

AGENDA

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE MEETING
FRIDAY, MAY 8, 2015, 5:30 PM
MARRIOTT LONG ISLAND HOTEL & CONFERENCE CENTER
101 JAMES DOOLITTLE BLVD., UNIONDALE, NY 11553**

Call to Order

Action Items

- I. Approval of the Minutes of the November 24, 2014 Meeting
- II. Consideration of Issuance of General Obligation Bonds by Nassau County
- III. Consideration of Nassau County Financing Through the Environmental Facilities Corporation
- IV. Consideration of Issuance of Revenue Anticipation Notes by Nassau County

Adjournment

DRAFT – SUBJECT TO REVIEW AND REVISION

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE
FINANCE COMMITTEE
HELD ON NOVEMBER 24, 2014

Pursuant to notice dated November 18, 2014, the Finance Committee of the Nassau County Interim Finance Authority (“NIFA”) was convened at 6:30 PM at the Marriott Long Island Hotel & Conference Center located at 101 James Doolittle Blvd, Uniondale, NY 11553.

The following Members of the Committee were present:

Paul Leventhal - Chairman
Jon Kaiman
Paul Annunziato
John Buran

Also present were Lester Petracca, NIFA Director; Dermond Thomas, NIFA Director; Chris Wright, NIFA Director; Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Carl Dreyer, Treasurer; and Laurie Boucher, Corporate Secretary.

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

Chairman Leventhal stated that the first item on the agenda was a resolution to approve the minutes of the November 25, 2013 meeting.

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

Resolution No. 14-20

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 25, 2013 MEETING OF THE FINANCE COMMITTEE OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the Finance committee meeting of the Authority held on November 25, 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 Leventhal stated that the next item on the agenda was a resolution to consider the issuance of general obligation bonds by Nassau County.

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of two bond requests. He stated that the first bond request was for approximately \$11 million for a class action case that the County had lost and was appealing. The County has stated that in order to continue with the appeal, the judge has made it a condition that the County show that it is prepared to pay its monetary obligation if the case is lost on appeal.

Director Kaiman recommended that the resolution be forwarded to the full NIFA Board to be voted on.

General Counsel Wise stated that the second bond request was to borrow up to \$125 million for tax certiorari matters.

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

Resolution No. 14-22

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Committee (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 Committee has reviewed the terms of the County’s proposed issuance(s) of bonds and approves forwarding to the Board for consideration the issuance of the bonds described in the materials in category A; 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 Committee has reviewed the terms of the County’s proposed issuance(s) of bonds and approves issuance of the bonds described in the materials in category B; and be it further

RESOLVED, that the final terms of the sale(s) are subject to the review and approval of the full Authority Board and the Chairman of the Authority or his designee(s); and be it further

RESOLVED, 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 is a resolution to consider the County’s request to issue tax anticipation notes for approximately \$200 million. He stated that the County normally does two cash-flow borrowings a year.

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

Resolution No. 14-21

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Committee (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 \$202,351,000 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 full Authority Board and 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.

* * *

Chairman Leventhal then entertained a motion to adjourn. Upon motion duly made and seconded, the Committee members voted unanimously to adjourn the meeting at 6:44 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

FOR CONSIDERATION

May 8, 2014

TO: Paul Leventhal, Paul Annunziato, John Buran, Jon Kaiman

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 tax certiorari, Workers' Compensation and Superstorm Sandy Assessment Relief payments through its sale of general obligation bonds in the following categories and in the following amounts (plus costs of issuance):

A. Tax Certiorari Payments	\$60,000,000
B. Workers' Compensation Payments	1,458,423
C. Superstorm Sandy Assessment Relief	<u>3,784,555</u>
Total	\$65,242,978

This borrowing is being requested by the County notwithstanding projected shortfalls in operating revenue, which will most likely have a detrimental impact on their ability to live within the adopted Multi-Year Plan.

The bonds have been authorized by the County Legislature.

Background:

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

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

Discussion:

The issuance of the bonds is expected in early June 2015. Background data related to the aforementioned category of bonds can be found in attachments lettered A, B and C.

Bonds issued for the purposes described in these Materials need not be reduced for any premium generated. Bond premium will be applied as required by law. The County has agreed that an equivalent amount of debt service surplus resulting from the application of bond premium shall be used in a timely manner to pay judgments and settlements of any kind.

Requested Action:

Subject to approval of the NIFA Board, 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, B and C

Resolutions

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

RESOLUTION NO. 15-23

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY
NASSAU COUNTY

RESOLVED, that the materials presented to this Finance Committee 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 Finance Committee has reviewed the terms of the County’s proposed issuance(s) of bonds and approves the issuance of up to:

- (i) \$60,000,000 in bonds (plus costs of issuance) for the purposes described in Attachment A (Tax Certiorari) in the Materials;
 - (ii) \$1,458,423 in bonds (plus costs of issuance) for the purposes described in Attachment B (Workers’ Compensation) in the Materials;
 - (iii) \$3,784,555 in bonds, including costs of issuance, for the purposes described in Attachment C (Superstorm Sandy Assessment Relief) in the Materials
- 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.

Paul Leventhal
Chairperson

May 8, 2015

Attachment A
Rationale for Tax Certiorari Borrowing

The County requests approval from the NIFA board to borrow \$60 million to finance tax certiorari payments. The Nassau County Legislature approved the bond ordinance for the \$60 million on April 13, 2015.

Until the County realizes the full benefit of the Disputed Assessment Fund, the County will aggressively address the tax certiorari backlog. The staffs of the County Treasurer, County Attorney, Assessment Review Commission and Assessment will be working diligently to process the tax certiorari claims. This process is contingent on the County's ability to finance the payments. It is imperative that the County receives NIFA's approval because the financing and payment of the claims will enable the County to stop accruing additional interest costs on outstanding claims. The pre-judgment interest rate for non-SCAR Article 7 cases is currently 2% and the post-judgment interest rate is 9%. The structural benefits from the commercial tax certiorari reform legislation will begin to be realized in 2017.

The County financed \$125 million in 2014. The County is anticipating that it will be financing \$60 million in each of 2015, 2016 and 2017 to address these commercial claims based on an agreement between the County Executive and the County Legislature. This transitional borrowing is consistent with the borrowing assumptions in the revised 2015-2018 MYP. In the County's revised MYP, borrowing for tax certiorari payments will end after 2017. The \$60 million for 2015 is based on the total number of claims that are in the various stages of review and verification and are nearly ready to be paid by the County Treasurer.

Attachment B – Workers’ Comp

The County is requesting bonding authority in the amount of \$1,458,423 (plus costs of issuance) to finance workers’ compensation payments. This will finance the cost of catastrophic medical expenses for Kenneth Baribault who sustained a line-of-duty catastrophic injury on May 18, 2008 inflicted by a drunk driver on the Long Island Expressway. If approved, the County would reduce the general capital borrowing that was approved by the NIFA board on March 23, 2015 by an equal amount as an offset.

The bond ordinance was previously approved by the Nassau County Legislature.

Attachment C
Superstorm Sandy Assessment Relief Act

Sandy Relief – Tax Refunds

Bond Ordinance # 154-2014 (\$3,784,555)

Passed by the Nassau County Legislature on November 17, 2014

Pursuant to Chapter 424, Laws of New York, 2013, known as the Superstorm Sandy Assessment Relief Act, New York State permitted local municipalities to provide assessment relief for real property impacted by Superstorm Sandy located within the municipalities. Chapter 424 sets forth in detail the percentage reductions in assessed value that is permitted for real property damaged by Superstorm Sandy. Chapter 424 states that in order for eligible municipalities to take advantage of this state law, the municipalities had to “opt in” by local law or resolution within 45 days from the passing of the state law. After Governor Cuomo signed the state law, the Nassau County Legislature passed implementing Local Law No. 6-2013 in December 2013.

The impacted tax rolls are for tax years 2012/13 and 2013/14.

The NIFA board previously approved \$35 million for Superstorm Sandy Assessment Relief on October 15, 2014. Due to certain late filings by property owners it has been determined that an additional \$3.7 million is necessary to pay these claims.

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

FOR CONSIDERATION

May 8, 2014

TO: Paul Leventhal, Paul Annunziato, John Buran, Jon Kaiman

FROM: Evan Cohen

SUBJECT: Environmental Facilities Corporation Refinancing and New Money Financing

REQUEST FOR: Consideration of Nassau County Financing Through the Environmental Facilities Corporation

Introduction:

The County has communicated with NIFA its desire to conduct the following financings through the N.Y. State Environmental Facilities Corporation (the “EFC”):

- | | |
|--|--------------|
| A. Participation in Refinancing of the EFC Clean Water and Drinking Water Revolving Funds, 2005A | \$1,220,000 |
| B. New Money Financing | \$29,976,542 |

The financings have been authorized by the County Legislature.

Background:

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

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

Discussion:

Background material related to the aforementioned categories can be found in attachments lettered A and B (descriptions of refinancing and original project) and C (description of new money financing).

Requested Action:

Subject to approval of the NIFA Board, you are requested to approve/disapprove the County's proposed financing, subject to the terms and conditions outlined in these materials and the attached resolution.

Attachments:

Attachments Lettered A, B and C
Resolutions

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

RESOLUTION NO. 15-24

CONSIDERATION OF NASSAU COUNTY FINANCING THROUGH THE
ENVIRONMENTAL FACILITIES CORPORATION

RESOLVED, that the materials presented to this Finance Committee 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 Finance Committee has reviewed the terms of the County’s proposed financings through the N.Y. State Environmental Facilities Corporation (the “EFC”) and approves:

- (i) The County’s participation in the refinancing of \$1,220,000 of the EFC’s Clean Water and Drinking Water State Revolving Funds, 2005A for the purposes described in Attachments A and B in the Materials;
- (ii) \$29,976,542 of new money financing through the EFC for the purposes described in Attachment C in the Materials;

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.

Paul Leventhal
Chairperson

May 8, 2015

Attachment A
Refunding of Environmental Facilities Corporation's 2005 Series A Bonds

The Environmental Facilities Corporation is undertaking a refinancing initiative on behalf of municipalities that have funded projects through the State Clean Water and Drinking Water Revolving Funds (SRF) as part of series 2005A, 2005B, 2005D, 2006C and 2007D.

The primary goal of this refinancing is to reduce the interest cost on the SRF financings that were funded with the bond series noted above. The EFC will do this by refunding existing SRF bonds with new Taxable SRF bonds issued at lower current-market interest rates and passing the interest savings net of EFC's financing costs along to the County, in the form of reduced debt service bills. The County will not be required to issue refunding bonds.

EFC plans to refund these bonds with proceeds of the refunding bonds, terminated reserve fund investments and other money of the Corporation. The resulting benefit to the County will be a reduction in net debt service payable for the remaining life of the bonds.

The current projected savings to the County is \$36,688, or 3.01% of refunded bonds.

Attachment B
PROJECT DESCRIPTION
CWSRF Project No. C1-5152-46-02
Recipient: County of Nassau
County: Nassau

This project is a cost increase to cover the long-term loan costs associated with the construction for pump replacements, odor control, valve replacements and other improvements to the Whitewood Pump Station located in the Massapequa Park Collection District . The scope of work for this project is defined in the engineering report prepared by the Nassau County Department of Public Works that was approved by the NYSEFC on June 10, 1998. The Plans and Specifications (August 2004) for this project have been approved by NYSEFC on November 24, 2004. The County is financing only the General Construction Contract through EFC at this time. The Electrical and Ventilation Contracts will be financed with County funds.

Attachment C
EFC Storm Mitigation Loan Program (SMLP)
June 2015 Financing

The following EFC financing will have a 0% interest rate with a term of 3-5 years. (The actual term will be determined after the EFC Loan Committee meets.) When the EFC financing expires in 3-5 years, the County will have to replace 75% of the loan proceeds with County bonds (25% of the total proceeds from the EFC will be in the form of a grant).

<u>EFC Project #</u>	<u>County Project #</u>	<u>Sub-Project #</u>	<u>Project Name</u>	<u>Project Description</u>	<u>Amount</u>
C1-5146-40-00	35109	000	Long Beach STP Conversion	Sewage Treatment Plant conversion to a Pump Station (design only)	\$3,726,250
C1-5149-48-00	3P311	09	Barnes Avenue/Hemp Vill Flow Diversion	New pump station and force main (design & construction)	<u>26,250,292</u>
Total					\$29,976,542

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

FOR CONSIDERATION

May 8, 2014

TO: Paul Leventhal, Paul Annunziato, John Buran, Jon Kaiman

FROM: Evan Cohen

SUBJECT: County Revenue Anticipation Notes, Series 2015A

REQUEST FOR: Consideration of Approval of Issuance of Revenue Anticipation Notes by Nassau County

Introduction

Nassau County has requested NIFA's approval of a proposed sale of Revenue Anticipation Notes, Series 2015A (the "RANs"). The total amount of Notes would be up to \$180 million ("Authorized Amount"), but with the sale of premium notes, the proceeds are anticipated to be up to \$182,541,600.

The 2015A RANs will be in the amount of \$180 million, with anticipated premium of up to \$2,541,600 and will mature on March 15, 2016. The RANs will be secured by anticipated sales tax revenues.

Discussion

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

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

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.

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, and we will monitor this financing as it progresses.

Requested Action

Subject to approval of the Board and further subject to the final review and approval of the Chairman or his designee(s), you are requested to approve the County's proposed cash flow borrowing, not to exceed the Authorized Amount.

We also recommend that any premium from the sale of the RANs be used for reasonable costs of issuance or applied toward the Authorized Amount.

Attachment

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY
FINANCE COMMITTEE**

RESOLUTION NO. 15-25

CONSIDERATION OF APPROVAL OF ISSUANCE OF REVENUE ANTICIPATION NOTES
BY NASSAU COUNTY

RESOLVED, that the materials presented to this Finance Committee meeting of the Board of 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 Finance Committee hereby approves the County’s Issuance of up to \$180 million of Revenue Anticipation Notes, Series 2015A, upon the terms and conditions outlined in the Materials, and subject to the final review and approval of the Chairman of the Authority or his designee(s); and be it further

RESOLVED, that any premium from the sale of the RANs must be used for reasonable costs of issuance or applied toward the Authorized Amount, as defined 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.

Paul Leventhal
Chairperson

May 8, 2015