



## MUNICIPAL FINANCE

September 17, 2021

Mr. David Hayes  
Supervisor  
Town of Romulus  
PO Box 177  
Willard, NY 14541

Dear Dave:

We are pleased to submit the following letter for Financial Consulting services in connection with the Town's proposed \$2,800,000 Willard Water Project and other financial matters.

The scope of our letter is divided into two parts:

**PART 1 -** Continuing Annual Secondary Market Disclosure over the Life of a Bond Issue to Comply with CFR Title 17, Securities Exchange Act of 1934, as amended, IRS Arbitrage Rebate or Penalty Tracking and Calculation in Compliance with the Internal Revenue Code of 1954, as amended, Section 148.

**PART 2 -** Financial Management Services

**PART 1- CONTINUING ANNUAL SECONDARY MARKET DISCLOSURE OVER THE LIFE OF A BOND ISSUE TO COMPLY WITH CFR TITLE 17, SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, SECTION 240.15c2-12**

The above-referenced Section 240.15c2-12 requires the Town, as the issuer of \$1,000,000 or more, "to enter into a written agreement to provide certain event notices and/or annual financial information to the Electronic Municipal Market Access ("EMMA") system maintained by the Municipal Securities Rulemaking Board ("MSRB)." The regulation makes it unlawful for a broker or underwriter to purchase and reoffer the Town's issue unless the broker has verified that the Town has undertaken the above-referenced "written agreement or contract for the benefit of the bond holders." Services rendered for compliance will depend directly upon the amount and type of indebtedness incurred by the Town and will be billed at the firm's current hourly rate.

- (1.1) **FULL DISCLOSURE** - The Town is required to annually prepare and file a secondary market disclosure official statement (financial information and operating data); audited annual reports, if any; and Material Event Notices to MSRB's EMMA system, if the Town's total outstanding indebtedness, including the current issue, exceed \$10,000,000. We can assist with the collection and filing of the required information as annually required and as Event Notices are received from the Town. The time estimate under the current configuration of Section 240.15c2-12 is approximately 25± hours.



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- (1.2) **LIMITED DISCLOSURE** - The Town is required to, at a minimum, file certain annual financial information and operating data which is customarily prepared by the Town and is publicly available and a copy of the audited financial statements (if applicable) to MSRB's EMMA system. The Town must also provide Material Event Notices to the EMMA system. We can assist with the collection and filing of the required information as annually required and as Event Notices are received from the Town, if the Town's total outstanding indebtedness, including the current issue, is less than \$10,000,000. The time estimate under the current configuration of Section 240.15c2-12 is approximately five hours each year.
- (1.3) **LIMITED DISCLOSURE - EVENT NOTICES ONLY** - The Town is required to file certain "Event Notices" to the MSRB's EMMA system. When "Events" occur during the life of the issue, a determination is needed by Bond Counsel, and we can assist with the filing of the "Event Notices" after being notified by the Town as "Events" occur.

## PART 2- FINANCIAL MANAGEMENT SERVICES

The following representative items can be completed:

- (2.1) Create a **projected cash flow** for the project.
- (2.2) Assist with and coordinate the **wire transfer** of funds from bank to bank through the Federal Reserve System.
- (2.3) Assist with **financial planning** and borrowings and review of borrowing options and scenarios.
- (2.4) Assist in establishing **accounting records** and bookkeeping procedures on the double-entry basis.
- (2.5) Create the format for a **monthly financial report** on the project to summarize the information in the bookkeeping system for management purposes.
- (2.6) Coordination of **draw process** from funding agencies.
- (2.7) Assist in estimating appropriate **debt service budget** figures.
- (2.8) Attend and participate in **Board meetings**, worksessions, or public information meetings.
- (2.9) Prepare **interim reports** concerning financial matters of the project.
- (2.10) Obtain an independent market valuation of the current value of **bonds** proposed to be **substituted in lieu of cash retainage** by contractors pursuant to Section 106.00 of the General Municipal Law and provide written follow-up and procedural suggestions for the physical handling of these instruments.



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- (2.11) If required by arbitrage rules, coordinate the investment in State & Local Government Series in cooperation with the local bank of account, Bond Counsel and the Federal Reserve Bank in New York City.
- (2.12) Assist with **credit rating review** and/or conference call for bond sale or surveillance call as needed by Credit Rating Agency.

Any time spent assisting the Town Board and Town Officials with the preparation of financial data or attending any meetings or public hearings in connection with the proposed capital project will be billed at the current hourly rate.

The charge for any Financial Management Services will be \$181 per hour plus out-of-pocket expenses. The rate will be adjusted each July 1 by the change in the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30.

#### BILLINGS

All billings will include out-of-pocket expenses, which include copies, postage, mileage, travel, and any other incidental costs in connection with the project.

**PART 1- CONTINUING ANNUAL SECONDARY MARKET DISCLOSURE** - Vouchers will be submitted after verified filing of the required information with the specified repositories.

**PART 2- FINANCIAL MANAGEMENT SERVICES** - Vouchers may be submitted on a monthly basis.

Additional work beyond the scope of this September 17, 2021 letter of services will be at the rate of \$181 per hour plus out-of-pocket expenses. The rate will be adjusted each July 1 by the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30. Vouchers for any services provided may be submitted on a monthly basis.

If the services under any portion of this contract are commenced, but are not completed for any reason, or are completed without our firm performing the entire role contemplated herein, an invoice will be rendered for the actual hours completed at the firm's normal hourly rate, plus actual disbursements incurred.

Any services in the nature of financial advice are to be performed by our firm to the best of our abilities based on such information as may be available to us from time to time when such advice is given. No liability is assumed, however, for any errors or omissions not constituting gross negligence.



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Upon acceptance of this letter of services, please **sign and date this letter**, retaining one signed copy for the official Town records, and **returning a signed copy to our office**.

This letter of intent and the fees quoted herein are valid if accepted and executed within 60 days of the date hereon.

Bernard P. Donegan, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The MSRB website is <http://msrb.org/>. A municipal advisory client brochure is available to you describing protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with an appropriate regulatory authority.

Pursuant to SEC MSRB Rule G-42, this letter of services should be in place prior to municipal advice being given. Further, under Rule G-42, we are not aware of any known material conflicts of interest with your municipality. The firm has not been subject to any legal or disciplinary proceedings under SEC regulations. The Company's SEC Forms MA and MA-1 can be found at [www.sec.gov/edgar/searchedgar/webusers.htm](http://www.sec.gov/edgar/searchedgar/webusers.htm).

If you should have any questions concerning this letter of services, please contact us. We look forward to working with the Town on this project.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Charles A. Bastian'.

Charles A. Bastian  
President

CAB/jam  
Enclosure

I, \_\_\_\_\_, Supervisor of the Town of Romulus, have been authorized by a resolution dated \_\_\_\_\_ to accept the Bernard P. Donegan, Inc. letter for Financial Consulting Services as outlined above.

(Signed) \_\_\_\_\_

(Dated) \_\_\_\_\_