

NASSAU COUNTY INTERIM FINANCE AUTHORITY

RESOLUTION NO. 14-485

FINDING A WAGE FREEZE IS ESSENTIAL TO THE ADOPTION AND MAINTENANCE OF A FINANCIAL PLAN AND BUDGET FOR NASSAU COUNTY IN COMPLIANCE WITH GOVERNING LEGISLATION

WHEREAS, on March 24, 2011, March 22, 2012, and March 14, 2013, NIFA adopted resolutions imposing successive wage freezes of one year each on County employees; and

WHEREAS, during the Control Period, NIFA has approved three Multi-Year Financial Plans (for periods Fiscal 2012 – 2015, 2013 – 2016 and 2014 – 2017), each contemplating that substantial borrowing would be necessary to finance operating expenditures, including the cost of tax certiorari settlements and judgments, while transitioning to a balanced budget; and

WHEREAS, the County failed to meet conditions imposed by NIFA in its resolutions approving the Multi-Year Financial Plans for Fiscal 2012 – 2015 and Fiscal 2013 – 2016, and the County as yet has not met conditions imposed by NIFA in its resolutions approving the Financial Plan for Fiscal 2014 – 2017; and

WHEREAS, on October 9, 2013, the County Comptroller "[s]trongly urge[d] the Administration to return to annually paying at least \$50 million of property tax refunds with recurring revenues," with the \$50 million "amount approximat[ing] the annual running average payout for 2010 through 2012"; and

WHEREAS, the County nevertheless planned to address its tax certiorari liabilities in 2014 and subsequent years principally through local legislation eliminating the County Guaranty; and

WHEREAS, on November 25, 2013, NIFA adopted a report of its Staff that, even assuming continuation of the wage freeze and successful reduction of tax certiorari liabilities through the local legislation, projected County deficits in excess of \$100

million in 2014, \$140 million in 2015, \$160 million in 2016 and \$175 million in 2017; and

WHEREAS, on February 18, 2014, the New York Court of Appeals issued its decision in *Baldwin Union Free School Dist. v. County of Nassau*, which invalidated the local legislation, thereby continuing the County's sole responsibility for \$75 to \$100 million in annual operating expenses associated with tax certiorari settlements and judgments; and

WHEREAS, NIFA, having analyzed the expenditure and revenue components of the County's current outlook for FY 2014 through FY 2017, finds that the savings contributed by a wage freeze are a necessary component for the next 12 months and will be essential to setting the County on a path to fiscal balance as required by law; and

WHEREAS, during a control period, by law NIFA may in appropriate circumstances adopt a Resolution finding that a wage freeze is essential to the adoption or maintenance of a County budget or a financial plan that is in compliance with the State legislation that established NIFA,

NOW, THEREFORE, BE IT RESOLVED, that NIFA hereby finds that a wage freeze as authorized by NIFA's governing legislation is essential to the County's adoption and maintenance of its FY 2014 Budget and Multi-Year Plan as well as compliance with State law.

Jon Kaiman
Chairperson

March 10, 2014