

## AGENDA

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
FINANCE COMMITTEE MEETING  
MONDAY, NOVEMBER 24, 2014, 6:00 PM  
MARRIOTT LONG ISLAND HOTEL & CONFERENCE CENTER  
101 JAMES DOOLITTLE BLVD., UNIONDALE, NY 11553**

Call to Order

Action Items

- I. Approval of the Minutes of November 25, 2013 Meeting
- II. Consideration of Issuance of Tax Anticipation Notes by Nassau County
- III. Consideration of Issuance of General Obligation Bonds 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 25, 2013

Pursuant to notice dated November 18, 2013, the Finance Committee of the Nassau County Interim Finance Authority (“NIFA”) was convened at 9:20 AM 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:

George Marlin - 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; Maria Kwiatkowski, Deputy 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 Marlin stated that the first item on the agenda was a resolution to approve the minutes of the June 5, 2013 meeting.

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

Resolution No. 13-12

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 5, 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 June 5, 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 Marlin stated that the next item on the agenda was a resolution to consider the issuance of tax anticipation notes by Nassau County.

General Counsel Wise stated that this is a borrowing for cash flow purposes that most municipalities do each year. He stated that the amount of proceeds will be approximately \$227 million.

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

Resolution No. 13-13

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Finance Committee 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 Committee 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.

\* \* \*

Chairman Marlin stated that the next item on the agenda was a resolution to consider the issuance of bond anticipation notes by Nassau County.

General Counsel Wise stated that the County borrowed \$187 million for Superstorm Sandy related projects but only used \$122 million. He stated that the County is going to buy back approximately \$62 million of these bonds and roll over the remainder.

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

Resolution No. 13-14

APPROVAL OF ISSUANCE OF BOND ANTICIPATION NOTES BY NASSAU COUNTY

RESOLVED, that the materials presented to this meeting of the Finance 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 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.

\* \* \*

Chairman Marlin 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 County is requesting to borrow approximately \$50 million for general purposes as well as capital projects for sewer and storm water.

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

Resolution No. 13-15

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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RESOLVED, that the materials presented to this meeting of the Finance 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 such issuance(s) in the amounts described in the materials and in the following categories: Projects for General Purposes and Capital Projects for Sewer and Storm Water (plus costs of issuance) 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.

\* \* \*

General Counsel Wise stated that the next borrowing was for termination pay for approximately \$30 million. Chairman Kaiman recommended that NIFA amend this amount to \$6.5 million and to allow the County to use \$3.5 million of remaining funds from the Police Retirement Incentive Program that was never used.

Upon motion duly made and seconded, the following resolution was approved with George Marlin opposing:

Resolution No. 13-16

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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RESOLVED, that the materials presented to this meeting of the Finance 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 of bonds and approves such issuance in the amount of \$6.5 million for termination pay ; 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.

\* \* \*

General Counsel Wise stated that the next borrowing was for Workman’s Compensation benefits.

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

Resolution No. 13-17

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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RESOLVED, that the materials presented to this meeting of the Finance 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 of bonds and approves such issuance in the amounts described in the materials and in the following category: Workman’s Compensation (plus costs of issuance) 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.

\* \* \*

General Counsel Wise stated that the next borrowing is for judgments and settlements for approximately \$718,000. He stated that most municipalities allocate monies from operating income as opposed to bonding. Executive Director Cohen stated that the County has made a commitment to not bond for this expense after 2014. Chairman Kaiman stated that NIFA planned on holding the County to this commitment.

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

Resolution No. 13-18

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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RESOLVED, that the materials presented to this meeting of the Finance 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 of bonds and approves such issuance in the amounts described in the materials and in the following category: Judgments and Settlements (plus costs of issuance) 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.

\* \* \*

General Counsel Wise stated that the final bond issuance was for tax certiorari for approximately \$35 million. He stated that this brings the total amount that NIFA has approved this year for tax certiorari borrowing to \$75 million.

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

Resolution No. 13-19

CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY

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RESOLVED, that the materials presented to this meeting of the Finance 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 of bonds and approves such issuance in the amounts described in the materials and in the following category: Tax Certiorari (plus costs of issuance) 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.

\* \* \*

Chairman Marlin then entertained a motion to adjourn. Upon motion duly made and seconded, the Committee members voted unanimously to adjourn the meeting at 9:46 AM.

Respectfully submitted,

Laurie A. Boucher  
Corporate Secretary

**NASSAU COUNTY INTERIM FINANCE AUTHORITY  
FINANCE COMMITTEE**

**FOR CONSIDERATION**

November 24, 2014

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

FROM: Evan Cohen

SUBJECT: Tax Anticipation Note Borrowing, 2015 Series A&B TANs

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

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**Introduction:**

Nassau County has requested NIFA's approval of a proposed sale of Tax Anticipation Notes ("TANs"). The maximum amount of proceeds will be \$202,351,000, but after costs of issuance they will retain \$200,000,000. The TANs will be sold at the same time, but one will mature in September (\$141,597,400-proceeds) and the other in October (\$60,753,600-proceeds) of 2015.

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."

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 appears 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 full Board and the Chairman or his designee(s).

**Attachment:**

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**FINANCE COMMITTEE**  
**RESOLUTION NO. 14-21**

CONSIDERATION OF ISSUANCE OF TAX ANTICIPATION NOTES BY NASSAU COUNTY

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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.

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Paul Leventhal  
Chairperson

November 24, 2014

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**  
**FINANCE COMMITTEE**

**FOR CONSIDERATION**

November 24, 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

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**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. Judgment       | \$ 11,508,000 (plus costs of issuance) |
| B. Tax Certiorari | \$125,000,000 (plus costs of issuance) |

The bonds have all 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 December of 2014. Background data related to each of the aforementioned categories of bonds can be found in attachments lettered A and B.

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 approval of the NIFA Board and upon the terms and conditions outlined in these materials and the attached resolution.

**Attachments:**

Attachments Lettered A and B

Resolution

**NASSAU COUNTY INTERIM FINANCE AUTHORITY**

**RESOLUTION NO. 14-22**

**CONSIDERATION OF ISSUANCE OF GENERAL OBLIGATION BONDS BY NASSAU COUNTY**

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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 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 and B upon the conditions outlined in the Materials; 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, 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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Paul Leventhal  
Chairperson

November 24, 2014

**Attachment A**  
**Non-tax Judgments and Settlements**

In re Nassau County Strip Search Cases, Index No. 99-CV-2844

Bond Ordinance #149-2014 (\$11,738,160.00 = judgment amt. \$11,508,000 + 2% COI of \$230,160);

This is a class action lawsuit concerning the county's former policy of strip searching non-felony arrestees upon their admission to the County Correctional Center even if there was no suspicion that they were secreting drugs, weapons or other contraband. The purpose of the searches were to ensure safety of arrestees, the prison population, and officers. These searches were ended in 1999 as a result of another lawsuit. Three cases were later consolidated into this class action and filed against the County seeking damages for arrestees searched during the last three years that the policy was still in effect. Key decisions by U.S. Second Circuit Court of Appeals in August 2006 and March 2008 certified the case as a class action on behalf of approximately 17,000 non felony arrestees admitted to the correctional center between May 20, 1996 and June 1, 1999. A non-jury trial was held in 2009 and on Sept 22, 2010 Judge Hurly issued a decision awarding each of these class members \$500 for approximately 23,000 searches sustained by the 17,0000 class members, regardless of how many actually filed claims. An appeal is pending with the Second Circuit to overturn Judge Hurley's ruling based on inconsistent rulings in the Circuit on this issue. The County is appealing also Judge Hurley's ruling to enforce the judgment while appeal is pending.

**Attachment B**  
**Rationale for Tax Certiorari Borrowing**

The County requests approval from the NIFA board to borrow \$125 million to finance tax certiorari payments. This is the first piece of the County's transitional financing related to the Disputed Assessment Fund. With NIFA working as a partner, the County was successful in achieving historic assessment legislation that will greatly aid the County in achieving structural balance. The bill, which passed with bi-partisan local and State (New York State Assembly and the New York State Senate) support, creates a Disputed Assessment Fund that will establish a manageable and fiscally-sound process to satisfy the lion's share of tax certiorari refunds and end the need to borrow to pay for tax refunds, which has been the practice of the County since the 1970s. The structural benefits from the commercial tax certiorari reform legislation will begin to be realized in 2017. This legislation is projected to save the County more than \$730 million in debt service payments over the next 20 years and has been recognized by Moody's Investors Service as a credit positive that would provide recurring funding for successful tax challenges.

Simply put, this is the largest structural reform that Nassau County has ever achieved. Establishing a Disputed Assessment Fund to satisfy commercial cases will also result in a more equitable allocation of taxes between residential and commercial property owners. Currently, all property owners bear the burden of paying tax certiorari refunds. This creates an inequity between residential and commercial property owners because commercial property owners generate a vast majority of the refunds. This legislation will address this gross unfairness by properly placing the burden of these refunds on commercial property owners. This will protect homeowners from paying for the refunds attributable to commercial tax challenges.

Until the County realizes the full benefit of the Disputed Assessment Fund the County will aggressively address the tax cert backlog. The staffs of the County Treasurer, County Attorney, Assessment Review Commission and Assessment will be working diligently to process the tax cert claims. This process is contingent on the County's ability to finance the payments. The County's need to borrow is made necessary by the County guaranty which requires the County (unlike any other county in New York) to fund the property tax refunds of the towns, school districts and special districts. 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 County is anticipating that it will be financing \$125 million in 2014, and \$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 2015-2018 MYP. The \$125 million for 2014 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. The Nassau County Legislature approved the bond ordinance for the \$125 million on October 29, 2014.