

AGENDA

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
MONDAY, NOVEMBER 25, 2013, 9:00 AM
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 9, 2013 Meeting
- II. Authorization to Appoint a Law Firm and to Take Related Actions
- III. Consideration of Issuance of Bond Anticipation Notes Bonds by Nassau County
- IV. Consideration of Issuance of General Obligation Bonds by Nassau County
- V. Consideration of Tax Anticipation Notes Borrowing by Nassau County
- VI. Consideration of Contract from the County Attorney's Office
- VII. Resolution Adopting the Staff Report Concerning the Adopted Nassau County Multi-Year Financial Plan Fiscal 2014-2017 and the Recommendations Contained Herein

Adjournment

DRAFT – SUBJECT TO REVIEW AND REVISION

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON October 9, 2013

Pursuant to notice dated October 2, 2013, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 5:09 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

The following Directors of the Authority were present:

Jon Kaiman, Chairman
Paul Annunziato
John Buran
George Marlin
Lester Petracca
Dermond Thomas
Christopher Wright

Also present from the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; Laurie Boucher, Corporate Secretary and Carl Dreyer, (pending Treasurer).

Upon determining that a quorum was present, the Chairman called the meeting to order.

Chairman Kaiman welcomed NIFA’s new Directors Paul Annunziato and Lester Petracca. He then extended his gratitude to the former Chairman, Ron Stack for his years of service as Director and Chairman of NIFA.

DRAFT – SUBJECT TO REVIEW AND REVISION

The Chairman stated that the first item on the agenda was a resolution to approve the minutes of the July 30, 2013 Directors' meeting.

Upon motion duly made and seconded, the following resolution was approved with Chairman Kaiman, Director Annunziato and Director Petracca abstaining:

Resolution No. 13-442

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 30, 2013 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on July 30, 2013 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.

* * *

Chairman Kaiman then asked General Counsel Wise to address the next item on the agenda.

General Counsel Wise stated that the next item on the agenda was a resolution authorizing the Nassau Health Care Corporation (“NHCC”) to borrow, if necessary, approximately \$40 million on a short term basis so that it can obtain Federal matching funds. He stated that under the NIFA statute, NIFA is required to review all borrowings by covered organizations, such as NHCC.

Upon motion duly made and seconded, the following resolution was approved unanimously:

DRAFT – SUBJECT TO REVIEW AND REVISION

Resolution No. 13-443

APPROVAL OF ISSUANCE OF SHORT TERM BORROWING BY THE NASSAU HEALTH CARE CORPORATON

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(e) of the Authority Act, the Authority has reviewed the terms of the Nassau Health Care Corporation’s proposed short term borrowing and hereby approves said borrowing on the condition that total borrowing cannot exceed \$40 million, plus expenses/disbursements, and be it further

RESOLVED, that the final terms of the transaction 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.

* * *

Executive Director Cohen stated that the next item on the agenda was a resolution to appoint a new Treasurer. He stated that after NIFA conducted an extensive search which included print and on-line recruitment and a series of interviews by staff and several Board members. The search was completed and an official offer was extended to Carl Dreyer, who has already begun working for NIFA, but without the official title of “Treasurer”. He stated that in addition to appointing Mr. Dreyer as Treasurer, he is also asking the Board to accept his resignation as Acting Treasurer.

Upon motion duly made and seconded, the following resolution was approved unanimously:

DRAFT – SUBJECT TO REVIEW AND REVISION

Resolution No. 13-444

APPOINTING AN OFFICER OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

WHEREAS, the Nassau County Interim Finance Authority’s (“NIFA”) Acting Treasurer resigned effective June 30, 2013; and

WHEREAS, Evan Cohen has been acting as the Treasurer of NIFA since July 1, 2013; and

WHEREAS, effective at close of business this day, Mr. Cohen has tendered his resignation as Treasurer; and

WHEREAS, Chapter 84 of the Laws of 2000, as amended and supplemented, requires that the NIFA appoint a Treasurer;

NOW, THEREFORE, BE IT RESOLVED that the NIFA appoints the following person to serve as an officer of the Authority:

Carl Dreyer as “Treasurer”

and be if further,

RESOLVED, that said appointment shall take effect as of this day, that his hiring is confirmed as of August 12, 2013 and all actions taken in the newly appointed position since August 12, 2013 are hereby ratified and confirmed.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to amend NIFA’s Domestic Violence and the Workplace Policy. He stated that the State mandated that an amendment be made to the policy with respect to orders of protection.

Upon motion duly made and seconded, the following resolution was approved unanimously:

DRAFT – SUBJECT TO REVIEW AND REVISION

Resolution No. 13-445

APPROVAL OF NIFA’S DOMESTIC VIOLENCE AND THE WORKPLACE POLICY, AS AMENDED

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 the attached Domestic Violence and the Workplace Policy, as amended (“Policy”) is adopted by the Directors; and be it further

RESOLVED, that NIFA staff may take all steps necessary to implement the Policy.

* * *

The next item on the agenda was a resolution to approve NIFA’s four year financial plan which was reviewed and approved by the Audit and Internal Controls Committee earlier in the day. Executive Director Cohen stated that once the requisite waiting period is over, the plan will be filed with the State Comptroller and the Authorities Budget Office as required.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-446

APPROVE SUBMISSION OF NIFA’S 2014 BUDGET AND FY 2014 – FY 2017 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

DRAFT – SUBJECT TO REVIEW AND REVISION

“Regulations”) and its requirement that the Directors of the Nassau County Interim Finance Authority receive, review and approve a proposed Budget for FY 2014 (“Budget”) and a proposed Financial Plan for FY 2014 – FY 2017 (“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.

* * *

Chairman Kaiman asked General Counsel Wise to address the legal contracts submitted to NIFA for review from the County Attorney’s office.

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of contracts between the County Attorney’s office and outside vendors. He stated that since the County Attorney’s office has a history of submitting contracts late and/or commencing work on contracts prior to NIFA approval, the NIFA Directors had stated that they would like to review them.

Mr. Wise stated that the first contract is with Leventhal, Cursio, Mullaney & Sliney which is a lawsuit concerning LIBOR. Mr. Wise stated that he has received assurance from the Attorney General’s Office that if as a result of its investigation or any litigation it is determined that any state or local agency or authority including NIFA has been injured, it is their practice to seek appropriate restitution. He also stated that he told the County that he did not feel it was worth it for

DRAFT – SUBJECT TO REVIEW AND REVISION

them to pursue this matter. Director Marlin stated that other state agencies were hiring law firms on a contingent basis. Director Wright moved that the Board reject this contract.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-447

REVIEW OF CONTRACT FROM THE COUNTY ATTORNEY’S OFFICE FOR LEVENTHAL, CURSIO, MULLANEY & SLINEY LLP

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 the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses and a continuing wage freeze on the compensation of County employees; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County’s current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 disapproves the proposed contract with Leventhal, Cursio, Mullaney & Sliney LLP for the foregoing reasons and because the Directors find that the expenditures required by these contract(s) are not consistent with the adopted financial plan; 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.

* * *

General Counsel Wise stated that the next contract was with Sinnreich, Kosakoff &

DRAFT – SUBJECT TO REVIEW AND REVISION

Messina LLP to increase funding from \$600,000 to \$850,000 to represent the County in litigation concerning the aquatic center. He stated that the County was suing numerous defendants for the improper building of the aquatic center.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-448

REVIEW OF CONTRACT FROM THE COUNTY ATTORNEY’S OFFICE FOR SINNREICH,
KOSAKOFF & MESSINA, LLP

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 the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses and a continuing wage freeze on the compensation of County employees; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be if further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County’s current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 contract for Sinnreich, Kosakoff & Messina, LLP in the amount of \$250,000; 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.

* * *

General Counsel Wise stated that the next contract is with Rivkin Radler to increase the

DRAFT – SUBJECT TO REVIEW AND REVISION

funding from \$975,000 to \$1,275,000. He stated that this law firm is defending the County in a major lawsuit brought by various utilities. Chairman Kaiman stated that he was recusing himself from this vote since this involved his previous employer, as Supervisor of the Town of North Hempstead.

Upon motion duly made and seconded, the following resolution was approved with Chairman Kaiman abstaining:

Resolution No. 13-449

REVIEW OF CONTRACT FROM THE COUNTY ATTORNEY’S OFFICE FOR RIVKIN,
RADLER, LLP

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 the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses and a continuing wage freeze on the compensation of County employees; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County’s current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 contract for Rivkin, Radler, LLP in the amount of \$300,000; and be it further

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

DRAFT – SUBJECT TO REVIEW AND REVISION

* * *

General Counsel Wise stated that the next contract was with North Shore Reporters to increase the funding for stenographic work from \$50,000 to \$75,000.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-450

REVIEW OF CONTRACT FROM THE COUNTY ATTORNEY’S OFFICE FOR NORTH SHORE REPORTERS

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 the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses and a continuing wage freeze on the compensation of County employees; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County’s current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 contract for North Shore Reporters in the amount of \$25,000; 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.

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

General Counsel Wise stated that the next item on the agenda was the review of the agreement with the Nassau Events Center, LLC. He stated that NIFA only approves contracts which require payment of funds or incurring of costs by the County. He stated that since there is no cost to the County, he recommended that NIFA just acknowledge receipt of the lease and contract without a formal review and approval process. Director Wright stated that this would not preclude NIFA from taking action on components of the contract at a later time if NIFA determines it requires approval. Director Marlin stated that NIFA reserves its right to examine and consider any other contracts related to the Coliseum.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-451

REVIEW OF THE AGREEMENT WITH THE NASSAU EVENTS CENTER, LLC

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, the Directors have determined that the lease between Nassau County and Nassau Events Center, LLC for the Nassau Veterans Memorial Coliseum Site does not require approval by the NIFA Directors; and be it further

RESOLVED, that NIFA staff may take all steps necessary to inform the County of this decision.

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

The Chairman stated that the next items on the agenda were contracts with the Department of Public Works. He asked General Counsel Wise to address them.

General Counsel Wise stated that he has asked the Commissioner of Public Works to answer any questions the Directors may have on these contracts since they were submitted to NIFA very recently. He stated that the first contract was with VRD Contracting for \$7,390,000 of which only \$3.9 million is available and the rest would have to be borrowed at a later time. He said it concerns construction and services associated with the erection of a new 25,000 sq. ft concrete First precinct house. Commissioner Shila Shah-Gavnoudias stated the work has to be started right away before the weather gets too bad. She stated that if the contract was delayed then the cost would increase due to the containment structures and heating system that would be required if the weather was too cold.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-452

REVIEW OF CONTRACT VRD CONTRACTING

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 VRD Contracting in the

DRAFT – SUBJECT TO REVIEW AND REVISION

amount of \$7,390,000; 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.

* * *

General Counsel Wise stated that the next contract was with Mace Contracting Corp. in the amount of \$11,937,000 of which \$601,000 is available and the remainder would require a future borrowing. He stated that this contract concerns Bay Park sludge thickening. Chairman Kaiman stated that he was recusing himself from this vote since this contract was eligible for SuperStorm Sandy reimbursement.

Upon motion duly made and seconded, the following resolution was approved with Chairman Kaiman abstaining:

Resolution No. 13-453

REVIEW OF CONTRACT FOR MACE CONTRACTING CORP.

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 Mace Contracting Corp. in the amount of \$11,937,000; and be it further

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

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DRAFT – SUBJECT TO REVIEW AND REVISION

General Counsel Wise stated that the next contract was with RJ Industries in the amount of \$24,767,700 of which only \$1.5 million is available and the remainder would have to be borrowed. He stated that the Legislature has approved a portion of the borrowing but NIFA has not received the borrowing request from the County yet. He stated that this contract is for Bay Park and Cedar Creek and provides upgrades to the odor control facilities. After a lengthy discussion, Chairman Kaiman amended the resolution to approve \$1.5 million of this contract subject to NIFA receiving satisfactory documentation by the County that the contract has been amended stating that the County is not bound to the remainder of the contract if the borrowing is not approved.

Upon motion duly made and seconded, the following amended resolution was approved unanimously:

Resolution No. 13-454

REVIEW OF CONTRACT FOR RJ INDUSTRIES

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 RJ Industries in the amount of \$1,500,000; 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.

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

General Counsel Wise stated that the next contract was with Primer Construction in the amount of \$9,384,000 of which \$1,500,000 is available and the remainder would require a future borrowing. He stated that this contract concerns Bay Park tank rehabilitation. Chairman Kaiman stated that he was recusing himself from this vote since this contract was eligible for SuperStorm Sandy reimbursement.

Upon motion duly made and seconded, the following resolution was approved with Chairman Kaiman abstaining: Resolution No. 13-455

REVIEW OF CONTRACT FOR PRIMER CONSTRUCTION

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 Primer Construction in the amount of \$9,384,000; and be it further

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

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General Counsel Wise stated that the next contract was with Optimum Controls, Corp. in the amount of \$11,576,265 of which the full amount would require a future borrowing. He stated that this contract concerns Bay Park engine controls.

DRAFT – SUBJECT TO REVIEW AND REVISION

Upon motion duly made and seconded, the following amended resolution was approved unanimously:

Resolution No. 13-456

REVIEW OF CONTRACT FOR OPTIMUM CONTROLS, CORP

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 Optimum Controls, Corp in the amount of \$11,576,265; 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.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of a contract between the County and Posillico Civil, Inc. He stated that the firm was selected to do paving of various roads in the County. He stated that eighty percent of the cost should be reimbursed by federal funding.

Upon motion duly made and seconded, the following resolution was approved unanimously:

DRAFT – SUBJECT TO REVIEW AND REVISION

Resolution No. 13-457

APPROVAL OF COUNTY CONTRACT FOR POSILLICO CIVIL, INC.

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

RESOLVED, that based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves the County’s Contract for Posillico Civil, Inc., which is projected to cost \$5,754,547; 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.

* * *

Director Wright stated that although NIFA disapproved spending on artificial turf earlier in the year, he has noticed that there is other work being done on the fields at Cantiague Park. He then asked the County to provide written confirmation by the end of the week on whether the contracts have been reviewed by NIFA or if the contracts fall below the threshold requiring NIFA approval.

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of a contract between the County and the United Way of Long Island in the amount of \$5,475,056. He stated that this is part of the Ryan White Part A program and is 100% federally funded.

Upon motion duly made and seconded, the following resolution was approved unanimously:

DRAFT – SUBJECT TO REVIEW AND REVISION

Resolution No. 13-458

APPROVAL OF COUNTY CONTRACT FOR UNITED WAY OF LONG ISLAND, 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 United Way of Long Island, Inc., which is projected to cost \$5,475,056; 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.

* * *

Chairman Kaiman stated that the next item on the agenda was a resolution to adopt the NIFA staff report concerning the proposed Nassau County Multi-Year Financial Plan, Fiscal 2014-2017. He then asked Executive Director Cohen to brief the Directors on the report.

Executive Director Cohen stated the County appears closer to near-term balance on a cash or budgetary basis but on a GAAP basis, as required by state law, the budget remains far out of balance. He stated that the County benefited from strong sales tax collections, savings from reduced headcount, amortization of pension liabilities and significant savings from the wage freeze. He stated that the benefit of those actions were offset by the County’s continued reliance on borrowing to fund certain operating expenses such as tax certiorari refunds, judgments and settlements, and termination costs. He stated that NIFA has projected that the County may end 2013 with a deficit of more than \$100 million on a GAAP basis if no further gap closing actions are taken. He stated that the County could end 2014 with a GAAP deficit of approximately \$122 million which is more than

DRAFT – SUBJECT TO REVIEW AND REVISION

four times the \$28 million deficit that would otherwise trigger a control period. He stated that consequently NIFA does not expect to terminate the control period. Executive Director Cohen stated that the County projected the out-year gaps to be approximately \$32 million in 2015, \$48 million in 2016 and \$51 million in 2017; however, NIFA’s analysis indicated that the County underestimated the size of its baseline gaps by almost \$126 million in 2015, \$140 million in 2016 and \$174 million in 2017.

Upon motion duly made and seconded, the following resolution was approved unanimously:

Resolution No. 13-459

ADOPTING THE STAFF REPORT CONCERNING THE PROPOSED NASSAU COUNTY MULTI-YEAR FINANCIAL PLAN, FISCAL 2014-2017 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, in September 2013, as required by law, the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2014 – 2017 (“Proposed Plan”), the first year of which is his proposed 2014 Budget; and

WHEREAS, the NIFA Staff has prepared a report on the County Executive’s Proposed Plan in which the Staff identified a number of risks; and

WHEREAS, the County Legislature has 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 further action in regard to the Proposed Plan until “approval by the county of a budget in accordance with the provisions of the county charter and approval of the financial 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

* * *

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 6:25 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 25, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: NIFA Auction Rate Securities

REQUEST FOR: Authorization to Appoint a Law Firm and to Take Related Actions

Background:

The Authority's issued over \$700 million of auction-rate securities ("ARS") in 2004 and 2005. These ARS were issued through various underwriters chosen by NIFA, including Goldman Sachs.

In early 2008, NIFA had difficulty in remarketing its ARS which caused NIFA to incur significant additional expense. In order to correct this problem, the Authority was forced to refund its ARS and replace them with an alternative form of borrowing.

Discussion:

It has been alleged that issuers such as NIFA should not have been in the ARS market and/or were misled as to the safety of the ARS product.

NIFA has been approached by the law firm of Kirby McInerney LLP (the "Firm") to pursue any possible rights and recoveries that might be due to NIFA. If engaged, they would work on a contingency basis such that NIFA would incur no out of pocket costs

The details of their proposal have been submitted to you in Executive Session.

Requested Action:

It is hereby requested that the Chair or his designees be delegated the authority to act on behalf of the Directors to hire the Firm subject to final agreement on the terms and conditions of their engagement.

Attachment:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-461

**AUTHORIZATION TO APPOINT A LAW FIRM AND TO TAKE RELATED
ACTIONS**

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

RESOLVED, that based upon the Materials presented to this meeting, the Directors hereby delegate to the Chairman or his designees the authority to enter into a contract with the law firm of Kirby McInerney LLP (the “Firm”) in order to pursue any rights or recoveries that NIFA may have in relation to its auction rate bonds or related matters; and be it further

RESOLVED, that this contract is given on a sole source basis because of the unique nature of the assignment, the expertise of the Firm in similar matters and the extraordinary circumstances which makes advertising impractical or inappropriate..

Jon Kaiman
Chairperson

November 25, 2013

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 25, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: County Bond Anticipation Notes, Series 2013 B

REQUEST FOR: Consideration of Issuance of Bond Anticipation Notes Bonds by Nassau County

Introduction:

Nassau County has requested NIFA's approval of a proposed sale of Bond Anticipation Notes ("2013 Series B BANs"). The maximum amount of proceeds will be \$123,281,588.10, including premium, to pay for projects totaling \$122,794,664 plus costs of issuance.

The reason for the County's request is found in section 3369 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."

Background:

On February 7, 2013 the NIFA Directors authorized the issuance of Sandy-related borrowing. The amounts borrowed, were as follows:

Capital and Sewer and Storm Water, Sandy related	\$185,283,767
Hazardous Waste, Sandy related	<u>2,500,000</u>
Total	\$187,783,767

The County issued \$185,510,000 of bond anticipation notes (2013 Series A BANs) under this authorization (see attached project list). The difference between the total project needs of \$187,783,767 and the principal amount of \$185,510,000 was due to premium on the BANs.

In the immediate aftermath of Superstorm Sandy, the County wanted to ensure that it had sufficient funds on hand to perform all immediate and critical work that was required. The County's estimate of needed funds was made even as the Department of Public Works was still performing evaluations and inspections of County owned facilities and properties. Now that these evaluations and inspections have been completed, the County is better able to program the available funding into a timeline of when it will be spent, and how to ensure that the expenditures meet Federal reimbursement guidelines.

As a result, the County is seeking authorization to issue a new series of bond anticipation notes in the amount of \$122,794,994 (2013 Series B BANs), the net proceeds of which will be used to pay its 2013 Series A BANs at maturity on February 5, 2014 (the "BANs"). At the same time, the County will use \$62,715,336 of unspent 2013 Series A BANs proceeds to pay the balance of such BANs at maturity, which amount will be reissued as needed in the future.

2013 Series A Principal Amount	\$185,510,000
Delayed Projects ⁽¹⁾	<u>62,715,336</u>
New BAN	\$122,794,664

(1) To be reissued in the future when needed.

See attached project list for a breakdown of the above amounts.

Recommendation:

We recommend approval of the issuance of the BANs upon the terms and conditions outlined in these materials; however, the amount of BANs issued shall be reduced if premium BANs are issued, such that total proceeds are sufficient to cover payment of the maturing 2013 Series A BANs at maturity plus costs of issuance.

Attachments:

Attachment 2013 Series A BAN Project List

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-462

CONSIDERATION OF ISSUANCE OF 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 bond anticipation notes and approves such issuance(s) in the amounts and upon the conditions outlined in the Materials; 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.

Jon Kaiman
Chairperson

November 25, 2013

2013 Series A BAN Roll Over

Project Number	Project Title	Original Amount	Amount to Roll	Balance
41334	Nickerson Beach Improvements	\$1,000,000.00	\$ 1,000,000.00	\$0.00
41814	Various County Parks Fencing Repair	\$250,000.00	\$ 250,000.00	\$0.00
41820	Various Parks Playgrounds Improvements	\$250,000.00	\$ 250,000.00	\$0.00
41826	Various Parks Preserve Buildings Rehabilitation	\$500,000.00	\$ 500,000.00	\$0.00
41829	Various Park Lighting	\$1,500,000.00	\$ 1,500,000.00	\$0.00
41834	Various Parks Path/Roadways/Parking Resurface	\$1,000,000.00	\$ 1,000,000.00	\$0.00
41844	Various Athletic Fields and Courts	\$1,000,000.00	\$ 1,000,000.00	\$0.00
41858	Various Parks Pool Improvements	\$750,000.00	\$ 750,000.00	\$0.00
41861	Various Park Buildings Infrastructure Upgrades	\$4,250,000.00	\$ 4,250,000.00	\$0.00
41870	County Wide Beach Restoration and Mitigation	\$2,000,000.00	\$ 2,000,000.00	\$0.00
41871	Countywide Docks and Bulkhead	\$1,000,000.00	\$ 1,000,000.00	\$0.00
60050	Sheridan Boulevard Drainage Impovements	\$2,000,000.00	\$ 695,757.00	\$1,304,243.00
50680	Police Department Precinct and Auxillary Precincts Renovation and Modernization	\$2,000,000.00	\$ 429,354.00	\$1,570,646.00
50686	Police Fleet Replacement	\$1,500,000.00	\$ 1,500,000.00	\$0.00
50695	Police Department Fuel Management System	\$1,500,000.00	\$ 706,660.00	\$793,340.00
50696	Local Municipality Interoperable Radio System	\$1,000,000.00	\$ -	\$1,000,000.00
60042	Middle Neck Road Drainage Improvements	\$3,000,000.00	\$ 2,049,117.00	\$950,883.00
61587	Road Resurfacing	\$5,000,000.00	\$ 5,000,000.00	\$0.00
6179A	West Shore Road, Mill Neck	\$8,000,000.00	\$ 8,000,000.00	\$0.00
62017	Traffic Signal Construction & Modification - Phase VII	\$5,000,000.00	\$ 5,000,000.00	\$0.00
62500	Traffic Studies	\$500,000.00	\$ 500,000.00	\$0.00
63029	Bridge Rehabilitation Program	\$6,100,000.00	\$ 6,100,000.00	\$0.00
63400	Civil Site Studies	\$1,000,000.00	\$ 1,000,000.00	\$0.00
66016	Countywide Tree Management Program	\$1,000,000.00	\$ 1,000,000.00	\$0.00
66050	Various County Curbs and Sidewalks Rehabilitation	\$2,000,000.00	\$ 2,000,000.00	\$0.00
66302	Requirements Contract Roads/Drainage/Bridge/Joints	\$7,250,000.00	\$ 7,250,000.00	\$0.00
81011	Hazardous Waste Response Fund	\$1,323,767.00	\$ 1,323,767.00	\$0.00
90375	Emergency Work at Road Maintenance Garages	\$850,000.00	\$ 850,000.00	\$0.00
90400	Various County Facilities - General Construction	\$5,000,000.00	\$ 5,000,000.00	\$0.00
90401	Various County Facilities - Electrical Construction	\$1,750,000.00	\$ 1,750,000.00	\$0.00
90402	Various County Facilities - HVAC Construction	\$1,500,000.00	\$ 1,500,000.00	\$0.00
90403	Various County Facilities - Plumbing Construction	\$1,000,000.00	\$ 1,000,000.00	\$0.00
90612	Various Generators - Buildings Upgrades	\$2,850,000.00	\$ 2,850,000.00	\$0.00
90618	Various County Buildings Roof Reconstruction	\$1,000,000.00	\$ 1,000,000.00	\$0.00
90622	Hempstead Garage Improvements	\$4,500,000.00	\$ 4,500,000.00	\$0.00
90636	Warehouse and Staging Area	\$4,500,000.00	\$ 4,500,000.00	\$0.00
97104	Disaster Recovery Plan	\$110,000.00	\$ -	\$110,000.00
97113	Departmental Technology Equipment Replacement	\$500,000.00	\$ 500,000.00	\$0.00
97117	CAMDR	\$200,000.00	\$ 200,000.00	\$0.00
97119	Network Infrastructure	\$2,000,000.00	\$ 2,000,000.00	\$0.00
97135	VoIP	\$250,000.00	\$ 250,000.00	\$0.00
97530	GeoBased Mapping and Information System	\$300,000.00	\$ 300,000.00	\$0.00
98060	Road Maintenance Equipment Replacement	\$6,750,000.00	\$ 6,750,000.00	\$0.00
98105	Fleet Management Life Cycle Vehicle Replacement	\$1,000,000.00	\$ 1,000,000.00	\$0.00
98130	Countywide Trunked Radio System	\$1,000,000.00	\$ -	\$1,000,000.00
98344	Public Works Lab Equipment	\$250,000.00	\$ 250,000.00	\$0.00
SSW 82001	Drainage Stream Corridors Reconstruction	\$2,000,000.00	\$ 2,000,000.00	\$0.00
82008	Rehabilitation of Storm Water Basins	\$2,000,000.00	\$ 2,000,000.00	\$0.00
82009	Drainage Facilities Sidewalk Rehabilitation	\$500,000.00	\$ 500,000.00	\$0.00
3P311	Pump Station Rehabilitation	\$22,800,000.00	\$ 6,813,776.00	\$15,986,224.00
35120	Wastewater Facilities Hardening Study	\$1,000,000.00	\$ 1,000,000.00	\$0.00
35121	Wastewater Facilities Storm Restoration	\$60,000,000.00	\$ 20,000,000.00	\$40,000,000.00
Haz Waste 81011	Hazardous Waste	\$2,500,000.00	\$ 2,500,000.00	\$0.00
		\$187,783,767.00	\$ 125,068,431.00	\$ 62,715,336.00

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 25, 2013

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 money for certain projects through its sale of general obligation bonds in the following categories and in the following amounts (plus costs of issuance):

Categories

A. Projects for General Purposes	\$33,467,999.14
Capital Projects for Sewer and Storm Water	\$17,161,494.02
B. Termination Pay	\$ 6,500,000.00*
C. Workers' Comps	\$ 1,348,888.84
D. Judgments and Settlements	\$ 718,000.00
E. Tax Certiorari	\$35,000,000.00

* The original request was for \$30,000,000, but this amount was reduced to \$6,500,000 by NIFA.

The bonds have all been authorized by the County Legislature.

Background:

The reason for the County's request is found in section 3369 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:

The issuance of the bonds is expected in early December of 2013. Background data related to each of the aforementioned categories of bonds can be found in attachments lettered A –E.

The amount of bonds issued shall be reduced if premium bonds are issued, such that total proceeds 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, subject to the terms and conditions outlined in these materials and the attached resolution.

Attachments:

Attachments Lettered A - E

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-463

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 such issuance(s) in the amounts described in the materials and in the following categories: A-E (plus costs of issuance) upon the conditions outlined in the Materials; and be it further

RESOLVED, that any bond funds not already expended from the \$26.5 million authorized by NIFA on March 22, 2012 for PBA, DAI, and SOA separation payments, may be used without restriction for PBA, DAI and SOA termination pay; 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.

Jon Kaiman
Chairperson

November 25, 2013

Attachment A - Key

Project Number – Five or six digit unique alpha numeric identifier of the project.

Formatted Project Title – A short description of the project.

Description – Qualitative description of what the project is, and what it is meant to do.

PO – Encumbrances that are completed via purchase orders that do not meet the NIFA guidelines for requiring approval.

Pre-NIFA – Encumbrances that predate the start of the NIFA control period.

Not Required – Encumbrances that do not require NIFA approval. Such as encumbrances by the Nassau Community College.

NIFA Approved – Encumbrances that have received NIFA approval at the appropriate level, as per NIFA guidelines.

County Approval Pending – Encumbrances that have not yet been finalized, but are anticipated being finalized during the next six to eight months. These are included in the request so that there is sufficient cash on hand to begin work once NIFA approves the contract.

Authorized – The total amount of bond ordinances approved by the County Legislature.

Issued – The total amount of bond ordinances that have been borrowed by the County.

Authorized but Unissued – The total remaining amount, prior to this deal, of bond authorization remaining in this deal.

Projected Ask – The total amount of additional borrowing that is being sought by the County from the NIFA board.

Attachment A

The following 15 projects (which are included in the complete list in the table below) have not had any contract(s) submitted to NIIFA for approval yet. However, the County is requesting authorization to borrow at this time due to the critical nature of the projects, as described below.

90632	Family & Matrimonial Court (~\$2.4m)	This will help fund a contract approved by Legislature 11/18, with preliminary documents sent to NIFA on 11/19 (NIFA number to be assigned). Nassau County is required to do this work by order of the New York State Office of Court Administration. Failure to comply with this order will result in NYS doing the work and billing the County for it.
63029	Bridge Rehab program (~\$2.3m)	The Bayville Bridge is one of two ingress and egress routes into Bayville, and as such is a primary evacuation route. Bids to provide needed repairs to the bridge were opened on 11/19/2013, and it is anticipated that the contract will be awarded in early 2014. Failure to approve these funds until June would result in delay of the bridge repair, which could possibly force the closure of the bridge for safety reasons.
41862	Various Parks – Pool Improvements (~\$112k)	This work will be completed via POs, which will not require NIFA approval.
9B480	Land Acquisition (~\$1.2m)	The County is in final negotiations to purchase two properties. One to store emergency equipment that is being purchased via FEMA mitigation money, and the other is to relocate the records center. This funding is necessary to ensure that once we have reached a deal on these properties, and have the necessary County approvals, there will be no delays in executing the transactions that could jeopardize the sales.
61083	Horse Hollow Road Drainage Improvements (~\$7k)	This will fund design work for this job. The design work will be performed by a design consultant utilizing a previously NIFA approved on-call design agreement. While it will have to go through the County Contract Advisement process, it will not need to be routed to NIFA for approval, as it will not exceed the cap on the previously approved contract.
61101	Uniondale Avenue/Front Street Improvements (~\$1.3M)	This will fund the construction of this job. It is anticipated that the construction will start in the spring.
61105	Merrick Avenue Road Improvements (~\$31.5k)	This will fund design work for this job. The design work will be performed by a design consultant utilizing a previously NIFA approved on-call design agreement. While it will have to go through the County Contract Advisement process, it will not need to be routed to NIFA for approval, as it will not exceed the cap on the previously approved contract.
61111	Wantagh Avenue Road Improvements (\$226k)	This will fund the beginning months of construction for this project. This project remedies unsafe conditions on Wantagh Avenue, which continues to expose the County to potential liability the longer it is not addressed.
72491	Fire Service Academy – Admin Building (\$35k)	This amendment is currently at NIFA for Staff Approval (NIFA id 496-2013). It amends a design contract that predates the control period. Failure to approve the funding significantly delays work at this public safety facility.
62191	Merrick Road Signal Replacement (\$79.90)	This is for design work for a future contract that the County is anticipating getting future State Aid. Failure to advance the design contract in a timely fashion could result in the loss of future State Aid.
62564	Incident Management System – Phase IV (~\$270k)	This is a County match. Failure to properly fund it in a timely fashion could result in loss of over \$1M in State Aid.
91056	Nice BUS (~\$580k)	This is a County match, failure to properly fund in a timely fashion could result in a loss in over \$5M of Federal and State aid.
3B115	Bay Park Chemical Bulk Storage Facility (\$38k)	While not directly related to Super Storm Sandy, this project is essential to the overall plant reconstruction and rehabilitation efforts, and delays in this contract could delay the overall plant reconstruction, as well as cause public health and safety risks.
3B119	Bay Park Various Buildings & Equip. Mod. (~\$2.5m)	This project funds many smaller rehabilitations to the plant, many of which require POs that do not need NIFA Approval. While not directly related to Super Storm Sandy, this project is essential to the overall plant reconstruction and rehabilitation efforts, and delays in this contract could delay the overall plant reconstruction, as well as cause public health and safety risks.
3B120	Bay Park Preliminary Treatment modifications (\$2.6m)	This project will be funding the screens and grit work at Bay Park. While not directly related to Super Storm Sandy, this project is essential to the overall plant reconstruction and rehabilitation efforts, and delays in this contract could delay the overall plant reconstruction, as well as cause public health and safety risks.

Gen Cap	\$	33,467,999.14
SSW	\$	17,161,494.02
Sandy SSW	\$	-
Total	\$	50,629,493.16

Project Number	Formatted Project Title	Description	County Approval Completed				County Approval				
			PO	Pre-NIFA	Not Required	NIFA Approved	Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
90023	Various County Buildings Backflow Prevention Phase III	In accordance with the New York State Sanitary Code, Part 5 and the Nassau County Public Health Ordinance, all facilities which are served by the public water supply shall have devices to prevent backflow of potential contaminants into the public water supply. The County has an ongoing project to install these devices in various County buildings. This project will install backflow prevention devices in the remainder of the county facilities.	\$ 733.59	\$ -	\$ -	\$ 552,590.40	\$ -	\$ 8,257,285.00	\$ 6,877,736.09	\$ 1,379,548.91	\$ 208,102.50
90632	Family & Matrimonial Court	This project will gut and renovate 101 County Seat Drive in order to house Family & Matrimonial Courts.	\$ -	\$ 247,879.67	\$ -	\$ 1,248,420.59	\$ 2,351,610.54	\$ 20,000,000.00	\$ 16,152,089.20	\$ 3,847,910.80	\$ 3,847,910.80
63029	Bridge Rehabilitation Program	Nassau County must maintain those bridges it is responsible for in order to permit their continued use. This program will provide the County with the ability to perform design and reconstruction and/or rehabilitation of "structurally deficient" and "functionally obsolete" bridges owned by Nassau County.	\$ 1,002,002.00	\$ -	\$ -	\$ 479,068.80	\$ 2,326,859.20	\$ 12,350,000.00	\$ 8,542,070.00	\$ 3,807,930.00	\$ 3,807,930.00
70080	NCC Security System Expansion	This project will extend the existing security system to the Physical Education Complex and adjacent exterior parking areas. A previous capital project created a central monitoring station in the College Center building and placed cameras and door contacts throughout the CCB and Building G. The system was recently extended to the Library and the Physical Plant. The Physical Education Complex is the largest building on campus and has many remote locations. The facility is used extensively by outside entities for sporting events and gatherings. The gymnasium is the site for the Nassau County Legislature induction, the site for Nassau County Dept. of Health to inoculate first responders in the case of a biological emergency and is also designated as a shelter for Nassau County residents during and after a hurricane. The building has experienced significant vandalism. The installation of a complete security system would assure the operation of this facility during an emergency.	\$ 186,592.26	\$ -	\$ -	\$ -	\$ -	\$ 350,000.00	\$ 282,200.00	\$ 67,800.00	\$ 67,800.00
70086	NCC West/South Campus Parking Lot Rehab	Currently the West and South Campus parking lots of Nassau Community College are deteriorating in condition. This project will rehabilitate the lots to bring them to optimal conditions.	\$ 2,222.80	\$ 12,000.00	\$ 1,060,170.00	\$ -	\$ -	\$ 5,925,000.00	\$ 5,818,254.12	\$ 106,745.88	\$ 106,745.88
41830	Various County Parks Tree Replacement	This project will replace diseased or dead trees within the County Parks system.	\$ -	\$ 1,056,000.00	\$ -	\$ -	\$ -	\$ 2,590,000.00	\$ 2,503,117.07	\$ 86,882.93	\$ 86,882.93
41862	Various Parks - Pool Improvements	This project will make improvements to various County pools including diving boards, waterparks, waterslides and other amenities. Conditions at many of the pools are in disrepair and the project will provide for ongoing reconstruction work.	\$ 87,515.56	\$ -	\$ -	\$ -	\$ 112,484.44	\$ 500,000.00	\$ 300,000.00	\$ 200,000.00	\$ 200,000.00
9B480	Land Acquisition	This project is to provide funds for the County Attorney to purchase property as well as easements needed for the various County entities to implement various projects.	\$ -	\$ -	\$ -	\$ -	\$ 1,233,876.00	\$ 42,004,241.00	\$ 40,770,365.00	\$ 1,233,876.00	\$ 1,233,876.00
50404	Police Department Renovation of Outdoor Pistol Range	This project is for the renovation of the Nassau County Police Department's outdoor pistol/rifle range, including all downrange, backstop, and target areas. Included in this project will be the replacement of the existing target system, remediation of two earthen berms containing spent ammunition, construction of new berms with a lead containment system, functional landscaping, a new drainage system, improved lighting, and noise abatement devices.	\$ -	\$ 52,006.56	\$ -	\$ 2,645,171.52	\$ -	\$ 10,200,000.00	\$ 7,901,483.83	\$ 2,298,516.17	\$ 2,076,015.80

Project Number	Formatted Project Title	Description	PO	Pre-NIFA	Not Required	NIFA Approved	County Approval Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
50680	Police Department Precincts & Auxiliary Precincts Renovation and Modernization	Currently the physical plant of four of the Police Department's eight station houses is inadequate to handle necessary police services. Inadequacies related to the infrastructure cause delays in the processing of prisoners, preparation of reports and the administration of police services. To the extent that a generic plan for the replacement/renovation of the existing structure can be crafted, this project is designed to address the physical plant of four Police Precinct station houses, facilities which are integral to the delivery of police services at the community level.	\$ 19,600.00	\$ 1,902,844.31	\$ -	\$ 7,190,400.00	\$ -	\$ 20,450,000.00	\$ 6,802,419.64	\$ 13,647,580.36	\$ 4,932,947.61
60039	Wheatley Road Drainage Improvements, Old Westbury	This project is located in a large tributary area where runoff from County roads is inundating private property and homes. The extent of the investigation for this project will be from Whitney Lane to Cedar Swamp Road in Old Westbury and Brookville. The study phase of this project will attempt to determine the best solution for collecting runoff possibly with the creation of a recharge basin or by using techniques to redirect the flow of the runoff.	\$ -	\$ 144,000.00	\$ -	\$ -	\$ -	\$ 2,500,000.00	\$ 501,634.00	\$ 1,998,366.00	\$ 112,644.95
61083	Horse Hollow Road, Lattingtown	Horse Hollow Road, in Lattingtown, consists of three concrete panels, in fair to good condition, flanked by deteriorated asphalt shoulders of varying width. Drainage is minimal, with runoff traveling long distances overland before reaching drainage systems. In some cases runoff leaves the roadway and enters adjacent properties. This causes problems for both vehicular and pedestrian traffic, as well as creating areas ripe for mosquito spawning. This project will improve the drainage to alleviate these issues.	\$ -	\$ -	\$ -	\$ -	\$ 7,241.00	\$ 1,000,000.00	\$ 992,759.00	\$ 7,241.00	\$ 7,241.00
61091	Grand Avenue, Baldwin	This project is for the reconstruction of Grand Avenue in Baldwin. The project will run from Grand Avenue to Merrick Road which is approximately 4,400' in length and 36' wide. The existing road pavement is in poor condition and drainage is old or insufficient with ponding at corners. The work will improve the profile, while maintaining the existing road width. Reducing the height of the existing travel lanes will be accomplished by the removal of the existing concrete panels with asphalt overlays and installation of new curbs, sidewalks and additional drainage structures.	\$ -	\$ 40,800.00	\$ -	\$ -	\$ -	\$ 500,000.00	\$ 499,943.12	\$ 56.88	\$ 56.88
61101	Uniondale Avenue/Front Street Improvements	This project will fund various improvements to the area of Union Avenue and Front Street.	\$ -	\$ -	\$ -	\$ -	\$ 1,263,158.63	\$ 1,500,000.00	\$ 236,841.37	\$ 1,263,158.63	\$ 1,263,158.63
61105	Merrick Avenue Road Improvements	This project will beautify Merrick Avenue in the vicinity of Smith Street. Improvements may include the planting of trees, and installation of brick pavers.	\$ -	\$ 1,200.00	\$ -	\$ -	\$ 31,534.17	\$ 500,000.00	\$ 293,699.82	\$ 206,300.18	\$ 32,734.17
61111	Wantagh Avenue Road Improvements	This project will fund sidewalk repair work on Wantagh Avenue between Sunrise Highway and Merrick Avenue.	\$ -	\$ 9,600.00	\$ -	\$ -	\$ 226,411.72	\$ 500,000.00	\$ 263,988.28	\$ 236,011.72	\$ 236,011.72
61587	Resurfacing Various County Roads	Resurfacing is undertaken to rehabilitate existing road pavements in order to provide for better and safer surfaces for the traveling public and to reduce maintenance costs. The program objective is to resurface each County roadway once during a 15-year cycle, depending upon traffic volumes and surface wear. To achieve this goal on the approximately 500 centerline miles or 2000 lane miles of County roadways, it is necessary to resurface over 125 lane miles each year, which this project is estimated to do. The County expects a reimbursement after the completion of the individual contracts will be available from a State program named CHIPS (Consolidated Highway Improvement Program).	\$ 34,247.58	\$ 20,268.10	\$ -	\$ 14,004,580.31	\$ -	\$ 84,350,000.00	\$ 74,460,986.04	\$ 9,889,013.96	\$ 9,836,529.79

Project Number	Formatted Project Title	Description	PO	Pre-NIFA	Not Required	NIFA Approved	County Approval Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
72491	Fire Service Academy - Admin Building	Construction and addition to the Administration Building will allow programs for mandated training and support to meet current day needs (i.e. NFPA OSHA and Homeland Security). Mandated training and increase in programs relevant to NFPA standards and Homeland Security needs have increased the number of students as well as the total number of educational courses required. Expansion of services require additional space for classrooms, offices, locker rooms, seminar auditoriums, first aid station, student file storage, lavatories (public and staff) as well as support.	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 35,000.00
97103	eGovernment	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.	\$ 145,834.48	\$ 62,348.40	\$ -	\$ -	\$ -	\$ 4,250,000.00	\$ 4,150,018.19	\$ 99,981.81	\$ 99,981.81
97108	Vehicle Management Inventory System	The project will implement a pilot program for a fully integrated Vehicle Inventory Management System that replaces several non-integrated, obsolete PC based systems and eliminate the paper intensive manual procedures.	\$ 1,680.00	\$ -	\$ -	\$ -	\$ -	\$ 270,000.00	\$ 247,963.00	\$ 22,037.00	\$ 1,680.00
97121	ADAPT	The ADAPT (ADministration, APpeals, Tax) project will provide a single commercial applications package to manage the County wide process of Assessment of real property, preparation of tax rolls & billing/collection of taxes and appeals.	\$ -	\$ -	\$ -	\$ 336,000.00	\$ -	\$ 7,000,000.00	\$ 6,569,174.01	\$ 430,825.99	\$ 100,823.80
97123	Jail Management System	This project is for the replacement of the current Inmate Tracking System with a new Jail Management System. The current system is an antiquated Mainframe system that cannot be upgraded or modified to expand functionality/upgrade processes. The Corrections Department which is a critical part of the Criminal Justice Vertical must have the ability to share information with County departments in the Vertical as well as other municipalities. The current system is 20+ years old and does not meet the needs of managing the intake, housing and release of inmates in Nassau County. The new Jail Management System will use innovative and best practice standards to enable data sharing with other criminal justice systems as well as streamline processes and eliminate duplicate data.	\$ 149,593.48	\$ -	\$ -	\$ 749,688.00	\$ -	\$ 2,800,000.00	\$ 1,840,759.50	\$ 959,240.50	\$ 887,418.52
62190	Traffic Peninsula Boulevard Signal Head Replacement	This project replaces signal heads at 45 intersections along Peninsula Blvd. Specifically, this project replaces all of the existing 8" diameter signal lenses that face traffic on Peninsula Blvd with 12" diameter signals. This change increases the target value of these signals and has been proven to reduce right angle, rear end and pedestrian accidents.	\$ -	\$ 210,766.60	\$ -	\$ -	\$ 0.00	\$ 2,860,000.00	\$ 1,912,672.56	\$ 947,327.44	\$ 210,766.60

Project Number	Formatted Project Title	Description	PO	Pre-NIFA	Not Required	NIFA Approved	County Approval Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
62191	Merrick Road Signal Head Replacement	This project will replace the traffic signal heads for all traffic signals along Merrick Road. Specifically, this project replaces all of the existing 8 inch diameter signal lenses with 12 inch diameter signals. This change increases traffic signal visibility and has been proven to reduce right angle, rear end, and pedestrian accidents. In addition, the newly installed signals will be energy efficient LED displays which will reduce energy usage bills for this segment of roadway.	\$ -	\$ -	\$ -	\$ -	\$ 79.90	\$ 500,000.00	\$ 60,000.00	\$ 440,000.00	\$ 79.90
62272	Signal System Operation Phase II	This project will be to maintain the current communications infrastructure associated with the Traffic Management Center's Central Computer System. It will ensure communication between the central computer system and traffic signals throughout the County. This will allow for coordinated timing and signal progression thus improving traffic flow and reducing vehicle congestion. This work includes routine maintenance, troubleshooting, upgrades and communications system expansion. 80 percent of the overall cost of this project is reimbursable from the Federal Government.	\$ -	\$ 110,400.00	\$ -	\$ -	\$ -	\$ 870,000.00	\$ 646,751.75	\$ 223,248.25	\$ 63,890.79
62564	Incident Management Phase IV	This project will design and construct an incident management system consisting of traffic surveillance cameras along Various Roadways in Nassau County. These traffic cameras will allow us to identify roadway congestion and accidents and give us the opportunity to make adjustments to timing plans, contact emergency crews, and divert traffic around the incident thus improving traffic flow and reducing delays.	\$ -	\$ -	\$ -	\$ -	\$ 269,502.00	\$ 462,000.00	\$ 192,498.00	\$ 269,502.00	\$ 269,502.00
91056	MTALIB 2008 FTA Grant Sect 5307 NY90-XX	This project is part of the county's commitment to partially fund (10%) MTA Long Island Bus's capital program for the purchase of buses and bus related equipment. MTA Long Island Bus operates and maintains a fleet of 327 fixed route buses. To maintain operating efficiency and capacity of the fixed route fleet, MTA Long Island Bus needs to purchase CNG buses. The beneficial useful life of the buses is 12 years/500,000 miles. The replacement cost is approximately \$350K per vehicle.	\$ -	\$ -	\$ -	\$ -	\$ 580,277.00	\$ 2,125,500.00	\$ 1,545,223.00	\$ 580,277.00	\$ 580,277.00
90230P	Police and Fire Communications Center	The Nassau County Police Department is currently upgrading several major systems that will improve their communication services within the County. These ongoing systems upgrades will require additional infrastructure and spatial needs for the Police and Fire Communications operators. The current facility located in the Bunker at 1490 Franklin Avenue, Mineola is undersized and has inadequate power and ventilation to withstand the systems upgrades as proposed. The new Police and Fire Communications Center will be located at 1194 Prospect Avenue in Westbury. At the conclusion of the project, this location will be the primary hub for the County's Police and Fire Communications; the existing facility in the bunker will become the backup facility. The plan also includes space for the Fire Marshal and their vehicular storage to move from leased space in 899 Jerusalem Avenue to this new facility.	\$ 361,851.89	\$ 1,756,577.26	\$ -	\$ -	\$ 0.00	\$ 74,750,000.00	\$ 72,631,570.85	\$ 2,118,429.15	\$ 2,118,429.15
35101	Lateral Sewer Repair	This is a four year program to evaluate, repair and rehabilitate approximately five miles of small diameter sanitary sewers, for the protection of groundwater from domestic sewage and industrial wastes.	\$ 2,000.00	\$ 246,000.00	\$ -	\$ -	\$ -	\$ 3,850,000.00	\$ 2,306,723.57	\$ 1,543,276.43	\$ 101,410.82
35107	East Hills Pump Station Improvements	The existing sewage pumping station will be improved/ upgraded to insure reliable service for the next twenty (20) years. In addition, the facility will be upgraded to meet current code requirements.	\$ -	\$ 43,200.00	\$ -	\$ 1,968,000.00	\$ -	\$ 3,250,000.00	\$ 1,579,340.09	\$ 1,670,659.91	\$ 1,414,354.79

Project Number	Formatted Project Title	Description	PO	Pre-NIFA	Not Required	NIFA Approved	County Approval Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
35116	Wastewater Facilities Odor Control Improvements	This project will be to investigate and implement improvements to the odor control systems at the Bay Park Sewage Treatment Plant in East Rockaway and the Cedar Creek Water Pollution Control Plant in Wantagh. These improvements will help mitigate nuisance(s) to the community and expand existing odor control systems.	\$ -	\$ -	\$ -	\$ 7,743,343.06	\$ -	\$ 28,000,000.00	\$ 4,000,000.00	\$ 24,000,000.00	\$ 7,743,343.06
3B115	Bay Park Chemical Bulk Storage Facility Improvements	This project provides for improvements to chemical bulk storage facilities that exist at the Bay Park Sewage Treatment site. Current federal, state and local code requires that existing facilities (i.e. storage, transfer, delivery, distribution, monitoring systems, etc.) for regulated chemicals be upgraded to comply with the most stringent requirements of these codes in order to protect the environment and personnel from spills, leaks, etc. This project involves but is not limited to providing additional/improved spill containment structures (covered), leak detection/alarm system associated utility work.	\$ -	\$ -	\$ -	\$ -	\$ 37,884.86	\$ 1,650,000.00	\$ 840,985.00	\$ 809,015.00	\$ 37,884.86
3B119	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.	\$ 1,522,566.46	\$ 42,000.00	\$ -	\$ 636,000.00	\$ 2,531,559.55	\$ 17,763,000.00	\$ 9,763,000.00	\$ 8,000,000.00	\$ 4,732,126.01
3B120	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.	\$ 1,000.00	\$ 158,400.00	\$ -	\$ 216,000.00	\$ 2,582,801.93	\$ 35,060,411.00	\$ 1,619,163.42	\$ 33,441,247.58	\$ 2,958,201.93
82010	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.	\$ 16,689.80	\$ 107,712.26	\$ -	\$ 240,000.00	\$ -	\$ 5,500,000.00	\$ 3,712,091.28	\$ 1,787,908.72	\$ 174,172.55

TAXABLE BOND

Project Number	Formatted Project Title	Description	PO	Pre-NIFA	Not Required	NIFA Approved	County Approval Pending	Authorized	Issued	Authorized but Unissued	Projected Ask
61584	Resurfacing Various County Roads 2003	Resurfacing is undertaken to rehabilitate existing road pavements in order to provide for better and safer surfaces for the traveling public and to reduce maintenance costs. The program objective is to resurface each County roadway once during a 15-year cycle, depending upon traffic volumes and surface wear. To achieve this goal on the approximately 500 centerline miles or 2000 lane miles of County roadways, it is necessary to resurface over 125 lane miles each year, which this project is estimated to do. The County expects a reimbursement after the completion of the individual contracts will be available from a State program named CHIPS (Consolidated Highway Improvement Program).	\$ -	\$ 1,043,590.00	\$ -	\$ -	\$ -			\$ 1,205,554.00	\$ 1,043,560.90

Attachment B – Termination Pay

A capital expenditure in the amount of up to \$30,600,000 (including costs of issuance) was approved by the Nassau County Legislature for financing of employee separations from the Police Department. NIFA has previously authorized bonding to fund \$26,500,000 in eligible Police termination payments (\$48,200,000 for all County unions).

There is currently a disagreement with the County about whether NIFA “promised” to approve up to \$80 million for similar purposes with the understanding that the County would transition to paying for these expenses out of its operating budget.

Attachment C – Workers’ Comp

The Lump Sum Settlement program has reduced the County’s workers’ compensation expense through offering select claimants a one-time, upfront payment that is far less than what the claimant would have received had he chosen to take a small weekly payment over many years as ordered by the Workers’ Compensation Board. All Settlements have been approved by the Legislature.

Attachment D - Judgments, Settlements and Claims

The following is a list of judgments, settlements and claims that are to be financed, and for which the County has existing bond ordinance authorization.

Wharton v. County of Nassau, Nassau County Police Department, Police Officer Phillip Kouril, and Police Officer Charles DeCaro. Index No. 07-CV-2137 (WFK)

Bond Ordinance # 323-2013 (\$479,000 = settlement amt. \$470,000 + 2% COI of \$9,000)
Settlement Resolution # 322-2013; Passed by Nassau County Legislature on August 5, 2013

Plaintiffs, Joshua Wharton, Gail Wharton and Jonathan Wharton, brought a Section 1983 civil rights action for false arrest and malicious prosecution in the United States District Court for the Eastern District of New York. The complaint alleged that the plaintiff, Joshua Wharton, was falsely arrested and maliciously prosecuted stemming from an arrest on January 20, 2004 for Obstructing Governmental Administration (“OGA”) and Resisting Arrest (“RA”). A bench trial was held before Judge Sondra Pardes on February 20 and February 21, 2006 at which Plaintiff was found not guilty of the charges against him.

After Plaintiff Joshua Wharton was found not guilty he filed the Section 1983 civil rights action against Nassau County and Nassau County police officers in 2007. The jury trial in this civil matter was conducted before Judge William F. Kuntz from March 19 through March 22, 2013 in Brooklyn on the issues of false arrest and malicious prosecution. At the conclusion of the trial the jury returned a verdict in the amount of \$340,000.00. In addition to this amount for compensatory and punitive damages, Plaintiffs’ counsel made an application for attorneys’ fees in the amount of \$174,000. The County’s total exposure was \$514,000. As a result of settlement discussions the County was able to reduce the exposure to \$470,000.00 which is a significant savings off the cost of the jury verdict, interest and attorneys’ fees in this matter.

Martire v. County of Nassau, Police Officer Guy Benedetto, Sgt. Thomas Iannucci, and Police Officer Anthony Raymond, Index No. 09-CV-4426 (MKB) (ARL)

Bond Ordinance # 325-2013 (\$252,960 = settlement amt. \$248,000 + 2% COI of \$4,960)
Settlement Resolution # 324-2013; Passed by Nassau County Legislature on August 5, 2013

Plaintiff, Louis Martire, brought Section 1983 civil rights action in the United States District Court for the Eastern District of New York and asserted the following claims: (1) false arrest/false imprisonment; (2) malicious prosecution; (3) excessive force and (4) municipal liability. The matter was scheduled for trial on July 8, 2013. The County and Plaintiff’s attorney reached a settlement prior to trial. Plaintiff’s complaint requested \$5,000,000; this office was able to settle this matter for \$248,000.00.

Attachment E– Tax Certs

In 2013, the Nassau County Legislature authorized \$75 million of financing to address, among other issues, the payment of certain monies to aggrieved property owners who had brought suit in the Nassau County Supreme Court. In August 2013 NIFA approved \$40 million of the aforementioned \$75 million.

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 25, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Tax Anticipation Note Borrowing, 2013 Series AB

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

Introduction:

Nassau County has requested NIFA's approval of a proposed sale of Tax Anticipation Notes ("TANs"). The maximum amount of proceeds will be \$227,592,260, but after costs of issuance they will retain \$226,954,760. The TANs will be sold at the same time, but one will mature in September and the other in October of 2014.

The reason for the County's request is found in section 3369 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 Executive by Ordinance 116-1959; consequently, it does not require new authorization by the County Legislature.

Discussion:

TANs are a common device used by public entities to help with cash flow until taxes are received.

The County typically does two cash flow borrowings each year – a Revenue Anticipation Notes issue in May / June and a Tax Anticipation Notes ("TAN") issue in November / December. The Notes are issued to provide monies to meet cash flow deficits expected to occur during the period the Notes are outstanding.

The County's lowest cash positions are typically in January and July, just prior to the receipt of the tax levy in March and September.

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 seems to be sound. You are requested to approve the County's proposed cash flow borrowing through TANs, subject to the final review and approval of the Chairman or his designee(s).

Attachment:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY
RESOLUTION NO. 13-464

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the 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(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance of TANs and hereby approves said borrowing on the condition that total proceeds, consisting of par and original issue premium, cannot exceed \$227,592,260 including 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.

Jon Kaiman
Chairperson

November 25, 2013

NASSAU COUNTY INTERIM FINANCE AUTHORITY

FOR CONSIDERATION

November 25, 2013

TO: NIFA Directors

FROM: Evan Cohen

SUBJECT: Contracts from County Attorney's Office

REQUEST FOR: Consideration of Contract from the County Attorney's Office

Introduction:

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

Discussion:

The County Legislature has approved the following contract for legal services and the monies to pay the contracts have been encumbered. The descriptions of services are brief so as to avoid public dissemination of legal strategies; however, more detailed confidential descriptions are available and can be discussed in Executive Session.

Brief Summary:

Vendor	Contract #	Amount	Purpose
Leventhal, Cursio, Mullaney & Slincy LLP	CQAT13000010	\$25,000	Counsel shall represent the Nassau County Board of Elections Commissioners' William Biamonte and Louis Savinetti in the matter Martin Dekom, Julie Dekom, Kenneth Jacoby, Deborah Jacoby v. Nassau County, William Biamonte, Louis Savinetti, John Ryan, Matthew Kiernan, Francis X. Moroney, Donald T. O'Brien, Ronald Hores, Cindy Perdikakis, Joseph Mondello, Peter Bee, Johe Doe 1-1 under index number 12 CV 03473.

Requested Action:

You are requested to review and approve or disapprove entering into the contract referenced in the prior discussion.

Attachment:

Resolution

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-465

REVIEW OF CONTRACT FROM THE COUNTY ATTORNEY'S OFFICE

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 the County struggles to regain fiscal balance, and it is operating under a financial plan that contemplates, among other measures, transitional borrowing for operating expenses and a continuing wage freeze on the compensation of County employees; and be it further

RESOLVED, that County must continue to deliver essential services to County residents; and be it further

RESOLVED, that in these circumstances, NIFA must scrutinize contracts for expenditures that are not consistent with the County's current financial condition and the priorities, necessities, judgments and fiscal realities embodied in the County's adopted financial plan; 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 contract numbered CQAT13000010 in the Materials for the foregoing reasons and because the Directors find that the expenditures required by these contract(s) are/ are not consistent with the adopted financial plan; 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.

Jon Kaiman
Chairperson

November 25, 2013

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 13-466

APPROVING THE COUNTY'S MULTI-YEAR FINANCIAL PLAN FOR FISCAL 2014–2017, WITH CERTAIN CONDITIONS

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

WHEREAS, in September 2013 the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2014 – 2017 (“Proposed Plan”), the first year of which is his proposed 2014 Budget; and

WHEREAS, on October 9, NIFA accepted a staff report concluding that the Proposed Plan should be considered for approval only if certain conditions were satisfied; and

WHEREAS, on October 28, 2013, the County Legislature adopted its Multi-Year Financial Plan for Fiscal 2014 – 2017 (the “MYP”), the first year of which is the County’s 2014 Budget, which is now before NIFA for approval or disapproval; and

WHEREAS, the County is hereby and herewith reminded of its obligation to (a) save \$150 million in recurring personnel-related costs and (b) achieve a balanced budget in accordance with Generally Accepted Accounting Principles (“GAAP”) and consistent with the NIFA Act by 2015 and in each year thereafter, both as preconditions to certain transitional borrowing which may, as a consequence of meeting these conditions, be approved by NIFA in its sole discretion. The County is further reminded hereby that it has not, to date, met these conditions; and

WHEREAS, the NIFA Staff has prepared a report on the MYP, which the Directors hereby adopt; 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 MYP, including the 2014 Budget, subject to the conditions set forth in the Staff’s report, to wit:

- (i) POINT ONE: The County shall no later than any request for related borrowing, deliver a revised Multi-Year Plan, approved by the Legislature and signed by the County Executive, which (a) reduces the deficit in 2014 by \$30 million and (b) is balanced in accordance with Generally Accepted Accounting Principles (“GAAP”) in 2015 and each year thereafter. The determinations of the sufficiency of the deficit reduction in 2014 and GAAP balance in 2015 and thereafter will be solely within the discretion of NIFA.
- (ii) POINT TWO: Unanticipated savings or revenues that are not directly used to offset negative variances in line items in the 2014 Budget or MYP must be disclosed to NIFA before they are committed. The County and NIFA will then consult as to their highest and best use including, but not limited to (but with a bias toward), the reduction of County debt service or debt issuance. In addition, all other significant variances and their resolution must be disclosed to NIFA on a timely/real time basis and through written reports referenced in Point Four below.

- (iii) POINT THREE: NIFA’s approval of any “transitional cert borrowing” in FY 2013 – 2014 is predicated on the understanding that the proceeds will be used to pay down new liability as well as the backlog so that in FY 2015 the County will be in a position to fund both the backlog and new liability with operating funds.
- (iv) POINT FOUR: If NIFA’s approves any borrowings for non-cert judgments and settlements or employee terminal leave payments they must be predicated on the understanding that the proceeds will be used only during FY 2013- 2014 and that beginning in 2015 all non-cert judgments and settlements and employee terminal leave payments will be funded through operating revenues. The only exception shall be for large and unanticipated judgments, the determination of which will be subject to NIFA approval.
- (v) POINT FIVE: The County will continue to be required within 21 days after the end of every month to submit a report to NIFA that follows the same format as the “Monthly County Budget Report.” Receipt of these reports will be a condition to approval of any additional borrowing and each report should include all budget variances including, but not limited to:
- A report of sales tax collections, together with a projection of year end results and the justification for the projection.
 - A report showing, by department, funded positions, filled positions, separations, transfers in/out, and new hires.
 - A copy of the County’s proposed State legislative agenda, with sponsor and bill numbers for each gap-closing initiative that requires implementation during FY 2014 and FY 2015, together with monthly updates.
 - An accounting of certiorari payment activity and estimated backlog.

Jon Kaiman
Chairperson

November 25, 2013

*Nassau County Interim
Finance Authority*

NIFA

*REVIEW OF THE ADOPTED
MULTI-YEAR FINANCIAL PLAN
FISCAL 2014 - 2017*

November 25, 2013

NASSAU COUNTY INTERIM FINANCE AUTHORITY

DIRECTORS

Jon Kaiman

Chair

Paul D. Annunziato

John R. Buran

George J. Marlin

Lester Petracca

Dermond Thomas

Christopher P. Wright

STAFF

Evan L. Cohen

Executive Director

Laurie A. Boucher

Corporate Secretary

Carl Dreyer

Treasurer

Maria Kwiatkowski

Deputy Director

Jeremy A. Wise

General Counsel

OVERVIEW

The County's Multi-Year Plan for FY 2014 – 2017 (the "Plan") meets the legal requirements imposed by the NIFA Act: however, this is accomplished through the use of significant amounts of near-term borrowing for operating costs, and reliance on NIFA's imposition of a wage freeze for at least the next two years.

We are concerned that none of the issues or risks noted in our October Report were addressed in the adopted Plan. The County, after almost three years in a Control Period, has not achieved structural and GAAP balance (where recurring operating expenditures are supported by recurring operating revenues). To accomplish this task, the County's multi-year plans must reflect much larger and more realistic increases in revenues and/or reductions in expenditures.

In regard to its tax certiorari predicament, we recognize that the County has made progress in reducing its residential liability, but the commercial tax certiorari backlog has continued to grow and we do not have confidence that the County has a realistic plan to solve this problem. That lack of a plan makes their request for significant certiorari borrowing in 2014 problematic.

In regard to the wage freeze, the Plan fails to provide sufficient alternatives to maintaining the freeze. Present contract proposals, while moving in the right direction, do not fill the revenue gap sufficiently to allow NIFA to lift the wage freeze.

Notwithstanding the foregoing risks that remain in FY 2014 and the statutory deficits projected for FY 2014 – FY 2017, we find that (with NIFA's help) the Plan is able to meet the requirements of the NIFA Act.; however, continuation of the Control Period and the subsequent wage freeze are the main drivers of this recommendation.

The remainder of this report, read in conjunction with NIFA's October Report, provides both the historical context and analysis that were utilized to arrive at the preceding comments and recommendation.

BACKGROUND

On October 9, 2013 the Directors accepted a staff report (“October Report”), which contained a series of analyses and findings concerning the Proposed Multi-Year Financial Plan for Fiscal Years 2014 – 2017 (the “Proposed Plan”). The October Report was subsequently transmitted to the County Executive and Legislature for consideration.

The October Report discussed a number of risks and concerns and concluded that the Proposed Plan would be considered for approval under certain conditions.

Namely, the recommendation for approval was predicated on:

- The County identifying and incorporating acceptable alternatives to bonding for judgments and settlements in FY 2015, FY 2016, and FY 2017.
- No other significant actions by the County Legislature to alter the Proposed Plan.
- A detailed explanation of the County’s plan for tax certiorari settlements that fits within the dollar amounts outlined in the Proposed Plan.

Subsequently, the Proposed Plan, as amended, and the 2014 Budget were passed by the Legislature on October 28, 2013 and then signed by the County Executive.

With respect to the predicates noted above:

- The Plan no longer includes bonding for judgments and settlements after FY 2014; however, the County identified only two previously proposed gap-closing initiatives to offset just a small portion of the additional projected operating costs.
- The Legislature did not take any significant actions to exacerbate the risks contained in the Proposed Plan; however, no changes were made to favorably address the risks noted in our October Report.
- The County has not submitted a plan for tax certiorari settlements that convinces us that the annual refund liability can be limited to the amounts budgeted in the Plan without unfavorably impacting the tax certiorari backlog.

ADOPTED MULTI-YEAR FINANCIAL PLAN FOR FISCAL YEARS 2014-2017

MAJOR FUNDS				
EXPENDITURES				
OBJECT	2014 ADOPTED BUDGET	2015 PLAN	2016 PLAN	2017 PLAN
AA-SALARIES, WAGES & FEES	809,531,333	807,763,365	821,553,756	823,575,546
AB-FRINGE BENEFITS	480,418,472	502,325,865	529,413,069	560,601,166
AC-WORKERS COMPENSATION	28,022,281	28,022,281	28,022,281	28,022,281
BB-EQUIPMENT	1,788,495	1,840,361	1,893,732	1,948,650
DD-GENERAL EXPENSES	33,299,079	33,991,037	34,784,254	35,600,782
DE-CONTRACTUAL SERVICES	237,247,536	238,161,928	241,323,883	244,574,727
DF-UTILITY COSTS	39,563,757	38,648,883	37,399,660	35,781,824
DG-VAR DIRECT EXPENSES	5,000,000	5,000,000	5,000,000	5,000,000
FF-INTEREST	98,451,669	122,202,216	126,430,652	124,917,202
GA-LOCAL GOVT ASST PROGRAM	69,572,689	71,622,370	73,733,541	75,908,047
GG-PRINCIPAL	69,234,999	88,960,000	94,555,001	105,280,000
HC-NHC ASSN EXP - NASSAU HEALTH CARE ASSN	13,000,000	0	0	0
HH-INTERFD CHGS - INTERFUND CHARGES	20,316,649	28,484,304	28,225,213	25,034,350
MM-MASS TRANSPORTATION	43,575,746	44,763,909	45,986,529	47,244,605
NA-NCIFA EXPENDITURES	1,960,000	1,875,000	1,850,000	1,850,000
OO-OTHER	264,129,711	282,153,645	272,880,020	258,230,105
PP-EARLY INTERVENTION/SPECIAL EDUCATION	139,500,000	142,290,000	145,135,800	148,038,516
SS-RECIPIENT GRANTS	64,100,000	63,459,000	63,459,000	63,459,000
TT-PURCHASED SERVICES	61,247,021	63,084,432	64,976,965	66,926,274
WW-EMERGENCY VENDOR PAYMENTS	56,595,000	54,897,150	53,799,207	53,261,215
XX-MEDICAID	253,257,500	253,257,500	253,257,500	253,257,500
TOTAL	2,789,811,937	2,872,803,246	2,923,680,063	2,958,511,790
REVENUES				
OBJECT	2013 Adopted Budget	2014 Plan	2015 Plan	2016 Plan
AA - FUND BALANCE	10,000,000	0	0	0
BA - INT PENALTY ON TAX	29,100,000	29,100,000	29,100,000	29,100,000
BC - PERMITS & LICENSES	13,483,587	14,483,587	13,483,587	14,483,587
BD - FINES & FORFEITS	67,901,789	67,411,985	67,411,985	67,411,985
BE - INVEST INCOME	2,118,700	2,129,294	2,144,199	2,163,496
BF - RENTS & RECOVERIES	22,368,636	18,266,595	17,138,311	19,210,027
BG - REVENUE OFFSET TO EXPENSE	11,198,740	11,198,740	11,198,740	11,198,740
BH - DEPT REVENUES	165,798,625	165,798,625	165,798,625	165,798,625
BI - CAP BACKCHARGES	100,000	100,000	100,000	100,000
BO - PAY LIEU TAX PAYMENT IN LIEU OF TAXES	9,424,089	10,595,989	10,029,649	8,601,439
BQ - D/S FROM CAP - DEBT SERVICE FROM CAPITAL	7,185,600	3,552,000	3,280,000	3,280,000
BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	77,487,910	96,616,723	99,107,156	93,230,846
FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	147,061,668	147,061,668	147,061,668	147,061,668
SA - STATE AID - REIMBURSEMENT OF EXPENSES	220,569,773	221,582,043	223,162,808	224,775,189
TA - SALES TAX CO - SALES TAX COUNTYWIDE	1,072,930,055	1,105,117,957	1,138,271,495	1,172,419,640
TB - PART COUNTY - SALES TAX PART COUNTY	92,933,278	91,212,333	93,948,703	96,767,164
TL - PROPERTY TAX	807,049,409	807,049,409	807,049,409	807,049,409
TO - OTB 5% TAX	2,999,078	2,722,794	2,475,130	2,253,025
TX - SPECIAL TAXES - SPECIAL TAXES	30,101,000	30,101,000	30,101,000	30,101,000
TOTAL	2,789,811,937	2,824,100,741	2,860,862,465	2,895,005,841
SURPLUS/(DEFICIT)	0	(48,702,505)	(62,817,597)	(63,505,948)

ADOPTED PLAN COMPARED TO PROPOSED PLAN

MAJOR FUNDS				
EXPENDITURES				
OBJECT	2014 ADOPTED BUDGET	2015 PLAN	2016 PLAN	2017 PLAN
AA-SALARIES, WAGES & FEES	0	181,824	181,824	181,824
AB-FRINGE BENEFITS	0	(0)	(0)	0
AC-WORKERS COMPENSATION	0	0	0	0
BB-EQUIPMENT	0	(0)	(0)	(0)
DD-GENERAL EXPENSES	0	(0)	(0)	(0)
DE-CONTRACTUAL SERVICES	(500,000)	(514,500)	(529,421)	(544,774)
DF-UTILITY COSTS	0	0	(0)	0
DG-VAR DIRECT EXPENSES	0	0	0	0
FF-INTEREST	0	(250,000)	(1,210,500)	(2,090,000)
GA-LOCAL GOVT ASST PROGRAM	0	0	(0)	(0)
GG-PRINCIPAL	0	0	(1,580,000)	(3,240,000)
HC-NHC ASSN EXP - NASSAU HEALTH CARE ASSN	0	0	0	0
HH-INTERFD CHGS - INTERFUND CHARGES	0	0	0	0
MM-MASS TRANSPORTATION	0	0	0	0
NA-NCIFA EXPENDITURES	0	0	0	0
OO-OTHER	185,658	17,190,299	17,620,057	18,060,558
PP-EARLY INTERVENTION/SPECIAL EDUCATION	0	0	0	0
SS-RECIPIENT GRANTS	0	0	0	0
TT-PURCHASED SERVICES	0	0	(0)	0
WW-EMERGENCY VENDOR PAYMENTS	0	0	0	0
XX-MEDICAID	0	0	0	0
TOTAL	(314,342)	16,607,623	14,481,960	12,367,608
REVENUES				
OBJECT	2014 ADOPTED BUDGET	2015 PLAN	2016 PLAN	2017 PLAN
AA - FUND BALANCE	0	0	0	0
BA-INT PENALTY ON TAX	0	0	0	0
BC-PERMITS & LICENSES	0	0	0	0
BD-FINES & FORFEITS	0	(0)	(0)	(0)
BE-INVEST INCOME	0	0	(0)	(0)
BF-RENTS & RECOVERIES	185,658	185,658	185,658	185,658
BG-REVENUE OFFSET TO EXPENSE	0	0	0	0
BH-DEPT REVENUES	(500,000)	0	0	0
BI-CAP BACKCHARGES	0	0	0	0
BO-PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	0	0	0	0
BQ-D/S FROM CAP - DEBT SERVICE FROM CAPITAL	0	0	0	0
BW-INTERFD CHGS - INTERFUND CHARGES REVENUE	(6,300,000)	(6,300,000)	(6,300,000)	(6,300,000)
FA-FEDERAL AID - REIMBURSEMENT OF EXPENSES	5,600,000	5,600,000	5,600,000	5,600,000
SA-STATE AID - REIMBURSEMENT OF EXPENSES	700,000	700,000	700,000	700,000
TA-SALES TAX CO - SALES TAX COUNTYWIDE	0	0	(0)	(0)
TB-PART COUNTY - SALES TAX PART COUNTY	0	0	(0)	(0)
TL-PROPERTY TAX	0	0	0	0
TO-OTB 5% TAX	0	0	0	0
TX-SPECIAL TAXES - SPECIAL TAXES	0	0	0	0
TOTAL	(314,342)	185,658	185,658	185,658
SURPLUS/(DEFICIT)	0	(16,421,964)	(14,296,302)	(12,181,949)

LEGISLATIVE AMENDMENTS

This section of the report discusses the budget amendments adopted by the Legislature on October 28, 2013.

The County made only several minor changes to the Proposed Budget, which in aggregate resulted in the Major Funds of the FY 2014 Budget (as defined in the Act) being decreased by \$314,342 when excluding interdepartmental transfers. The largest changes are shown below.

Expenditures		Revenues	
Reductions			
Contractual	(\$0.5)	Interfund Revenues	(\$6.3)
		Departmental Revenues	(0.5)
Increases			
Other Expense (Rent)	\$0.2	Federal Aid	\$5.6
		State Aid	0.7
		Rents and Recoveries	0.2
Total	(\$0.3)		(\$0.3)

Program Changes

Both of the minor changes in expenditures were made within the Department of Public Works (“DPW”). The first, a reduction of \$0.5 million to reflect the decreased cost of a maintenance contract and the second, an increase of just over \$185,000 to fund a missing rental expense. There were other adjustments made primarily to correctly allocate various salary expenses within departments, however, these net to zero.

A technical adjustment was made within revenues to reclassify \$6.3 million in “Interfund Revenues” to the Federal and State Aid reimbursement categories. Departmental Revenues was decreased within the Correctional Center to remove \$0.5 million projected for Suffolk County inmate housing. The remaining increase in revenues is an offset to the missing DPW rental and is reflected in Rents and Recoveries.

ANALYSIS OF FY 2014

We have reviewed the adopted amendments and note that the County did not address the FY 2014 issues or risks that were noted in our October Report. As shown in the chart that follows, our analysis indicates that the 2014 Budget contains approximately \$92 million in projected risks, including \$82 million related to the proposed borrowings for unbudgeted tax certiorari refunds and payment of other judgments and settlements. These borrowings, which cease after FY 2014, require Legislative and NIFA approval.

Our current \$92 million projection of risks, which are discussed in detail in the October Report, reflects a decrease of \$12.7 million from our last report. This positive change results primarily from more favorable guidance recently provided by the New York State Department of Civil Service regarding expected increases in the cost of health insurance. We anticipate that lower growth rates will also provide recurring budgetary relief in the Out-Years.

Even if the requisite approvals for the proposed borrowings are secured by the County, we project that the GAAP deficit (the statutory standard by which NIFA is required to measure balance) could reach approximately \$109 million. This is almost four times the \$28 million deficit which would trigger a control period. We also note, again, that the County's non-budgeted reserves remain woefully inadequate to mitigate significant unanticipated events.

Due to the magnitude of these risks, we remain concerned whether the County can aggressively manage the 2014 Budget to ensure that a budgetary basis deficit does not occur if the proposed borrowings are not approved. We are further troubled by the apparent lack of significant progress in reducing the projected GAAP deficit, using reasonable projections of revenues and expenditures.

The Budget still appropriates only \$10 million for property tax refunds in FY 2014. Our analysis indicates that this amount could be understated by approximately \$65 million. The County proposes to supplement the \$10 million appropriation with up to \$230 million in borrowed monies in its effort to pay down its tax cert backlog and make better progress in addressing the ongoing weakness in its commercial tax certiorari settlement program. The County has acknowledged that it must pay these costs with operating revenues in the Out-Years, although it has budgeted only \$30 million annually for tax certiorari refunds in FY 2015 – FY 2017. We believe the Out-Year projections may be understated by approximately \$45 million, annually. The County also proposes to borrow \$17 million to cover its projected liability for judgments and settlements in FY 2014 and begin paying these expenditures with operating revenues beginning in FY 2015.

On a positive note, if the current sales tax strength is sustained in FY 2014, the County could realize unbudgeted revenue, which we have not factored into our assessment of risks. At this point, it appears that the County may need growth of less

than 2% over projected FY 2013 levels in order to reach its FY 2014 target. Each additional percentage point growth of sales tax revenue equates to approximately \$11 million in unbudgeted resources. These potential resources could be used to mitigate unfavorable variances throughout the budget or to fund a greater portion of tax certiorari refunds in FY 2014 with operating revenue.

ANALYSIS OF FY 2014 BUDGET RISKS		
Budgetary Basis		
Surplus/(Risk)		
(\$ in millions)		
	Proposed Budget	Adopted Budget
Revenues		
Use of Fund Balance	(\$0.0)	(\$0.0)
Fines and Forfeitures	(5.1)	(5.1)
Rents and Recoveries	(\$3.2)	(\$3.2)
Departmental Revenues	(6.6)	(6.6)
<i>Mortgage Recording Fees</i>	<i>(2.5)</i>	<i>(2.5)</i>
<i>GIS Tax Map Fee</i>	<i>(1.5)</i>	<i>(1.5)</i>
<i>Clerk Initiative</i>	<i>(1.0)</i>	<i>(1.0)</i>
<i>Other</i>	<i>(1.6)</i>	<i>(1.6)</i>
Sales Tax	0.0	0.0
Other Revenue	(0.6)	(0.3)
Total Revenues	(\$15.5)	(\$15.2)
Expenditures:		
Salaries and Wages	(\$11.6)	(\$11.6)
<i>Overtime(PD and CC)</i>	<i>(10.0)</i>	<i>(10.0)</i>
<i>Terminal Leave</i>	<i>0.0</i>	<i>0.0</i>
Fringe Benefits	(5.0)	7.4
Tax Certiorari Payments	(65.0)	(65.0)
Judgments & Settlements	(17.0)	(17.0)
Other Expenditures	(2.3)	(2.3)
Total Expenditures	(\$100.9)	(\$88.5)
Subtotal of Risks	(116.4)	(103.7)
Contingency	\$12.0	\$12.0
Total	(\$104.4)	(\$91.7)

ANALYSIS OF FY 2015 – FY 2017

This section discusses the projected Out-Year gaps and the County’s plan for ensuring balance on a GAAP basis, as required by the NIFA Act.

Due, in part, to the lack of available specificity, we remain unconvinced that the adopted Out-Year Gap Closing Plan can be fully implemented and we expect that the County will be compelled to revise its menu of options.

Sizing the Out-Year Gaps – The County projects that baseline gaps of \$48.7 million in FY 2015, \$62.8 million in FY 2016, and \$63.5 million in FY 2017 will remain in the Out-Years even if it can successfully implement its entire 2014 gap-closing plan, which has been fully incorporated into the FY 2014 Budget. The County’s projected Out-Year gaps are larger than those it projected in the Proposed Plan after it added \$17 million annually for the payment of judgments and settlements. In accordance with NIFA’s directive, these costs will be paid with operating revenue rather than with bond proceeds after FY 2014.

Our analysis of the Adopted Multi-Year Plan indicates that the County’s revised projections of Out-Year gaps may be understated by approximately \$92 million in FY 2015, \$99 million in FY 2016, and \$116 million in FY 2017. These risks, which are slightly larger on a GAAP basis, now reflect the additional funding provided for judgments and settlements and incorporate lower growth rates for projected health insurance costs and social service caseloads. They are discussed in detail in our October Report.

ANALYSIS OF RISKS IN FY 2015 – FY 2017			
Surplus/(Risk)			
(\$ in millions)			
	FY 2015	FY 2016	FY 2017
County Projected Baseline Gap:	(\$48.7)	(\$62.8)	(\$63.5)
NIFA Projections:			
Revenue Risks	(13.1)	(13.3)	(15.4)
Expenditure Risks	(79.2)	(85.9)	(100.8)
Subtotal Risks:	(92.3)	(99.2)	(116.2)
NIFA Projected Baseline Gap:	(\$141.0)	(\$162.0)	(\$179.7)

The revenue risks reflect our assumption that the County can reasonably achieve its sales tax revenue forecast. Consequently, the projected revenue risks would be favorably impacted if the current sales tax strength is sustained in the Out-Years.

The expenditure risks reflect our projection of greater payments for tax certiorari refunds and police overtime needs, more conservative assumptions for social services

costs, and concern for a potential reversal in the County's plan to eliminate its mission payment to the Nassau Health Care Corporation after FY 2014. The projected expenditure risks do not include the additional labor costs that would be incurred if the current wage freeze is lifted or from a potential adverse ruling in the unions' legal challenge to the wage freeze or in other major litigation currently proceeding against the County.

Closing the Out-Year Gaps – The County's Out-Year Gap Closing Plan, even if fully implemented, is insufficient to close the baseline gaps projected by the County as well as mitigate the projected risks identified in our analysis. As shown below, at best we project that gaps of approximately \$91 million, \$101 million and \$123 million will remain in FY 2015, FY 2016 and FY 2017, respectively. We have ongoing concern that the Gap Closing Plan repeats many of the same initiatives already proposed in earlier financial plan submissions, almost all of which contain considerable risk or require outside approval.

County Gap Closing Plan			
(\$ in millions)	FY 2015	FY 2016	FY 2017
County Projected Baseline Gap:	(\$48.7)	(\$62.8)	(\$63.5)
Gap Closing Options			
Expense/Revenue Actions			
Video Lottery Terminals	19.0	19.0	20.0
Office Consolidation	3.0	7.0	7.0
Improve Detainee to Staff Ratio at Correctional Center	3.0	5.0	5.0
Strategic Sourcing	2.0	5.0	5.0
207C Reform	2.0	2.0	2.0
ERP Implementation		2.0	2.0
Financing Options/Asset Sales			
Sale of Surplus County Property	5.0	5.0	5.0
NYS Actions			
Mandate Reform	10.0	10.0	10.0
State Initiatives (e.g., speed cameras at school intersections)	8.0	12.0	12.0
Total Gap Closing Options	\$52.0	\$67.0	\$68.0
County Projected Surplus/(Deficit)	\$3.3	\$4.2	\$4.5
NIFA Projected Baseline Risks	(\$92.3)	(\$99.2)	(\$116.2)
Surplus/(Deficit)	(\$89.0)	(\$95.0)	(\$111.7)

Expense/Revenue Actions – The County has outlined several initiatives that it is pursuing and that it projects could generate additional revenue or reduce expenditures in the Out-Years. While this may be true, there are not detailed plans of implementation for us to evaluate.

Video Lottery Terminals – On July 30, 2013 Governor Cuomo signed a law allowing Nassau County to install up to 1,000 video lottery terminals (“VLT’s”). A tentative agreement was subsequently reached between the County and OTB, allowing for the installation of 1,000 VLT’s in the Race Palace in Plainview. The net revenue, after distributions for education, lottery administration and marketing, and New York Racing Association initiatives, is to be used to subsidize operations at the gaming facility. Any remainder is to be remitted to Nassau County to “defray property costs.” Based on data from operating casinos, net revenue to the County is estimated to be \$19 million per year after distributions and operating subsidies.

Office Consolidation – The County claims that reductions in its workforce provide opportunities for staff centralization and office space consolidation and projects savings of \$3 million beginning in FY 2015 and \$7 million in each of the Out-Years.

Improve Detainee to Staff Ratio at the Correctional Center – The County projects savings of \$3 million beginning in FY 2015 and \$7 million in FY 2016 and FY 2017 that it believes can be achieved after a review of service levels provided to inmates, an analysis of the physical layout of the Correctional Center and a study of staff deployment.

Strategic Sourcing and ERP Implementation – The County has hired a consultant to help implement some of the savings initiatives identified in a report issued by Grant Thornton in September of 2011. The County projects savings of \$2 million beginning in FY 2015 and \$7 million each year in FY 2016 – FY 2017. While we agree with the inclusion of these initiatives, it is difficult to know what the achievable results will be on an annualized basis nor do we have any County analysis or data to support the increased projection of savings.

207 C Reform – As in previous Gap Closing Plans, the County continues to project savings of \$2 million in each of the Out-Years stating that it believes it can institute measures to “manage workers’ compensation obligations better.” The County will continue to partner with its third party administrator to seek ways to achieve additional savings. We have no basis to judge whether the County may realize these savings.

Financing Options/Asset Sales

Sale of Surplus County Property – The County is counting on the receipt of \$5 million in each of the Out-Years of the Plan from sales of unidentified County property. While there may be immediate value from the sale of land as a gap-closing initiative, it is a one-shot cash infusion that bridges the deficit between recurring revenues and expenditures but does nothing to address the persistent structural imbalance.

New York State Actions

Among the initiatives are two proposals that would require State approval before they could be advanced: (1) installation of speed cameras at school crossings and red light camera locations; and (2) cost containment strategies within the Early

Intervention/Special Education programs. These initiatives are placed at risk because they require State review and passage in order to be implemented.

CONCLUSION

Notwithstanding our concerns, if the Directors accept the County's MYP, including its Budget for FY 2014, we recommend that it be conditioned on the following:

POINT ONE

The County shall no later than any request for related borrowing, deliver a revised Multi-Year Plan, approved by the Legislature and signed by the County Executive, which (a) reduces the deficit in 2014 by \$30 million and (b) is balanced in accordance with Generally Accepted Accounting Principles ("GAAP") in 2015 and each year thereafter. The determinations of the sufficiency of the deficit reduction in 2014 and GAAP balance in 2015 and thereafter will be solely within the discretion of NIFA.

POINT TWO

Unanticipated savings or revenues that are not directly used to offset negative variances in line items in the 2014 Budget or MYP must be disclosed to NIFA before they are committed. The County and NIFA will then consult as to their highest and best use including, but not limited to (but with a bias toward), the reduction of County debt service or debt issuance. In addition, all other significant variances and their resolution must be disclosed to NIFA on a timely/real time basis and through written reports referenced in Point Four below.

POINT THREE

NIFA's approval of any "transitional cert borrowing" in FY 2013 – 2014 is predicated on the understanding that the proceeds will be used to pay down new liability as well as the backlog so that in FY 2015 the County will be in a position to fund both the backlog and new liability with operating funds.

POINT FOUR

If NIFA's approves any borrowings for non-cert judgments and settlements or employee terminal leave payments they must be predicated on the understanding that the proceeds will be used only during FY 2013- 2014 and that beginning in 2015 all non-cert judgments and settlements and employee terminal leave payments will be funded through operating revenues. The only exception shall be for large and unanticipated judgments, the determination of which will be subject to NIFA approval.

POINT FIVE

The County will continue to be required within 21 days after the end of every month to submit a report to NIFA that follows the same format as the “Monthly County Budget Report.” Receipt of these reports will be a condition to approval of any additional borrowing and each report should include all budget variances including, but not limited to:

- A report of sales tax collections, together with a projection of year end results and the justification for the projection.
- A report showing, by department, funded positions, filled positions, separations, transfers in/out, and new hires.
- A copy of the County’s proposed State legislative agenda, with sponsor and bill numbers for each gap-closing initiative that requires implementation during FY 2014 and FY 2015, together with monthly updates.
- An accounting of certiorari payment activity and estimated backlog.