

AGENDA

NASSAU COUNTY INTERIM FINANCE AUTHORITY

DIRECTOR'S MEETING

TUESDAY, OCTOBER 16, 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 July 31, 2018
- II. 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
- III. Consideration of County Contract for E&A Restoration
- IV. Consideration of County Contract for Hope for Youth Inc.
- V. Adopting the Staff Report Concerning the Proposed Nassau County Multi-Year Financial Plan, Fiscal 2019-2022 and the Recommendations Contained Therein

Adjournment

DRAFT – SUBJECT TO REVIEW AND REVISION

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MEETING OF THE DIRECTORS

MINUTES OF JULY 31, 2018

The Directors' Meeting of the Nassau County Interim Finance Authority was convened on July 31, 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 July 26, 2018 and electronic notice posted on the Authority's website.

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

Staff present: Evan Cohen, Executive Director
Carl Dreyer, Treasurer
Maria Kwiatkowski, Deputy Director
Kathie Stella, Chief Administrator
Jeremy Wise, General Counsel

1. Call to Order/Roll Call

The meeting was called to order at 7:09 PM.

2. Approval of Minutes

Upon a motion made by Director Wright and seconded, the Directors approved the minutes from the meeting on May 8, 2018.

Positive votes: 7 Negative votes: 0

Resolution No. 18-714

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 8, 2018 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on May 8, 2018 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such

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Minutes, are hereby in all respects ratified and approved as actions of the Authority.

* * *

3. Order to Nassau County to Compile Certain Labor Related Documents

The Directors were asked to approve a resolution to reaffirm their order to the County, pursuant to Section 3669 of the Act, to provide NIFA with complete contracts related to each of the County’s collective bargaining units.

Upon a motion made by Director Wright and seconded, the Directors approved the following resolution.

Positive votes: 7 Negative votes: 0

Resolution No. 18-715

ORDER TO NASSAU COUNTY TO COMPILE CERTAIN LABOR RELATED DOCUMENTS

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 of the Authority Act, the County Attorney, is ordered to prepare comprehensive labor agreements, as outlined in the Materials, before any labor contracts or amendments are delivered to NIFA for review or approval; 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.

* * *

4. Consideration of Revenue Anticipation Notes by Nassau County

The Directors were requested to approve the County’s proposed cash flow borrowing through Revenue Anticipation Notes “RAN’s,” subject to the final review and approval of the terms thereof by the Chairman or his designee(s).

Upon a motion made by Director Buran and seconded, the Directors approved the following resolution.

Positive votes: 7 Negative votes: 0

Resolution No. 18-716

CONSIDERATION OF ISSUANCE OF REVENUE ANTICIPATION NOTES BY NASSAU

DRAFT – SUBJECT TO REVIEW AND REVISION

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 RANs and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$300 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 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.

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

The Directors were requested to approve/disapprove the County’s proposed issuance of Bonds, subject to the terms and conditions outlined in the materials.

Upon a motion made by Director Buran and seconded, the Directors did not approve the following resolution.

Positive votes: 1 Negative votes: 6

Resolution No. 18 717 – NOT APPROVED

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS 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 approves the issuance of up to:

- (i) \$23,000,000.00 of Bonds (including costs of issuance) for the purpose described in the Materials (funding a portion of the costs of the Restivo judgment); and upon the conditions outlined in the Materials; and be it further

DRAFT – SUBJECT TO REVIEW AND REVISION

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

6. Adjournment

Chairman Barsky then made a motion to adjourn, which was duly made and seconded, after which the meeting adjourned at 7:32 PM.

Respectfully submitted,

Kathie Stella
Corporate Secretary

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

October 16, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: NIFA Budget and Multi-Year Financial Plan

REQUEST FOR: 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

Background:

Pursuant to the New York State Constitution and the Public Authorities Law, the State Comptroller adopted Regulation 2 NYCRR Part 203 “Budget and Financial Plan Format, Supporting Documentation and Monitoring – Public Authorities” (the “Regulations”). The Nassau County Interim Finance Authority (“NIFA”) has been deemed by the State Comptroller to be subject to the requirements of said Regulations.

Discussion:

As required by the Regulations, NIFA has prepared a Proposed Budget for FY 2019 (“Budget”) and a Proposed Financial Plan for FY 2019 – FY 2022 (“Plan”). They will be made available for public inspection and also posted on NIFA’s website (“Disclosed”), as required by the Regulations.

Requested Action:

The Directors are requested to review and conditionally approve the Budget and Plan so that they may be Disclosed and subsequently, if no negative comments from the public are received, officially filed with the State Comptroller and any other necessary parties. You are further requested to permit the Chairman of NIFA or his designees to take whatever additional actions are deemed necessary or appropriate to ensure compliance with the Regulations.

Attachments:

Resolution

Proposed Budget and Financial Plan for FY 2019 – FY 2022

NASSAU COUNTY INTERIM FINANCE AUTHORITY

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.

Adam Barsky
Chairperson

October 16, 2018

NIFA
Proposed Budget and Multi-Year Plan
2019-2022

	Adopted 2018	Proposed 2019	Proposed 2020	Proposed 2021	Proposed 2022
Revenues					
Sales Tax Retained	2,024,000	2,474,000	2,024,000	2,059,000	2,074,000
Interest Income					
Bond & Debt Service Accounts					
Operating Accounts	1,000	1,000	1,000	1,000	1,000
Total Interest					
Total Revenues	2,025,000	2,475,000	2,025,000	2,060,000	2,075,000
Expenses					
NIFA Operating Expenses					
Salaries and Benefits	1,348,373	1,379,780	1,427,721	1,488,367	1,550,425
Furniture & Equipment	17,000	17,000	17,000	17,000	17,000
Rent	117,897	121,081	124,336	127,733	131,203
Telephone & Communications	19,215	19,215	20,176	21,185	22,244
Professional Fees	243,171	782,080	276,289	245,605	190,750
Insurance	5,974	5,974	6,273	6,586	6,916
Other	48,370	49,870	53,205	53,524	56,463
Total Operating	1,800,000	2,375,000	1,925,000	1,960,000	1,975,000
Control Period Expenses					
Total Control Period Expenses	225,000	100,000	100,000	100,000	100,000
Total Expenses	2,025,000	2,475,000	2,025,000	2,060,000	2,075,000
Revenues Over (Under) Expenses	0	0	0	0	0

NIFA Budget and Financial Plan

2019-2022

As of August 21, 2018

1. **Accounting method:** The budget has been prepared in accordance with GAAP using the modified accrual basis of accounting.
2. **Assumptions and estimates used:** The two largest items in the budget are; 1) sales tax revenue, taken from Nassau County's Multi-Year Financial Plan Update for Fiscal Years 2019-2022; and 2) debt service, taken from the schedule of senior debt service provided in the NIFA Sales Tax Secured Bonds, Series 2015A Bond Offering Circular.
3. **Estimates of revenues:** The main source of NIFA revenue is Nassau County sales tax. This projection has been taken from Nassau County's Multi-Year Financial Plan Update for Fiscal Years 2019-2022.
4. **Estimates of personal service expenses:** The plan assumes that NIFA staffing levels will remain constant in accordance with guidance from the NIFA Employment and Compensation Committee. The budget assumes a 4% adjustment for salaries and an 8% increase in health insurance premiums in 2019. NIFA participates in the NYS pension plan and NYSHIP health insurance program. Pension costs were projected based on guidance from the State Comptroller at 16.0% of participating salaries for 2019 through 2022. One employee has opted for the voluntary defined contribution plan and NIFA's contribution is currently set at 8% of the participant's salary. Salaries and fringe benefits were adjusted by 4% and 8%, respectively, in each year for 2019-2022.
5. **Estimates of non-personal service expenses:** Costs for office space, telephone, professional fees, and supplies were adjusted by a 5% growth factor for each successive year of the plan.
6. **Estimates of projected debt service expenditures:** Projections for NIFA debt was taken from the schedule of senior debt service provided in the NIFA Sales Tax Secured Bonds, Series 2015A Bond Offering Circular. Interest on variable rate bonds was calculated assuming that payments are equal to the receipts from the associated swaps.
7. **Cash budget and financial plan:** NIFA's budgetary expenditures are closely aligned with the timing of its cash flow. There are no material timing differences other than receipt of sales tax and GAAP rules for debt service, which is explained below in item 18.

8. **Explanation of relationship with units of government on whose behalf the authority was established:** NIFA was created in 2000 for the purpose of overseeing the fiscal turnaround of Nassau County, issuance and administration of debt on behalf of the County, issuance of reports on statutory findings based on the County's financial condition, and for the disbursement of State assistance.
9. **Description of budget process and key budget decisions:** The budget is created by the NIFA Treasurer and reviewed by its Executive Director and Audit and Internal Controls Committee. It is then approved by the NIFA Directors prior to the start of each fiscal year. Staffing level decisions are guided by recommendations of the NIFA Employment and Compensation Committee.
10. **Description of budget assumptions including revenue sources, staffing etc:** Revenues of the Authority ("Revenues") consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sale and use of tangible personal property and services in the County ("Sales Tax Revenues"), and investment earnings on money and investments on deposit in various Authority accounts. Sales Tax Revenues collected by the State Comptroller for transfer to the Authority are not subject to appropriation by the State or County. Revenues of the Authority that are not required to pay debt service, operating expenses and other costs of the Authority are payable to the County as frequently as practicable. Revenue numbers used in the budget have been taken from Nassau County's Updated Multi-Year Financial Plan for Fiscal Years 2019-2022.

Staffing has been kept at the level required to perform appropriate oversight of the County and covered organizations, including the Nassau County Health Care Corporation, Sewer and Storm Water Authority and Nassau Community College.

11. **Self assessment of budget risks:** NIFA has a perfected interest in the sales tax collections for Nassau County and receives remittances from the NYS Department of Taxation and Finance for the purpose of withholding debt service set-aside monies and expenses, prior to remittance to the County. NIFA's costs are closely monitored by its executive staff and its Directors. As a result, there is little budget risk to NIFA or its bond holders.
12. **Revised forecast of current year budget:** The current year projected results for core operating expenses are anticipated to be less than the adopted budget. The budget also includes funding for litigation costs that may be incurred from the Control Period that was imposed on Nassau County.
13. **Reconciliation that identifies all changes in estimates from projections in the previously approved budget:** There are no material revisions to the previously approved budget based on current projections.

14. **Statement of last year's fiscal actual performance:** The 2017 fiscal performance and 2018 projected results are in substantial conformity with its approved budget.
15. **Projections of number of employees, funding source, and functional classifications:** NIFA currently operates with 5 full-time employees. Positions are funded via withholding sales tax proceeds which are received on behalf of Nassau County. These are classified as general operating expenses in the budget and financial statement.
16. **Statement of revenue enhancing or cost reduction initiatives:** NIFA has maintained a lean staffing plan in light of its debt issuance and oversight responsibilities. NIFA has also taken steps to reduce expenditures for rent, telephone and communications, and other expenses.

The Authority oversees a \$2.9 billion County budget and has issued approximately \$4.0 billion of debt, including swap transactions, during the past 17 years. NIFA currently has outstanding approximately \$654.0 million in bonds, of which approximately \$372.9 million are in the variable rate mode.

17. **Statement on any non-recurring resource planned for use in any given year:** Not applicable- in the past NIFA issued bonds on behalf of the County based on their requirements, however, NIFA is not planning to issue any new debt as of this writing.
18. **Statement on transactions that shift resources from one year to another:** Under GAAP reporting rules, NIFA accrues two months of sales tax revenue receivable at each calendar year end which will be paid in January and February of the subsequent year by the NYS Department of Taxation and Finance. However, also as per GAAP rules, NIFA accrues 12 months of debt service payments as a current liability. As a result, there is always a negative balance of current assets net of current liabilities, which directly results from this reporting timing difference. It should be noted that NIFA still has all funds required for its annual May 15 interest payment and annual November 15 principal and interest payments, under this scenario.
19. **Statement on borrowed debt outstanding at year end, planned issuances, assumed interest rates, debt service as a percentage of pledged revenue:** The final maturity of the outstanding bonds is November 15, 2025. NIFA's statute requires it to remain in existence until all of its bonds have been paid or are no longer outstanding. No new debt is authorized in the NIFA Act except to refund existing debt. NIFA's debt program was initiated in FY 2000 and continued successfully in 2015. The outstanding debt of \$654.0 million is comprised of \$281,059,000 of conventional fixed rate debt, and \$372,925,000 of synthetic fixed rate debt. Total estimated debt service to maturity was \$741,262,000 as of December 31, 2017. NIFA does not have any notes outstanding.

20. **Statement on capital budget plan:** not applicable

21. **Statement from COO on reasonableness of assumptions and estimates:**

I confirm, to the best of my knowledge and belief, the following representations made to you in this financial plan are fairly presented in conformity with accounting principles generally accepted in the United States of America. To the best of my knowledge and belief, after reasonable inquiry, the plan is based on reasonable assumptions and methods of estimation and that all regulations have been satisfied.

Carl A. Dreyer, Treasurer

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

October 16, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: E&A Restoration Contract

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

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 A&E Restoration, Inc.

Attachments:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 18-720

CONSIDERATION OF COUNTY CONTRACT FOR A&E 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

October 16, 2018

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

October 16, 2018

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Hope for Youth Contract

REQUEST FOR: Consideration of County Contract for Hope for Youth 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 10, 2018, the County submitted a contract with Hope for Youth Inc. to NIFA for approval. The vendor was selected through a County RFP process. The term is for 4 years and seven months (06/01/2018 – 12/31/2022) and is valued at \$7,652,348, (see table below for breakdown per year)

06/01/2018 to 12/31/2018	Year 1	Year 2	Year 3	Year 4
\$ 1,027,457.00	\$ 1,594,159.78	\$ 1,634,717.88	\$ 1,676,492.73	\$ 1,719,520.82

Discussion:

On July 23, 2018, the County Legislature approved the contract for services between the Nassau County Department of Social Services and Hope for Youth. (collectively, the “Firm”). The principal features of the work under this contract include: preventive services for out-of-home placement of at risk youth.

The funding for this contract is as follows:

State Funding: 45%	Federal Funding: 30%	Nassau County Funding: 25%
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Requested Action:

You are requested to consider the County’s Contract with the Hope for Youth Inc.

Attachments:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

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/disapproves 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.

Adam Barsky
Chairperson

October 16, 2018

NASSAU COUNTY INTERIM FINANCE AUTHORITY

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.

Adam Barsky
Chairperson

October 16, 2018