

AGENDA

NASSAU COUNTY INTERIM FINANCE AUTHORITY

DIRECTOR'S MEETING

JULY 16, 2020

Call to Order

Action Items

- I. Approval of the Minutes of the Director's Meeting on June 23, 2020
- II. Consideration of County Contract for the Alternatives for Children
- III. Consideration of County Contract for the Seaford Avenue Corporation
- IV. Consideration of Revenue Anticipation Notes Borrowing by Nassau County
- V. Consideration of Nassau County Drawdown of Funding from the Environmental Facilities Corporation

Adjournment

TAB I

NASSAU COUNTY INTERIM FINANCE AUTHORITY

MEETING OF THE DIRECTORS

MINUTES OF JUNE 23, 2020

The Directors' Meeting of the Nassau County Interim Finance Authority was convened on June 23, 2020 at 6:01 PM via teleconference, pursuant to legal notice given on June 22, 2020 and electronic notice posted on the Authority's website.

Directors on call: Adam Barsky, Chairman
Paul Annunziato
Paul Leventhal
Lester Petracca
Howard Weitzman
Christopher Wright

Absent from call:

Staff on call: Evan Cohen, Executive Director
Carl Dreyer, Treasurer
Kathleen Stella, Corporate Secretary
Jeremy Wise, General Counsel
Martha Worsham, Deputy Director

Call to Order/Roll Call

The meeting was called to order at 6:01 PM.

1. Approval of Minutes of the Directors' Meeting on June 9, 2020

Upon a motion made by Director Wright and seconded by Director Weitzman, the Directors approved the minutes from the meeting on June 9, 2020.

Positive votes: 6 Negative votes: 0

RESOLUTION NO. 20-215

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 9, 2020 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on June 9, 2020 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such

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

2 Selection of Book Running Senior Manager for NIFA’s Next Financing

After a briefing given by Jeremy Wise, NIFA’s General Counsel, the Directors were requested to approve a Book Running Senior Manager for NIFA’s next negotiated borrowing.

Upon a motion made by Director Leventhal and seconded by Director Weitzman, the Directors approved the following resolution with Paul Annunziato abstaining.

Positive votes: 5 Negative votes: 0 Abstention: 1

RESOLUTION NO. 20-216

SELECTION OF BOOK RUNNING SENIOR MANAGER FOR NIFA

RESOLVED, that the materials presented to this meeting of the Directors (the “Materials”) are incorporated herein and ordered to be filed with the records of the Nassau County Interim Finance Authority (“NIFA”); and be it further

RESOLVED, that based upon the discussion in the Materials, NIFA selects Goldman Sachs & Co as the book running senior manager for its initial transaction under the authorization granted to NIFA pursuant to recently enacted State Legislation.

Executive Session

Pursuant to section 105 subdivision of the NYS Open Meetings Law, Director Wright entertained a motion, which was seconded, to go into Executive Session to discuss contracts and pending litigation pursuant to article fourteen of the civil service law.

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

At 6:08 PM the open session of the Directors meeting was temporarily adjourned, and an Executive Session of the Directors was convened.

Positive votes: 6 Negative votes: 0

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLUTION NO. 20-217

EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Directors of the Nassau County Interim Finance Authority shall convene in Executive Session for the purpose of discussing contracts and pending litigation pursuant to article fourteen of the civil service law.

* * *

At 7:13 PM a motion was made and seconded to come out of Executive Session.

Positive votes: 6 Negative votes: 0

Reconvened

Chairman Barsky noted that no votes were taken in the Executive Session and reconvened the Directors' meeting.

Director Wright made a motion to adjourn, which was seconded by Director Leventhal. The Director's meeting was adjourned at 7:15 PM.

Respectfully submitted,

Kathleen Stella
Corporate Secretary

TAB II

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

July 16, 2020

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Alternatives for Children

REQUEST FOR: Consideration of County Contract for the Alternatives for Children
- (NIFA #169-20)

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 July 9, 2020 the County submitted a proposed contract with Alternatives for Children (the "Firm") to NIFA for approval. The term of the contract is from 9/1/2020 – 8/31/2025, and it is valued at \$5,000,000.

Discussion:

This contract does not require approval from the Nassau County Legislature and falls under the exception clauses, as per the Nassau County Charter, Section 103 (vii) "any procurement for the purpose of entering into a contract or contracts with not-for-profit organizations for the purposes of providing aid, care and support to persons in need"

The preschool special education services provided under this contract is pursuant to a mandated program under NYS Education Law Section 4410. Under this program, the NYS Department of Education approves the providers, and the County, in turn, is required to contract with these approved providers.

Requested Action:

You are requested to consider the County's Contract with Alternatives for Children

Attachments:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 20-

CONSIDERATION OF COUNTY CONTRACT FOR ALTERNATIVES FOR CHILDREN

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 Alternatives for Children in the amount of \$5,000,000; 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

July 16, 2020

TAB III

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

July 16, 2020

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Seaford Avenue Corporation

REQUEST FOR: Consideration of County Contract for the Seaford Avenue Corporation
(*NIFA #161-20*)

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 June 24, 2020 the County submitted a proposed contract with Seaford Avenue Corporation (the “Firm”) to NIFA for approval. The vendor was selected through an open competitive bidding process. The term of the contract is 2 years with the option to extend the term for an additional two years, and it is valued at \$6,000,000. The requested amount includes funding for the renewal option.

Discussion:

On April 20, 2020, the County Legislature approved the contract for services between the Nassau County Department of Public Works and the Firm. The purpose of this contract is to provide on call services for the County plumbing and construction projects and any emergency situations at various County facilities.

On June 24, 2020 the County submitted an Emergency Approval Request in the amount of \$100,000. The approval was granted by the Chairman, Adam Barsky, on the basis that there was an emergency condition at the Nassau County Correctional Center.

Requested Action:

You are requested to consider the County’s Contract with the following amendment:

- The amount to be approved will be reduced to \$5,900,000, excluding the emergency approved amount of \$100,000. The total amount awarded to Seaford Avenue Corporation is \$6,000,000 over the four years (including the 2-year renewal option)

Attachments:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 20-

CONSIDERATION OF COUNTY CONTRACT FOR SEAFORD AVENUE CORPORATION

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 Seaford Avenue Corporation in the amount of \$5,900,000; 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

July 16, 2020

TAB IV

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

July 16, 2020

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Revenue Anticipation Notes Borrowing

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

Introduction:

Nassau County has requested NIFA's approval of a proposed sale of cash flow notes of up to \$230 million. The notes will be in the form of Revenue Anticipation Notes ("RANs" or the "Notes"). It is anticipated that the Notes will be sold in late July or early August and close prior to August 15th. The Notes will have two maturities – one in December 2020 and one in March 2021. The County anticipates issuing the Notes on a negotiated basis, even though it is more expensive than issuing the Notes on a competitive basis, because of volatility in the capital markets and the possibility of difficult market access.

The reason for the County's request to NIFA 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 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 being issued to provide monies to meet a cash flow deficit expected to occur during the period the Notes are outstanding.

The past three RAN issuances by the County have been for \$79.5 million, \$78.725 million, and \$119.915 million. This Note issue is larger because of loss of revenue due to the Covid-19 related

Statewide pause and increased make whole payment to school districts caused by late property tax payments.

The RANs will provide liquidity until their repayment dates in December 2020 and March 2021. The December 2020 maturity will be repaid from the pledged sales tax in October and November of 2020. The March 2021 maturity will be repaid from the pledged sales tax in February, and if necessary, January of 2021. If the set aside is not sufficient to pay debt service on the RANs, the County will use any and all funds available to pay the debt service as allowed by local finance law. The County currently anticipates that it will do another cash flow borrowing in January 2021 to provide liquidity throughout 2021.

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 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.

CONSIDERATION OF ISSUANCE OF 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 \$230 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

July 16, 2020

TAB V

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

July 16, 2020

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Environmental Facilities Corporation Funding Drawdown

REQUEST FOR: Consideration of Nassau County Drawdown of Funding from the Environmental Facilities Corporation

Introduction:

The County has communicated with NIFA its desire to drawdown \$5,207,059.27 under a previously approved financing through the N.Y. State Environmental Facilities Corporation (the "EFC") in the amount of \$41,650,000. In the alternative, the County requests approval to drawdown the entire \$41,650,000.

The financing has been authorized by the County Legislature.

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:

Project Description

The purpose of the EFC financing is to finance the costs associated with the planning, geotechnical, permitting and engineering design of an ocean outfall for the County's Bay Park Sewage Treatment Plant ("STP"). The County will utilize the Sunrise Highway aqueduct as a force main to transport treated effluent from the Bay Park STP to the Cedar Creek Water Pollution Control Plant ("WPCP") outfall. The rehabilitation of the aqueduct will be part of a larger design project

which is anticipated also to include: effluent pumping improvements at the Bay Park STP; a new force main from the Bay Park STP to the Sunrise Highway aqueduct; a new force main from the Sunrise Highway aqueduct to the Cedar Creek WPCP outfall; and, improvements to the Cedar Creek WPCP effluent pumping facility. Additionally, process improvements at the Cedar Creek WPCP may be necessary.

Previous NIFA Approval

On June 30, 2016, the NIFA board approved the \$41,650,000 financing through the EFC. Pursuant to Resolution No. 16-630:

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 financing through the N.Y. State Environmental Facilities Corporation (the "EFC") and approves \$41,650,000 of new money financing through the EFC for the purposes and upon the conditions described in the Materials, subject to the condition that separate NIFA approval is required for the County to draw down funds from EFC in excess of \$2,000,000;

The initial \$2 million approved was for the initial phase of engineering services to determine the aqueduct's physical condition and suitability for utilization as a force main to transport treated effluent from the Bay Park STP to the Cedar Creek WPCP outfall.

The feasibility study was ultimately funded, however, separately by a N.Y. State Department of Environmental Conservation ("DEC") grant, so the County did not draw down the initial \$2 million from EFC, leaving the full \$41,650,000 remaining and available for the balance of the project.

Current Request

After the aqueduct investigation was completed, NIFA approved a contract with WSP USA to provide preliminary design services for the project. When this contract was presented to the Board on November 27, 2018, NIFA staff noted that the County would use the EFC financing to fund the contract.

In total, the Department of Public Works has allocated the NIFA-approved EFC funding to three NIFA-approved contracts:

- (1) WSP USA - contracted to provide preliminary design and environmental studies (contract approved by NIFA on November 27, 2018);
- (2) Hazen & Sawyer / Arcadis Joint Venture – contracted to provide various engineering and program management services (contract amendment approved by NIFA on March 5, 2019); and
- (3) AECOM – contracted to serve as the Owners Agent / Project Manager for DEC (contract approved by NIFA on October 15, 2019).

The County requests that the NIFA board approve the drawdown of \$5,207,059.27 under the previously approved EFC financing to pay the costs already paid by the County under the Hazen & Sawyer and WSP contracts.

In the alternative, the County requests approval to draw down the entire \$41,650,000 because the initial phase of engineering services has determined that the aqueduct is suitable for the project which provides the basis for completing the rest of the planning and design stage.

Funding Summary:

Pursuant to the County's financing agreement with the EFC, funds will be drawn down as and when necessary, in the following order:

- (i) \$26,812,500 from EFC Storm Mitigation Loan Program ("SMLP") at an interest rate of 0%
- (ii) \$8,937,500 from EFC SMLP Grant
- (iii) \$2,950,000 from EFC State Revolving Fund ("SRF") Short-Term Interest Free Financing
- (iv) \$2,950,000 from EFC SRF Short-Term Market Rate Financing (rates to be determined when the funds are drawn down)

After five years, the combined note (\$32,712,500) will be refinanced with long-term financing. This is required to maintain the grant of \$8,937,500. At that time, the total leveraged financing of \$5,900,000 (items (iii) and (iv) listed above) will be interest bearing at the EFC long-term subsidized rate.

When the note is converted to long-term financing after five years, the new financing terms will be presented to the EFC board for approval.

Requested Action:

You are requested to approve/disapprove the County's proposed drawdown under the previously approved EFC financing, subject to the terms and conditions outlined in these materials and the attached resolution.

Attachments:

Resolutions

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 20-

CONSIDERATION OF A DRAWDOWN OF FUNDS FROM A NASSAU COUNTY FINANCING THROUGH THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION.

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 drawdown of funds from a financing through the N.Y. State Environmental Facilities Corporation (the “EFC”) and approves said drawdown of [\$5,207,059.27][~~\$41,650,000~~]; and be it further

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

Adam Barsky
Chairperson

July 16, 2020