

NASSAU COUNTY INTERIM FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE DIRECTORS
HELD ON FEBRUARY 7, 2013

Pursuant to notice dated February 1, 2013, a meeting of the Nassau County Interim Finance Authority (“NIFA”) was convened at 5:15 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:

Ronald Stack, Chairman
John Buran
George Marlin
Christopher Wright

Also present from the Authority were Evan Cohen, Executive Director; Jeremy Wise, General Counsel; Maria Kwiatkowski, Deputy Director; and Jane Cunneen, Acting Treasurer.

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

Chairman Stack then asked Executive Director Cohen to go through the items on the agenda.

Executive Director Cohen stated that the first item on the agenda was a resolution to approve the minutes of the November 29, 2012 Directors’ meeting.

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

Resolution No. 13-403

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 29, 2012 MEETING OF THE DIRECTORS OF THE NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on November 29, 2012 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.

* * *

General Counsel Wise stated that the next item on the agenda was a resolution to consider the approval of a contract to do work at the Bay Park Sewage Treatment Center between the County and Posillico Civil for approximately \$13.1 million. He stated that the County has approximately \$4.6 million on hand, but will borrow \$3 million as part of the borrowing to be considered later at this meeting, and would have to borrow additional money at a later time to finish the project.

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

Resolution No. 13-404

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 \$13,114,600; 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 CDM Smith/LiRo for up to \$25 million. He stated that the contract is to provide temporary shelter and remediation of homes damaged from Superstorm Sandy. He stated that the County believes that its maximum contribution would be up to 12.5 percent but can be as low as zero depending on how much money the County receives from federal and state entities.

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

Resolution No. 13-405

APPROVAL OF COUNTY CONTRACT FOR CDM SMITH/LIRO JV

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 with CDM Smith/LiRo JV, which is projected to cost up to \$25,000,000; 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 item on the agenda was a resolution to consider the approval of a contract between the County and CDM Smith for approximately \$5.3 million. He stated that the contract is to help with paperwork for compliance with federal and state laws related to Superstorm Sandy. He stated that the County's maximum contribution would be up to 12.5 percent but can be as low as zero depending on how much money the County receives from federal and state entities.

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

Resolution No. 13-406

APPROVAL OF COUNTY CONTRACT FOR CDM SMITH

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 with CDM Smith, which is projected to cost \$5,320,980; 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 items on the agenda were three resolutions to consider the approval of three contracts between the County and Looks Great Services. He stated that the first contract is for approximately \$20 million to purchase materials and supplies to maintain

and renovate County facilities. He stated that the second contract was an amendment to the first contract that added approximately \$32.5 million to the first contract and the third contract is for approximately \$16.3 million to clean up debris at Nickerson Park. He stated that the County's maximum contribution would be up to 12.5 percent but can be as low as zero depending on how much money the County receives from federal and state entities.

Upon motion duly made and seconded, the following resolutions were approved unanimously:

Resolution No. 13-407

APPROVAL OF COUNTY CONTRACT FOR LOOKS GREAT SERVICES, 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 with Looks Great Services Inc. at a cost of \$19,999,999; 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.

* * *

Resolution No. 13-408

APPROVAL OF COUNTY CONTRACT FOR LOOKS GREAT SERVICES, 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 with Looks Great Services Inc. at a cost of \$32,500,000; 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.

* * *

Resolution No. 13-409

APPROVAL OF COUNTY CONTRACT FOR LOOKS GREAT SERVICES, 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 with Looks Great Services Inc. at a cost of \$16,287,000; 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 item on the agenda was a resolution to consider the approval of a contract amendment between the County and Laser Industries that will increase the contract from \$9.2 million to \$15.2 million. He stated that the contract is for reconstruction of County infrastructure such as highways and sewer lines related to Superstorm Sandy. He stated that the County's maximum contribution would be up to 12.5 percent but can be as low as zero depending on how much money the County receives from federal and state entities.

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

unanimously:

Resolution No. 13-410

APPROVAL OF COUNTY CONTRACT FOR LASER INDUSTRIES, 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 with Laser Industries, Inc., which increases the value by \$6,000,000, bringing the maximum to \$15,234,105; 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 several contracts between the County Attorney’s office and outside vendors. He stated that since the County Attorney’s office has a history of running over budget and commencing work on contracts prior to NIFA approval, the NIFA Directors had stated that they would like to review them.

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

Resolution No. 13-411

REVIEW OF CONTRACTS 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 based upon the discussion in the Materials and pursuant to Section 3669 2(d) of the Authority Act, the Authority hereby approves contracts numbered CLAT1300002, CLAT12000014, CLAT13000001, CQBU12000007, CQAT12000025, CQAT12000027, CLAT12000015, CAAT12000007, CAAT13000002 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 Stack stated while it is NIFA's responsibility to review County contracts, it is the County's responsibility to do the due diligence, to do the RFPs, to choose the vendors and monitor work and make sure they get the maximum grant funds for these contracts.

Director Wright pointed out the County was able to expedite sending contracts to NIFA that were passed as recently as two days ago by the Legislature. Chairman Stack and Director Wright stated that they hoped this would be a model for future behavior.

General Counsel Wise stated that the next item on the agenda was a request from the County to do a borrowing for capital, sewer and storm water projects related to Superstorm Sandy, hazardous waste related to Superstorm Sandy, buses, COBA termination pay and for the Environmental Bond Act. He stated that although the County requested \$364 million for borrowing, after discussions with NIFA, the County had reduced the borrowing to \$351 million.

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

Resolution No. 13-412

APPROVAL OF ISSUANCE OF BONDS AND 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 of bonds and 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.

* * *

General Counsel Wise stated that the last item on the agenda was a request from the County to approve a \$150 million borrowing for tax certiorari refunds based on ordinances that were passed by the Legislature in 2004 and 2005. He recommended that the Directors reject the County’s request based on many factors.

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

Resolution No. 13-413

CONSIDERATION OF THE COUNTY’S PROPOSAL FOR \$150 MILLION IN NEW MONEY BORROWING FOR CERTIORARI RELATED CLAIMS

WHEREAS, Nassau County is operating in a Control Period, which NIFA first imposed on January 26, 2011 and during which there have been two declarations of a fiscal emergency and a wage freeze as defined under the NIFA Act; and

WHEREAS, during the Control Period, NIFA has approved two Multi-Year Financial Plans for periods Fiscal 2012 – 2015 and 2013 – 2016, both contemplating potential transitional borrowing to finance the cost of tax certiorari settlements and judgments, but only if certain conditions were met and such borrowing(s) were warranted under all the circumstances; and

WHEREAS, NIFA has consistently and repeatedly made clear that its approval of a multi-year plan is not to be construed as approval of all items in a multi-year plan, including but not limited to any particular borrowing proposed by the County; and

WHEREAS, any borrowing for cert related claims, which are normally an operating expense, has been consistently criticized by NIFA as an extraordinary measure that should only be taken as an emergency measure and when there are extenuating circumstances; and

WHEREAS, the County's 2012 budget ordinance provided for the County to achieve a minimum level of labor savings, which condition has not yet been achieved; and

WHEREAS, the County Executive and County Comptroller have issued varying statements as to whether the County closed Fiscal Year 2012 with a substantial cash deficit or a substantial cash surplus, thereby further complicating a complete review of the merits of the requested borrowing; and

WHEREAS, on December 14, 2012, the Debt Manager of the County's Office of Management and Budget wrote to the NIFA General Counsel proposing \$150 million in new money borrowing to finance the cost of tax certiorari judgments and settlements (the "Proposal"); and

WHEREAS, the Proposal asserts that such borrowing is authorized by certain bond ordinances from 2004 and 2005; and

WHEREAS, under the current circumstances, a Control Period, it would be unusual for NIFA to allow for a current financing based on the expressed will of a County Legislature from 2004 and 2005 when circumstances were much different; and

WHEREAS, the current County Legislature has not passed by a supermajority, as required by its Charter, an ordinance authorizing the County to issue new certiorari related bonds, as contemplated by the Local Finance Law,

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 3669(2)(e) of the N.Y. Public Authority Law, Chapter 43-A, NIFA has reviewed the Proposal and hereby rejects the borrowing requested in the Proposal at this time; and

AND BE IT FURTHER RESOLVED, that the County is free to resubmit this Proposal at a later date, together with a more detailed accounting of the current intent of the Legislature and update on

the County's efforts to achieve the goals set forth in its current multi-year plan and return to fiscal health.

* * *

The Chairman then entertained a motion to adjourn. Upon motion duly made and seconded, the Directors voted unanimously to adjourn the meeting at 5:40 PM.

Respectfully submitted,

Laurie A. Boucher
Corporate Secretary