

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON OCTOBER 15, 2014

Pursuant to notice dated October 6, 2014, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 4:15 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
Paul Leventhal
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, Treasurer.

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

The Chairman stated that the first item on the agenda was a resolution to approve the minutes of the September 10, 2014 Directors’ meeting.

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

unanimously:

Resolution No. 14-524

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE
SEPTEMBER 10, 2014 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM
FINANCE AUTHORITY**

RESOLVED, that the Minutes of the meeting of the Authority held on September 10, 2014 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

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Chairman Kaiman stated the next item on the agenda was a resolution to authorize the hiring of McGladrey LLP as Independent Financial Auditors for NIFA, which was approved by the Audit and Internal Controls Committee at its meeting today, prior to this Board meeting.

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

Resolution No. 14-525

**AUTHORIZATION TO HIRE MCGLADREY LLP AS INDEPENDENT FINANCIAL AUDITORS
FOR THE AUTHORITY 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 (“NIFA”); and be it further

RESOLVED, that in accordance with the Materials, the Chairman or his designee(s) are hereby authorized to select McGladrey LLP as NIFA’s independent financial auditing firm; and be it further

RESOLVED, that the Chairman or his designee(s) are hereby further authorized to hire and pay McGladrey LLP for services related to inclusion of NIFA’s audited financial statements in any offering circulars related to the issuance of NIFA’s bonds or notes at the maximum rate of \$10,000 per offering; and be it further

RESOLVED that the Chairman or his designee(s) are further authorized to take all actions deemed necessary or appropriate to implement the foregoing, however, if a contract cannot be successfully executed between NIFA and McGladrey LLP, then NIFA's Audit and Internal Controls Committee is authorized to select another Firm upon similar terms and conditions as those authorized for McGladrey LLP.

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Chairman Kaiman stated that the next item on the agenda was a resolution for consideration of system revenue bonds by the Nassau County Sewer and Storm Water Authority.

General Counsel Wise stated that the Sewer and Storm Water Finance Authority is requesting authorization to refund outstanding debt for approximately \$130 million and borrow \$37 million of new money for capital needs.

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

Resolution No. 14-526

CONSIDERATION OF ISSUANCE OF SYSTEM REVENUE BONDS BY THE NASSAU COUNTY SEWER AND STORM WATER FINANCE AUTHORITY

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 proposed issuance(s) of bonds by the Nassau County Sewer and Storm Water Finance Authority and approves such issuance(s) in the amounts and upon the conditions outlined in the Materials, including the execution of a new Financing Agreement and any other related agreements that are deemed necessary or appropriate to complete the transaction; and be it further

RESOLVED, that the Chair of the Authority or such staff as he may designate, 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 authorize the County to borrow \$85 million for general purposes. He stated that the County originally asked for \$115 million, but reduced the amount at the insistence of NIFA.

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

Resolution No. 14-527A

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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

RESOLVED, that based upon the discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to \$85,000,000 in bonds (plus costs of issuance) for the purposes described in Attachment lettered A in the Materials and upon the conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman or 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 authorize the

County to issue \$35 million of bond anticipation notes for Superstorm Sandy assessment relief. He stated that NIFA suggested the County issue the bond anticipation notes instead of bonds in the hope that some of the money will be reimbursed by the State.

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

Resolution No. 14-527B

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

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

RESOLVED, that based upon the discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance(s) of bonds and bond anticipation notes and approves the issuance of up to \$35,000,000 in bonds and notes (plus costs of issuance) for the purposes described in Attachment lettered B in the Materials and upon the conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman or 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 item on the agenda was a request from the County to issue \$20 million of bonds for termination pay. He stated that the County originally requested \$28.5 million, but reduced it to \$20 million at the insistence of NIFA.

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

Directors Thomas and Wright opposing:

Resolution No. 14-527C

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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

RESOLVED, that based upon the discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to \$20,000,000 in bonds (plus costs of issuance) for the purposes described in Attachment lettered C in the Materials and upon the conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman or 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 request from the County to borrow approximately \$8.5 million for judgments and settlements.

Upon motion duly made and seconded, the following resolution was approved with Directors Buran, Thomas and Wright opposing:

Resolution No. 14-527D

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Directors (the “Materials”) are incorporated into this Resolution and are ordered to be filed with the records of the Nassau County

Interim Finance Authority (the “Authority”); and be it further
RESOLVED, that based upon the discussions in the Materials and pursuant to Section 3669 2(e) of the Authority Act, the Authority has reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to \$8,554,963 in bonds (plus costs of issuance) for the purposes described in Attachment lettered D in the Materials and upon the conditions outlined in the Materials; and be it further

RESOLVED, that the Chairman or 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 accept the NIFA staff report on the County’s proposed multi-year plan. He then asked Executive Director Cohen to give an overview.

Executive Director Cohen stated that NIFA projects significant deficits in each year of the plan on a GAAP basis totaling approximately \$243 million in 2015. He stated that while the County has made progress toward aligning its revenues and expenses through headcount reductions, a proposed increase in the property tax levy, raised fees and rolling out its school zone speed camera program, the County continues to borrow for items that should be paid for out of operating expenses, such as, tax certiorari refunds, judgments and settlements and termination expenses. He stated that the County plans to borrow \$100 million annually through 2018 to pay the property tax refunds. He stated that the County’s ongoing fiscal challenges have been made more difficult by the significant decline in sales tax revenue. He further stated that while the County projects the baseline gaps will grow from approximately \$50 million in 2016 to \$73 million in 2017 and \$92 million in 2018, NIFA’s analysis indicates these gaps may be understated by approximately \$210 million in 2016,

\$223 million in 2017 and \$233 million in 2018. He further stated that despite the County's proposed gap-closing initiatives, it is unlikely that the County can achieve GAAP Basis balance during the term of the Multi-Year Plan.

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

Resolution No. 14-528

ADOPTING THE STAFF REPORT CONCERNING THE PROPOSED NASSAU COUNTY MULTI-YEAR FINANCIAL PLAN, FISCAL 2015-2018 AND THE RECOMMENDATIONS CONTAINED THEREIN

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

WHEREAS, on September 15, 2014, as required by law, the County Executive submitted to NIFA his proposed Multi-Year Financial Plan for Fiscal 2015 – 2018 ("Proposed Plan"), the first year of which is his proposed 2015 Budget; and

WHEREAS, the NIFA Staff has prepared a report (the "Staff Report") on the County Executive's Proposed Plan in which the Staff identified 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.

* * *

Chairman Kaiman then entertained a motion to adjourn. Upon motion duly made and

seconded, the Directors voted unanimously to adjourn the meeting at 4:46 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary