of the Elmont Post Office. Options that may be explored include the addition of a center median, additional safety markings, and a traffic signal at the post office.	0	275,000	50,000
62204	General Capital	Long Beach Road, Island Park Traffic Safety Improvements	This project will fund improvements to the traffic signal at the intersection of Long Beach Road & Waterford Drive in Island Park.	0	200,000	50,000
62209	General Capital	Cuttermill Road Traffic Safety Improvements	This project will fund traffic safety improvements along Cuttermill Road.	0	100,000	50,000
62210	General Capital	Roslyn Road, Roslyn Heights Traffic Safety Improvements	This project will fund traffic safety improvements to Roslyn Road.	0	500,000	250,000
62212	General Capital	Middle Neck Road Median Replacement and Traffic Improvements	This project will replace decaying medians and make other safety improvements along Middle Neck Road.	0	200,000	50,000
62459	General Capital	Traffic Signal Expansion Phase IX	This project will expand the traffic signal system to link additional signals to the central computer system in the Traffic Management System. This will enable the County to operate additional signals in an efficient and safe manner, monitor traffic signal activity, and respond to outages or interruptions quickly and efficiently.	0	3,000,000	1,000,000
62460	General Capital	Hempstead Avenue, Lynbrook Five Way Intersection	This project will examine ways to improve the five way intersection at Hempstead Avenue in Lynbrook.	0	200,000	50,000
62500	General Capital	Traffic Studies	This project will allow the Department of Public Works to fund small studies for potential Traffic projects prior to creating a capital project for them. It will enable the Department to get a better idea of the potential cost and scope of projects before they are brought before the legislature.	0	1,000,000	1,000,000
66051	General Capital	Pedestrian Accessibility	This project will fund improvements to Pedestrian access along County roads and right of ways.	0	1,900,000	100,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
66302	General Capital	Requirements Contract Roads/Drainage/Bridge/Joints	This project will address and speed up reconstruction of highways, drainage, bridge & other related areas that need more specialized manpower and equipment than what the County's Highway Maintenance Division has. It also will provide back-up assistance to the Highway Maintenance Division in responding to emergency situations. This program will be focused on extending the useful life of the county roads by facilitating the quick repair of problem road areas.	0	1,500,000	1,500,000
70086	General Capital	NCC West/South Campus Parking Lot Rehab	Multiple phases of parking lot rehab has been completed and additional funding will now allow NCC to address the North lots, install campuswide security gates and provide improved roads and pedestrian access walkways.	0	1,674,857	1,000,000
70088	General Capital	NCC Renovation of Cluster C	This project will fund design work for the renovation of Clusters C and D and the office wing. Cluster C is currently vacant and awaiting renovation. This additional funding will allow renovation of infrastructure and mechanical systems shared by Clusters C and D and save future renovation and phasing costs.	0	454,754	454,754
70092	General Capital	NCC Road and Parking Paving	This project will provide for roadway improvements and re-paving requirements at the College. Included are re-paving and roadway improvements to Library Rd. & adjacent spur streets, Hazelhurst Ave., Selfridge Ave, Avenue M, Avenue N, 6th Street, 9th Street, Nassau-V Parking Lot (Witt St & Courtney St.), Bookstore Parking Lot, Education Drive, Bradley Hall Parking Lot and Approach, Blenn Boulevard. There may also be construction of a Network Road to connect the South Parking Field and the North Parking Fields.	0	3,001,218	1,015,000
70099	General Capital	NCC Physical Plant Vehicles	This project will replace vehicles used to conduct maintenance and repair by the College's physical plant that have exceeded their useful life.	0	175,000	175,000
70120	General Capital	NCC Emergency Ramp/Tunnel Repair	Replacement of deteriorating elevated ramps and tunnels from the main campus plaza to cluster buildings and emergency repairs.	0	700,000	150,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
82010	Sewer and Storm Water Resource District	Implementation of Storm Water Management Program	The United States Environmental Protection Agency (USEPA) issued the Final Rule for the Phase II Storm Water Regulations in February 1999. These regulations require operators of small municipal separate storm water systems (the County of Nassau is included), to file a permit with New York State to discharge storm water to the surface waters of the United States. A requirement of the Permit is the development and implementation of a Storm Water Management Program (SWMP). This project will allow the County to implement various best management practices over the initial five year permit cycle for the six minimum control measures outlined in the County's SWMP.	0	1,174,783	100,000
90042	General Capital	County Clerk Office Improvements	This project will fund structural improvements for the County Clerk's Office. Initial amount was \$700,000, DPW estimates we will require an additional \$400,000 to complete job.	0	300,000	125,000
90043	General Capital	One West Street Rehabilitation Phase II	This project will complete the renovation of One West Street in Minola. Improvements will be made to the basement print shop area, the second and third floors.	0	1,000,000	0
90400	General Capital	Various County Facilities - General Construction	This project provides the County the capability to respond to minor/and or emergency general construction work at various facilities.	0	1,500,000	1,200,000
90402	General Capital	Various County Facilities - HVAC Construction	This project provides the County the capability to respond to minor/and or emergency HVAC work at various facilities.	0	1,000,000	750,000
90625	General Capital	Various Asbestos & Lead Abatement	This project funds the repair, encapsulation and removal of asbestos containing materials (ACM) and lead containing materials (LCM) from various County buildings. These materials, when disturbed or having been deteriorated over time, could pose a health hazard to County employees and the general public. Further, Federal and State laws require corrective actions when these materials are found in a deteriorated condition. This project provides the funding for immediate actions, which may include an assessment of buildings to determine the extent of contamination, the development of a response plan, the preparation of abatement design plans and specifications, and the abatement of the hazardous material.	0	750,000	250,000
90632	General Capital	Family & Matrimonial Court Planning / Design	This project renovates 101 County Seat Drive in order to house Family & Matrimonial Courts.	0	22,886,883	12,500,000
90637	General Capital	Nassau County Department of Public Works Material Testing Laboratory	The former Material Testing Laboratory was destroyed during Super Storm Sandy. This project will be used to design and build a replacement.	0	250,000	200,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
90642	General Capital	400 County Seat Drive Boilers & Heating and AC System Renovations	This project would fund the upgrading of the boilers and heating and AC systems at 400 County Seat Drive.	0	600,000	200,000
90643	General Capital	Various HVAC Improvements Public Safety Buildings	The project would fund various HVAC improvements in Public Safety Buildings.	0	1,000,000	600,000
91072	General Capital	Seamen's Neck Road Bike Path	This project will help fund pedestrian and bicycle initiatives along Seamen's Neck Road.	0	195,000	50,000
91079	General Capital	Motor Parkway Multi-Use Trail	This project includes design and construction of a 1.4 mile segment of the Motor Parkway Trail, a multi-use trail linking to other segments of the Motor Parkway Trail in central Nassau County. The design concept calls for as much as a 12 foot wide bituminous concrete path linking to other portions of the trail and providing important alternative transportation options and links to communities, open space, educational and cultural institutions and employment centers.	0	455,000	234,083
91087	General Capital	NICE - Grant Match	NICE operates and maintains a fleet of 298 fixed route buses, 93 paratransit buses, four facilities and has over 32 million riders. This project will provide the ten percent match required for the Federal and State funding the County receives to maintain operating efficiency, capacity, and continued use of clean fuel on the fixed route fleet. It provides for upgrades of existing NICE facilities, creation of new facilities, as well as replacing buses that are beyond their useful life.	0	1,750,000	250,000
91092	General Capital	County Wide Planning Initiative and Study	Based upon the 35 Economic Development Zone Community Meetings, the County Executive has made a commitment to conduct a study that will produce a document that will reflect and address the growing economic, social and environmental needs and priorities of individual communities, as well as the County as a whole. The County continues to grow and must be directed in such a way so that we can support our community and regional priorities to insure a sustainable future and maintain our quality of life. The study document will help to shape an efficient provision of services to County residents.	0	1,264,404	200,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
97101	General Capital	HR, Payroll, and Benefit System	<p>The Human Resource, Payroll and Benefits project is an enterprise-wide software and hardware implementation, utilized by all County Departments and within all Nassau County Facilities. This new software will replace NUHRS with a new HR/Payroll/Benefits system and will automate the current manual time and labor entry process. This system will record daily attendance and leave requests through data collection devices. The system routes approved time data to the County's Payroll Department, which calculates and produces paychecks and will provide time, attendance, and leave information online and in hard copy reports.</p> <p>The County will work with a systems integrator to conduct a detailed needs analysis of the County's current HR, payroll and benefit administration process. The County will develop requirements definition as they relate to how the County needs to implement a new Payroll and HR system and obtain the services of a systems integrator to implement the new application.</p>	1,898,109	2,574,843	2,574,843
97103	General Capital	eGovernment	<p>Online government services offer one of the few means for the County to enhance services to constituents while simultaneously reducing cost. The purpose of this project is to convert the agency sites into the new website in order to provide a harmonious look to users while also allowing each department the ability to maintain and update their own content. Once the remainder of the agencies are integrated, Nassau's site will rank as the top county portal in New York, and among the best in the nation. This funding will also support the development of more applications to be made available online. According to the 3,300 constituents surveyed, they want to have the ability to submit a HUD application, apply for subdivision permits, apply/pay for handicapped parking permits, purchase GIS premium services, and search and download public records.</p>	0	1,500,000	750,000
97109	General Capital	NIFS Upgrade	<p>This project will upgrade the current financial system. Since the County implemented the existing system in 1999, the online FAMIS and ADPICS series has undergone significant improvements. The project will allow for those improvements as well as web-based access for all users, an e-procurement module and a report data warehouse.</p>	0	5,000,000	2,500,000
97113	General Capital	Departmental Technology Equipment Replacement	<p>The funding will provide identified equipment which will assist these agencies in meeting their business needs and improving the efficiencies of government. As a result of this project, outdated and aging equipment are scheduled to be replaced as well as the purchase of new equipment, including hand held and mobile computing devices.</p>	0	1,500,000	750,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
97117	General Capital	CAMDR	The CAMDR (Computerized Asset, Maintenance, DPW and Real Estate) project will provide a technology solution that addresses all aspects of facilities and infrastructure management. Included services will be work management, equipment maintenance, inventory control, real estate and space management, and utility billing and tracking. The integrated system enables County agencies to make strategic decisions regarding asset life-cycle costs, construction and renovation management, and budget management. Benefiting agencies include DPW, Real Estate, IT, Parks, and facilities management functions County-wide.	0	218,735	100,000
97118	General Capital	Server and Equipment Consolidation	This capital project supports effort to consolidate IT facilities by funding several different programs. This includes the implementation of new computer blade technology that will allow IT to retire upwards of 120 discrete servers. In addition, it will enable the data center to implement a new backup and restoration process that will improve the overall data integrity and potentially reduce the cost of operations for this process. The project also includes funds for the purchase of equipment so that we can test and validate systems before placing them into production.	0	500,000	250,000
97119	General Capital	Network Infrastructure	This capital request is to provide additional funding to implement a new network plan for County buildings and facilities. This plan includes the upgrade and installation of equipment. Several facilities on the County network have equipment that is approximately 10 years old and is no longer supported by the manufacturer/vendor. In addition to developing an overall network plan, over 25 Parks locations were added to the County network.	0	1,000,000	1,000,000
97136	General Capital	Health and Human Services Technology Development and Efficiency Program	This project will fund necessary hardware and software technology upgrades at the Department of Health and Human Services.	0	174,309	100,000
98092	General Capital	Snow Removal Truck Replacement	This project will replace old, unserviceable, costly pieces of snow equipment. The accepted industry standard for snow vehicle replacement is 10-12 years. 54% of our fleet is over 12 years old. The average annual repair cost per 12 year old vehicle is \$4,000 per year, while a new vehicle costs only \$500 or less per year to maintain. This project is for the purchase of approximately 16 snow vehicles. The majority of these vehicles will be dump trucks used for plowing and sanding Nassau County roads. We will also purchase some specialized equipment (payloaders, sweepers, etc.). Each dump truck will cost approximately \$100,000.	0	2,000,000	2,000,000
98344	General Capital	Public Works Lab Equipment	During Superstorm Sandy the Public Works Laboratory suffered severe damage that destroyed their equipment. This project will fund the replacement of this equipment.	4,140	97,418	90,000

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
33993	Sewer and Storm Water Resource District	Seacliff Sewers	This project is to study the feasibility of connecting Seacliff to the County's collection network.	0	2,800,000	2,800,000
33994	Sewer and Storm Water Resource District	Point Lookout Sewer Study	This project is to study the feasibility of connecting Point Lookout to the County's collection network.	0	800,000	250,000
35100	Sewer and Storm Water Resource District	Bay Park & Cedar Creek Digester Rehabilitation	This project would focus on the cleaning of the existing anaerobic digesters at the Bay Park Sewage Treatment Plant and the cleaning and rehabilitation of the existing anaerobic digesters numbers 5 through 9 and their associated digester control building at Cedar Creek Water Pollution Control Plant. Additionally, the replacement or rehabilitation of existing heat exchangers, the replacement of sludge circulation pumps and recirculation gas compressors and any other associated equipment that is at or near the end of its useful life at either facility will be evaluated. The cleaning and rehabilitation of these digesters will allow for the continued operation of these units for the foreseeable future. These digesters and the methane gas produced are a key part of the energy management program at both Bay Park and Cedar Creek.	0	19,985,437	3,000,000
35117	Sewer and Storm Water Resource District	Wastewater Facilities Security Improvements	This project will be for the necessary improvements to the overall security of the County's treatment plants and pump stations. Security at these infrastructure facilities are crucial to maintaining their proper and safe operation.	0	9,700,410	897,336
35130	Sewer and Storm Water Resource District	Capital Maintenance	This project will fund improvements to the county wide collection and disposal systems that are smaller in scope, and as such, do not warrant their own capital project.	0	11,500,000	4,000,000
80044	Sewer and Storm Water Resource District	Crescent Beach Pollution Control	This project will examine and implement ways to improve pollution issues at Crescent Beach in Glen Cove.	0	200,000	200,000
82015	Sewer and Storm Water Resource District	Five Towns Drainage Improvements	Nassau County will prepare a drainage study to provide necessary data to reduce flood damages and risks to the people of the villages and hamlets in the southwestern portion of Nassau County commonly referred to as the Five Towns. These villages and hamlets are the Villages of Cedarhurst, Lawrence, Hewlett Neck, Hewlett Bay Park and Woodsburgh and the Hamlets of Woodmere, Hewlett, and Inwood. The report produced will document and map the stormwater drainage infrastructure systems in the region, identify system limitations and provide recommendations for system improvement to mitigate stormwater and tidal flooding.	776	120,809	0

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
3B116	Sewer and Storm Water Resource District	Bay Park Outfall District Structure Pipeline Rehabilitation	This project is for the rehabilitation of the Bay Park Sewage Treatment Plant (BPSTP) outfall distribution structure and pipeline located in Reynolds Channel. Constructed in the 1960's, these structures have not been thoroughly evaluated since that time. Recent investigations by County personnel have determined that the concrete distribution structure has deteriorated to a strength substantially below its design strength. Additionally, due to an apparent obstruction of the tide gate, the tidal pumps are operating excessively resulting in accelerated wearing of mechanical components and increased energy and maintenance costs.	0	45,181,007	3,000,000
3B119	Sewer and Storm Water Resource District	Bay Park Various Buildings and Equipment Modifications	This project will make various equipment modifications to the Operations, Primary Sludge, Sludge Thickening, and Sludge Dewatering facilities. Major modifications include: upgrade/replacement of three (3) emergency generators in the Operations Building; modifications/improvements to centrifugal process air blowers; modifications to flotation thickener system to improve hydraulics; and miscellaneous health (OSHA) and safety (fire prevention/detection) improvements to comply with current codes and regulations.	0	3,385,186	150,406
3B120	Sewer and Storm Water Resource District	Bay Park Preliminary Treatment Modifications	This project involves an evaluation of the preliminary treatment facilities at the Bay Park Sewage Treatment Plant (grit and screening) to determine if there are deficiencies which will hamper their reliability for the future. The screening facility as well as the grit facility are approaching their useful life and the equipment is outdated with high maintenance requirements. A solution to the plant's grease problems will be addressed.	0	10,513,114	0
3B300	Sewer and Storm Water Resource District	Bay Park Emergency Response Equipment	This project is to purchase equipment that will be stored on site and can be used by first responders to an emergency at Bay Park.	0	375,000	375,000
3C067	Sewer and Storm Water Resource District	Cedar Creek Equipment Replacement	This project is for the replacement and upgrading of various systems and equipment at the Cedar Creek Water Pollution Control Plant in Wantagh. Major upcoming projects include the Electrical Distribution System Improvements; Final Settling Tank Replacements; Main Sewage Pumping System Improvements. Rehabilitation & improvements to these facilities is necessary to maintain proper operation of the Cedar Creek Plant in a safe and orderly manner and assure compliance with regulatory requirements.	0	25,119,474	4,119,894

**Appendix A**

Project	Fund	Project Title	Project Description	Advance Repayment	Authroized But Unissued	Requested Borrowing
3P312	Sewer and Storm Water Resource District	Pump Station Rehabilitation	This project will be used to upgrade pump stations throughout the County, in order to modernize facilities and increase efficiencies.	0	19,250,000	2,000,000
			Total	\$2,934,720		\$87,289,299
			General Capital Projects			\$66,396,664
			Sewer & Storm Water Capital Projects			<u>20,892,636</u>
			Total			\$87,289,299

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 18-727**

**CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS AND BOND ANTICIPATION NOTES BY NASSAU COUNTY**

---

RESOLVED, that the materials presented to this meeting of 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 Authority has reviewed the terms of the County’s proposed issuance(s) of Bonds and BANs and approves the issuance of up to:

- (i) \$198,905,000.00 of BANs (plus cost of issuance) for the purposes described Appendix A (repay maturing BANs);
- (ii) \$66,396,664.00 of Bonds (plus cost of issuance) for the purposes described in Appendix B (general capital projects);
- (iii) \$20,892,636.00 of Bonds (plus cost of issuance) for the purposes described in Appendix B (sewer and storm water capital projects); and

upon the conditions outlined in the Materials; and be it further

RESOLVED, that any Bond or BAN premium must be used to lower the amounts of Bonds or BANs such that the proceeds are not greater than \$286,194,300, 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.

---

Adam Barsky  
Chairperson

November 27, 2018

## **FOR CONSIDERATION**

November 27, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: County General Obligation Bonds

REQUEST FOR: Consideration of Issuance of General Obligation Bonds by Nassau County

---

### **Introduction:**

The County has communicated with NIFA its desire to raise up to \$100 million (plus costs of issuance) through its sale of general obligation bonds (“Bonds”) to assist it in the elimination of its liability related to certain tax certiorari claims.

### **Background:**

The County has asserted that as of December 31, 2017 it owes or will owe hundreds of millions of dollars to certain County property owners for overpayments of taxes, (the “Backlog”).

The proposed bonding is part of a comprehensive plan (“Plan”) developed by the County to address its past and future bonding needs regarding tax certiorari related claims. The Plan is summarized in the attached PowerPoint presentation that was presented by the County to NIFA.

### **Discussion**

The County has suffered from a persistent backlog of unpaid certiorari related claims and settlements since before the creation of NIFA. In fact, the elimination of the cert claims backlog was one of the primary reasons that the State Legislature created NIFA.

Throughout NIFA’s tenure, there have been numerous initiatives that have attempted to address the County’s chronic liability; however, the size of the cert backlog remains excessive and absent concerted new efforts by the County is destined to grow.

The attached PowerPoint, together with numerous discussions with the County, have convinced NIFA that a new and aggressive set of measures are being taken to finally bring this problem under control. Those measures include, but are not limited to borrowing to eliminate the Backlog.

Once the County’s Backlog, composed of tax cert claims that arose prior to the start of FY 2018 and reported in the County’s 2017 Comprehensive Annual Financial Report, is addressed through primarily borrowed resources, the County believes that it will be able to fund this problem prospectively on a pay-as-you-go basis.

The Plan lays out the County’s strategy for achieving its goal to pay all future claims (that arose outside of the Backlog period) on a pay-as-you-go basis. Before the County asks for additional

borrowed funds to continue to bring down the Backlog, it will have to provide proof to NIFA that its plan is working.

**Requested Action:**

Based upon the foregoing and the attachment hereto, you are requested to approve/disapprove the County's proposed issuance of Bonds, subject to the terms and conditions outlined in these materials and the attached resolution(s).

Attachments:

PowerPoint from Nassau County

Resolution(s)

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO.18-728**

**CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY TO ASSIST IN THE RESOLUTION OF CERTAIN TAX CERTIORARI RELATED CLAIMS**

---

WHEREAS, Nassau County has accumulated significant liability related to tax certiorari claims that have been resolved, but not paid, or remain under review by the County; and

WHEREAS, the County has a “Backlog of Claims,” which are defined as tax certiorari related claims that arose prior to December 31, 2017, as reported in the 2017 Comprehensive Annual Financial Report; and

WHEREAS, the Curran Administration has embarked upon a multi-faceted plan to eliminate its Backlog of Claims and limit successful claims in the future (the “Plan”); and

WHEREAS, the materials presented to this meeting of the Directors outline several key elements of the County’s Plan (the “Materials”) including the County’s goal of paying all future claims (that arise outside of the Backlog of Claims period) on a pay-as-you-go basis; and

WHEREAS, borrowing to pay for certain meritorious claims is a key part of the Plan; and

WHEREAS, both staff and Directors of NIFA have been briefed by the County concerning its Plan, which the County believes if fully implemented will achieve resolution of future tax certiorari claims on a pay-as-you-go basis;

NOW THEREFORE, BE IT RESOLVED that the Materials are incorporated into this resolution; and be it further

RESOLVED, that the Authority approves the issuance of up to \$100,000,000.00 of bonds (the “Bonds”) (plus cost of issuance) for the purposes described in the Materials and be it further

RESOLVED, that the Bonds shall be used only to pay tax certiorari related claims that arose prior to December 31, 2017 (the “Claim Period”), as reported in the 2017 Comprehensive Annual Financial Report; and be it further

RESOLVED, that henceforth it is the policy of NIFA that borrowed monies will never be approved to pay for tax certiorari related claims if they are outside of the Claim Period; and be it further

RESOLVED, that the County shall report, not less frequently than quarterly, on the progress of their Plan before any additional borrowing will be considered by NIFA for payment of claims that arose during the Claim Period; and be it further

RESOLVED, that any bond premium must be used to lower the amount of Bonds such that the proceeds are not greater than \$100 million, plus cost of issuance; 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.

---

Adam Barsky  
Chairperson

November 27, 2018