



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 Municipal Advisor services in connection with the Town's proposed \$2,800,000 Capital Project and other financial matters.

The scope of our letter is divided into six parts:

A TEMPORARY FINANCING

- PART 1 -** Initial Borrowing and/or Renewal of Bond Anticipation Notes with an Official Statement (\$1,000,000 or more).
- PART 2 -** Initial Borrowing and/or Renewal of Bond Anticipation Notes - Environmental Facilities Corporation DWSRF Short-Term Financing Program (STFP).

B PERMANENT FINANCING

- PART 3 -** Sale of Registered Public Market Serial Bonds with an Official Statement (\$1,000,000 or more).
- PART 4 -** Refunding Bonds with an Official Statement.
- PART 5 -** New York State Environmental Facilities Corporation (EFC), New York Drinking Water State Revolving Fund (DWSRF) Loan.
- PART 6 -** United States Department of Agriculture (USDA) Rural Development Loan and Grant Programs.

BERNARD P. DONEGAN, INC.

345 WOODCLIFF DRIVE, 2ND FLOOR

FAIRPORT, NY 14450

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A TEMPORARY FINANCING

PART 1- INITIAL BORROWING AND/OR RENEWAL OF BOND ANTICIPATION NOTES WITH AN OFFICIAL STATEMENT

The following items will be completed under this portion of the contract:

- (1.1) Complete a sequential **deadline calendar** for all items to be accomplished in connection with the creation of the Official Statement and Notice of Sale, the Bond Anticipation Note sale, and subsequent closing.
- (1.2) Collect the information necessary and create the **Official Statement** used to advertise the issue in compliance with Part 27 of Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, and in compliance with Section 60.00 of the Local Finance Law for the public sale of obligations in excess of \$500,000; and additionally, in compliance with the Security and Exchange Commission's Rule 240.15c2-12, requiring the Official Statement for public reoffering of issues of \$1,000,000 and more.
- (1.3) Prepare and file the "**Certificate of Filing of Official Statement**" pursuant to Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, Section 27.4(a).
- (1.4) Create the **Notice of Sale** required by the Official Compilation of Codes, Rules and Regulations of the State of New York, Section 26, and Section 60.00(e) of the Local Finance Law and coordinate the approval of Bond Counsel and subsequent distribution to potential purchasers of the Bond Anticipation Notes along with the Official Statement.
- (1.5) Arrange for **time and location of sale**.
- (1.6) Coordinate and provide **written follow-up** among Town Officials, Bond Counsel and, where appropriate, Project Engineer.
- (1.7) **Conduct the sale** and make a recommendation on the award of the bid.
- (1.8) Arrange for Standard & Poor's "**CUSIP**" (Committee on Uniform Security Identification Procedures of the American Bankers Association) numbers to be assigned to the issue and subsequently printed on the notes, if applicable.
- (1.9) Coordinate and provide **written follow-up** of the note details and **closing arrangements** with the purchaser of the Bond Anticipation Notes, Bond Counsel and/or the Town Attorney, and Town Officials.
- (1.10) If appropriate, **coordinate the payoff of any maturing Notes** with the renewal proceeds among all concerned parties.



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The charge for each Bond Anticipation Note borrowing or renewal thereof will be 7,315 plus out-of-pocket expenses. If an Official Statement is not utilized for a Note issue under \$1,000,000, then the charge would be \$3,657 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.

PART 2- INITIAL BORROWING AND/OR RENEWAL OF BOND ANTICIPATION NOTES - ENVIRONMENTAL FACILITIES CORPORATION (EFC) DWSRF SHORT-TERM FINANCING PROGRAM (STFP)

- (2.1) Create the **STFP Application** required by the Environmental Facilities Corporation.
- (2.2) Advise municipality on eligible vs. ineligible expenses and alternate funding sources.
- (2.3) **Conduct the STFP negotiation** with Environmental Facilities Corporation Officials.
- (2.4) Coordinate and provide **written follow-up** among municipal officials, Bond Counsel, local Attorney and EFC Officials.
- (2.5) If appropriate, **coordinate the payoff of any maturing Notes** with the renewal proceeds among all concerned parties.

The charge for the loan coordination will be \$7,420 plus out-of-pocket expenses. The fee quoted herein will be adjusted by the change in the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30.

If the municipality is unsuccessful in participating in the SRF STFP Program then any time we have spent assisting the Town Board and Town Officials will be billed at our hourly rate, plus out-of-pocket expenses. The time billed will not exceed the stated contract dollar amount.

B PERMANENT FINANCING

PART 3- SALE OF REGISTERED PUBLIC MARKET SERIAL BONDS WITH AN OFFICIAL STATEMENT

The following items will be completed under this portion of the contract:

- (3.1) Coordinate the **approval of the maturity schedule** and Bond Counsel's drafting of the certification setting the terms and conditions of the registered serial bond sale.
- (3.2) Complete a sequential **deadline calendar** for all items to be accomplished in connection with the creation of the Official Statement, the Bond sale and subsequent closing.



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- (3.3) Collect the information necessary and create the **Official Statement** used to advertise the issue in compliance with Part 27 of Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, and in compliance with Section 60.00 of the Local Finance Law for the public sale of obligations in excess of \$500,000; and additionally, in compliance with the Security and Exchange Commission's Rule 240.15c2-12, requiring the Official Statement for the public reoffering of issues of \$1,000,000 and more.
- (3.4) Coordinate and provide **written follow-up** to Town Officials and Bond Counsel.
- (3.5) Compile the information required and make application on behalf of the Town for a **Standard & Poor's or a Moody's Credit Rating** in connection with the bond sale.
- (3.6) Apply for "Qualification" for **municipal bond insurance**, which would guarantee the repayment of the yearly principal and interest on the Bonds and, subsequently, complete the request for reviews.
- (3.7) Provide **advance notification** of the Bond Sale to banks, brokerage firms and other potential purchasers prior to mailing the Official Statement and Notice of Sale.
- (3.8) Where appropriate, using Certificated Bonds, coordinate the appointment of a "**Fiscal Agent**" bank to act as the required registrar for subsequent payment of principal and interest to registered bond holders. Coordinate the completion and review of the "Fiscal Agent Agreement" among the Town Officials, Bond Counsel and selected bank.
- (3.9) Where appropriate, using **Book-Entry Only** Bonds, coordinate all necessary arrangements with The Depository Trust Company in preparation for the closing.
- (3.10) Coordinate the **printing and mailing of the Official Statement** and the Notice of Sale.
- (3.11) Prepare and file the "**Affidavit of Mailing of Official Statement**" pursuant to Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, Section 25.3(b).
- (3.12) Prepare and file the "**Certificate of Filing of Official Statement**" pursuant to Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, Section 27.4(a).
- (3.13) Arrange for legal ad **publication of the Notice of Sale** in compliance with Section 25.2 of Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York and in compliance with Section 57.00 of the Local Finance Law.
- (3.14) Complete, have executed by Town Officials, and file the "**Debt Statement**" with the Office of the State Comptroller and Bond Counsel in compliance with Section 109.00 of the Local Finance Law.



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- (3.15) Arrange for the **location and time of the Bond sale**, and acceptance of the bids.
- (3.16) **Conduct the sale** and make recommendation on award of the Net Interest Cost bid. Coordinate filing copies of the bids with Bond Counsel and the Town Clerk. Coordinate deposit of the proceeds of the "Good Faith" check (2% of issue amount).
- (3.17) Arrange for Standard & Poor's "**CUSIP**" (Committee on Uniform Security Identification Procedures of the American Bankers Association) **numbers** to be assigned to the issue.
- (3.18) Coordinate the **closing arrangements** with the bond purchaser, Bond Counsel and Town Officials. Provide written confirmation of the net amount to be received at the closing including the principal, good faith check, premium and accrued interest as applicable.
- (3.19) If appropriate, **coordinate the payoff of any maturing Notes** with the bond proceeds among all parties concerned.

We will assist the Town in planning its total budget for the project and, in doing so, we will prepare a list of materials, outside services, disbursements and the estimated costs for items such as bond register bookkeeping system, credit rating, printing and mailing of the Official Statement, and publications of the Notice of Sale. The aforementioned materials, outside services and disbursements will be the responsibility of the Town.

The charge for each serial bond issue will be \$14,325 plus out-of-pocket expenses. If an Official Statement is not utilized for a Bond issue under \$1,000,000, then the charge would be \$7,162 plus out-of-pocket expenses. The fee quoted herein will be adjusted by the change in the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30.

PART 4- SALE OF REGISTERED PUBLIC MARKET REFUNDING SERIAL BONDS WITH AN OFFICIAL STATEMENT

The following items will be completed under this portion of the contract:

- (4.1) Advise on the **dollar size** of the registered serial bond issue and market timing of the Pricing.
- (4.2) Plan an optimum **maturity date** recognizing the fiscal year, timing of revenue, and long-term debt service planning impact thereof on the Town.
- (4.3) Prepare **alternative maturity schedules**, if needed, complying with the restrictions of Sections 11.00 and 21.00 of the Local Finance Law, and market expectations, so that the Town may select the one to be used for repayment of the borrowed funds.

- (4.4) **Presentation** to Town Board and Town Officials, if requested.
- (4.5) Coordinate the **approval of the maturity schedule** and Bond Counsel's drafting of the certification setting the terms and conditions of the registered serial bond pricing.
- (4.6) Coordinate and provide **written follow-up** to Town Officials and Bond Counsel.
- (4.7) Complete a sequential **deadline calendar** for all items to be accomplished in connection with the creation of the Official Statement, the Bond Pricing and subsequent closing.
- (4.8) Prepare **Contact List** to be distributed to all parties.
- (4.9) Collect the information necessary and create the **Official Statement** used to advertise the issue in compliance with Part 27 of Title 2 of the Official Compilation of Codes, Rules and Regulations of the State of New York, and in compliance with Section 60.00 of the Local Finance Law for the public sale of obligations in excess of \$500,000; and additionally, in compliance with the Security and Exchange Commission's Rule 240.15c2-12, requiring the Official Statement for the public reoffering of issues of \$1,000,000 and more.
- (4.10) Compile the information required and make application on behalf of the Town for a **Standard & Poor's or a Moody's Credit Rating** in connection with the bond pricing.
- (4.11) Attend **conference call** with Municipal Officials and Credit Rating Agency Representative.
- (4.12) Attend **due diligence conference call** with Municipal Officials, Underwriter, and Bond Counsel.
- (4.13) Apply for "Qualification" and receive bids for **municipal bond insurance**, which would guarantee the repayment of the yearly principal and interest on the Bonds and, subsequently, complete the request for reviews.
- (4.14) Coordinate **Refunding Bond Pricing** with Underwriter and other potential purchasers.
- (4.15) Where appropriate, using Certificated Bonds, coordinate the appointment of a "**Fiscal Agent**" bank to act as the required registrar for subsequent payment of principal and interest to registered bond holders. Coordinate the completion and review of the "Fiscal Agent Agreement" among the Town Officials, Bond Counsel and selected bank.
- (4.16) Where appropriate, using **Book-Entry Only** Bonds, coordinate all necessary arrangements with The Depository Trust Company in preparation for the closing.
- (4.17) Coordinate the completion and execution of the **Bond Purchase Agreement**.
- (4.18) Coordinate the **printing and mailing of the Official Statement**.

- (4.19) Coordination of the **Bond Pricing**, and acceptance of pricing results.
- (4.20) Arrange for Standard & Poor's "**CUSIP**" (Committee on Uniform Security Identification Procedures of the American Bankers Association) **numbers** to be assigned to the issue.
- (4.21) Coordinate the **closing arrangements** with the bond purchaser, Bond Counsel and Town Officials. Provide written confirmation of the net amount to be received at the closing including the principal, good faith check, premium and accrued interest as applicable.
- (4.22) If appropriate, **coordinate the payoff** and calling of any maturing Bonds with the bond proceeds among all parties concerned.
- (4.23) Completion of future principal and interest schedule with **annual debt service tracking and CUSIP identification tracking**.
- (4.24) Assistance with **communicating and interfacing with Depository Trust Company** on the follow up issues. This may include what the principal and interest payments are, when the payments are due, and the wire instructions for the routing of the proceeds by Federal Funds through the Federal Reserve System to the Depository Trust Company.
- (4.25) Additional municipal request for **assistance in clarifying, informing, and reviewing the refunding process after the funding date**. This may include informing the municipal officials, advising on key communication personnel at the various agencies serving during the transaction including Bond Counsel, Depository Trust Company, Credit Rating Agency, Escrow Bank, Underwriter, Underwriter's Counsel, the Verification Agent and the tracking of the defeasement investments.

The charge for any Refunding Bonds will be at the following rates based on the Par size [plus premium] of the Refunding Bond (based on latest estimate of Bond size per Underwriting team): \$1,000,000 - \$5,000,000 base fee of \$20,207 plus \$1.2910 / 1,000; \$5,000,001 - \$10,000,000 base fee of \$22,452 plus \$0.8420 / 1,000; \$10,000,001 - \$20,000,000 base fee of \$24,698 plus \$0.5613 / 1,000; and \$20,000,001 and above, base fee of \$30,311 plus \$0.2807 / 1,000. If the Refunding Bond is issued through DASNY, then the above Base fee is increased by \$5,613. The rates 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. Voucher will be submitted after Pricing.

PART 5- NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION (EFC), NEW YORK DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN - (this is not a guarantee of a successful application process, but rather a participation in the process of selection.)

- (5.1) Create and coordinate with municipality and involved parties an overall project management Administrative/Engineering/Financial/Legal Timeline for completing the application for funding.

- (5.2) Review with municipality and engineering firm the **Draft Negative Declaration** or **Draft EIS** for DWSRF compliance.
- (5.3) Review with municipality and engineering firm the completion of the necessary **EFC construction checklists**.
- (5.4) Assist in publishing legal notices in official newspapers in connection with **SEQRA/SERP** and **Lead Agency**.
- (5.5) Conduct a preliminary fact-finding regarding the scope of the project and discuss with EFC representatives the viability of the project financing.
- (5.6) Apply to EFC/DOH to become listed on the **Intended Use Plan** or the amended Intended Use Plan.
- (5.7) Review with municipality and local attorney the completion process of the **Certificate as to Title to Project Site**.
- (5.8) Advise municipality on target dates needed for EFC's "**Project Management Schedule**".
- (5.9) Obtain the necessary information from the municipality, which includes background financial information needed for the DWSRF application.
- (5.10) Advise municipality on the **Affirmative Action Resolutions and Workplans** that need to be implemented.
- (5.11) Advise municipality on alternate funding sources for ineligible project expenses defined by EFC/DOH.
- (5.12) Review project completion timeframe, and advise municipality on entering the Spring or Fall long-term bond pool (if available).
- (5.13) Complete and submit the final **SRF Application** to EFC for long-term financing.
- (5.14) Consult with municipal officials and advise EFC, prior to establishing final permanent DWSRF bond dollar amount.
- (5.15) Coordinate with Bond Counsel on borrowings including amounts, terms, and conditions, in connection with long-term DWSRF bond funding.
- (5.16) Attend and/or participate in the EFC final coordination meeting and/or conference call.
- (5.17) Verification of bond closing with EFC Officials.



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The charge for the loan submitted and coordination will be \$14,950 plus out-of-pocket expenses. The fee quoted herein will be adjusted by the change in the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30.

If the Town is unsuccessful in participating in the DWSRF Bond Program then any time we have spent assisting the Town Board, Town Officials and other professionals will be billed at our hourly rate, plus out-of-pocket expenses. The time billed will not exceed the stated contract dollar amount.

PART 6- UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) RURAL DEVELOPMENT LOAN AND GRANT PROGRAMS

The following items will be completed under this portion of the contract:

- (6.1) Assist Town Officials with completion of all required Pre-Application documentation as instructed by USDA Rural Development.
- (6.2) Submission of all required Pre-Application documents to USDA Rural Development.
- (6.3) Once a positive Notice of Pre-Application Review Action is received, attend meeting(s) with USDA Rural Development and Town Officials to review the preliminary funding information and Application requirements.
- (6.4) Coordinate documentation and form completion for full application with appropriate parties typically inclusive of Engineer, Local Attorney and Bond Counsel. Assist Town Officials with completion of all applicable forms required for full application documents.
- (6.5) Submit full application to USDA Rural Development.
- (6.6) Create an initial financing plan and prepare preliminary required maturity schedules complying with the restrictions of Sections 21.00 of the Local Finance Law and USDA Rural Development requirements.
- (6.7) Advise the Town as to when the loan and/or grant settlement may take place with the USDA Rural Development. Plan the maturity dates recognizing the Town's fiscal year and timing of revenue.
- (6.8) Attend meeting(s)/conference call(s) as necessary to coordinate final financing plan and final documentation requirements.
- (6.9) Provide final maturity schedule to Bond Counsel (compliance with their interpretation of Essentially Level Debt required).



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- (6.10) Pursuant to Municipal Securities Rulemaking Board ("MSRB") regulations, coordinate the final approval of the financing plan, maturity schedule, terms and conditions with Town Officials.
- (6.11) Coordinate Final Form E for bond closing process.
- (6.12) Coordinate the loan closing with USDA Rural Development Officials, Bond Counsel and Town Officials.
- (6.13) Review closing documentation provided by USDA Rural Development and coordinate required items with Town Officials, Engineer, Local Attorney and Bond Counsel, as applicable.
- (6.14) Review loan closing documentation from Bond Counsel. Review provided documents from Town Officials, Engineer and Local Attorney as applicable.
- (6.15) Attend loan pre-closing/closing at Rural Development offices, Notary Public provided.
- (6.16) Provide final debt service figures for the financing. This includes principal payments and interest expense to be appropriated for the next fiscal year.
- (6.17) Coordinate the payoff of outstanding bond anticipation notes with bond/grant proceeds.

The charge for each Rural Development financing issue will be \$14,950 plus out-of-pocket expenses. The fees quoted herein will be adjusted by the change in the Consumer Price Index, All Urban Consumers - Northeast Urban Rate, for the time period July 1 through June 30.



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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- BOND ANTICIPATION NOTE BORROWINGS WITH AN OFFICIAL STATEMENT (\$1,000,000 OR MORE)** - Vouchers will be submitted after settlement of the Notes.
- PART 2- INITIAL BORROWING AND/OR RENEWAL OF BOND ANTICIPATION NOTES - ENVIRONMENTAL FACILITIES CORPORATION (EFC) DWSRF SHORT-TERM FINANCING PROGRAM (STFP)** - Billed in full upon the Environmental Facilities Corporation loan closing.
- PART 3- SALE OF REGISTERED PUBLIC MARKET SERIAL BONDS WITH AN OFFICIAL STATEMENT (\$1,000,000 OR MORE)** - Vouchers will be submitted after settlement of the Bonds.
- PART 4- SALE OF REGISTERED PUBLIC MARKET REFUNDING SERIAL BONDS WITH AN OFFICIAL STATEMENT-** Vouchers will be submitted directly to the Escrow bank prior to funding.
- PART 5- NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION (EFC) NEW YORK DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN** - Billed in full upon the Environmental Facilities Corporation loan closing.
- PART 6- UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) RURAL DEVELOPMENT LOAN AND GRANT PROGRAMS** - 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**, 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.

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,

Charles A. Bastian
President

CAB/jam
Enclosures

I, _____, Supervisor of the Town of Romulus, have been authorized by a resolution dated _____ to accept the Bernard P. Donegan, Inc. letter for Municipal Advisor Services as outlined above in connection with the Town's proposed \$2,800,000 Willard Water Project.

(Signed) _____

(Dated) _____