

OCTOBER 4, 2017

REGULAR MEETING – 6:00 PM

Present: Deputy Mayor Hotchkiss, Trustees: Emery and Harter, John Power (departed 6:40 pm), Greg Britton (departed 6:40 pm), David Anderson, Sharon Anderson, Nancy Evale (arrived 6:16 pm), Larry Barber, Justin Herrington (arrived 6:15 pm), Jim Kane, Carol Kane and Attorney Mowry,

Absent: Mayor Grimshaw and Trustee Linerode

Deputy Mayor Hotchkiss called the Regular meeting to order at 6:00 pm, followed by the pledge of Allegiance.

The Minutes of the Regular Meeting of September 6, 2017 were approved on motion of Trustee Emery, all aye.

The following claims were approved for payment on motion of Trustee Harter, all aye:

General Fund Abstract: 4B:\$24,714.52

5A:\$100,123.58

Water Fund Abstract: 4B:\$9,071.29

5A:\$11,100.64

Sewer Fund Abstract: 4B:\$20,384.87

5A:\$12,959.07

WWTP Upgrade Project 4B:\$4,168.72

Abstract: 5A:\$0.00

Reports were given by Deputy Mayor Hotchkiss on behalf of Arthur Babcock Zoning/Code Enforcement Officer, John Power/Village Administrator, and Greg Britton /Water & WWTP Superintendent

The Village received one bid from CYNCON for a Municipal Vehicle (sidewalk plow). The Municipal Vehicle on Tracks is \$117,913.00 and the Heavy Duty Hydraulically Driven Snow Blower is \$21,140.00 for a total of \$139,053.00. On motion of Trustee Harter, all aye, the board agreed to table this until the next meeting while John Power researches different funding options.

Dave & Sharon Anderson addressed the board with concerns over the removal of the dam on the Little Salmon River and the effects that it would have on the property owners. Larry Barber and Jim Kane also have the same concerns as the Anderson's. They all have bought their properties due to the fact the river was in their back yards.

Deputy Mayor Hotchkiss informed the residents that there was nothing on the agenda due to the fact it was just information the State DEC department was passing along to the Village Board. At this time the Village has no intentions on moving forward with funding options for the removal of the Village dam.

The following funds were transferred on motion of Trustee Emery, all aye:

GENERAL FUND From: 1990.4 Contingency To: 8810.4 Cemetery Contractual
\$1,000.00

The following bids were submitted for tree removal throughout the Village and for the Village Cemetery along with stump removal in the cemetery.

Bartlett Tree Experts-\$21,000.00

Timber Tree Service-\$19,200.00

Tree Landers Tree Service LLC-\$16,600.00

On motion of Trustee Harter, seconded Trustee Emery, all aye, the board has agreed to go with the low bid from Tree Landers Tree Service LLC.

On motion of Trustee Emery, seconded Trustee Harter, all aye, the board agreed to table the Water Service agreement until the next meeting between the Village of Mexico and the Town of New Haven until all questions have been resolved.

On motion of Trustee Harter, seconded Trustee Emery, all aye, the Village Board is declining downstream insurance coverage for the failure of the Village dam on the Little Salmon River.

On motion of Trustee Harter, seconded by Trustee Emery, all aye, the board passed the following resolution:

EXTRACT OF MINUTES FROM OCTOBER 4, 2017
MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE
OF MEXICO

There were present: Trustees: Harter and Emery, Deputy Mayor
Hatchkiss
Also Present: Traci M. Wallace, Village Clerk

Trustee Harter moved and Trustee Emery seconded the following resolution:

RESOLVED that the Village of Mexico hereby adopts the post issuance compliance policy to monitor post issue compliance with applicable provisions of the Internal Revenue Code of 1986 as amended and Treasury Regulations promulgated thereunder for obligations issued by the Village of Mexico on a tax exempt or tax advantaged basis, said policy being as set forth on the annexed six pages:

On being put to a vote, the aforesaid resolution and policy contained therein was unanimously approved.

I, Traci M. Wallace, hereby certify that the within is a true and exact copy of the foregoing post compliance policy resolution adopted by the Board of Trustees of the Village of Mexico on October 4, 2017.

Dated: October 4, 2017 .

(seal)

Traci M Wallace
Traci M. Wallace, Village Clerk

Post-Issuance Compliance Policy

For Tax-Exempt and Tax-Advantaged Bonds and Continuing Disclosure

This Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the Village of Mexico, New York (the "Issuer" or the "Village") designed to monitor post-issuance compliance with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated there under ("Treasury Regulations") for obligations issued by the Issuer on a tax-exempt or tax-advantaged basis ("Bonds").

This Policy sets forth practices and describes various procedures intended to assure compliance with the requirements that must be satisfied subsequent to the issuance of Bonds in order that the interest on such Bonds continue to be eligible to be excluded from gross income for federal tax purposes or that the Bonds continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Bonds will be detailed in the arbitrage or tax certificate prepared by bond counsel and executed by officials of the Issuer in connection with such issue of Bonds. This Policy establishes a permanent, ongoing structure of procedures that will facilitate compliance with the requirements for individual issuances.

The Issuer recognizes that compliance with applicable law and regulation is an ongoing process during the entire term of the Bonds. Accordingly, implementation of the Policy will require ongoing monitoring and consultation with bond counsel and the Issuer's accountants and financial advisors.

General Policies and Procedures

The following procedures relate to monitoring post-issuance compliance generally:

- a) The Village Treasurer shall be the Compliance Officer and shall be responsible for monitoring post-issuance compliance issues.

- b) The Compliance Officer will coordinate procedures for record retention and review of such records.
- c) All documents and other records relating to Bonds issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.
- d) The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and recommend that the Issuer take such corrective action when necessary and appropriate.
- e) The Compliance Officer will review with bond counsel and the financial advisor post-issuance compliance procedures on a periodic basis, but not less than annually and consult with bond counsel on changes in law or regulation.

Issuance of Bonds – Documents and Records

With respect to each issue of Bonds, the Compliance Officer will:

- a) Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").
- b) Confirm that bond counsel has filed the applicable information report (e.g., Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- c) Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Bonds with other applicable staff members of the Issuer.
- d) Coordinate tracking of the use of facilities and equipment to which the proceeds of such Bonds have been allocated with other applicable staff members of the Issuer.

Arbitrage and Rebate

The following steps relate to the monitoring and calculating of arbitrage and rebate and compliance with specific arbitrage rules and regulations:

The Compliance Officer will:

- a) Confirm that a certification of the initial offering prices of the Bonds with such supporting data, if any, required by bond counsel, is included in the Transcript.
- b) Confirm that a computation of the yield on such issue is contained in the Transcript.
- c) Maintain a system for tracking investment earnings on the proceeds of the Bonds.
- d) Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Bonds will be funded with multiple sources of funds, confirm that the Issuer has adopted a reasonable consistently applied accounting methodology that maintains each source of financing separately, monitors the actual expenditure of proceeds of the Bonds and records the allocation of proceeds to expenditures in accordance with such methodology.
- e) Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Bonds within 18 months after each project financed by the Bonds is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- f) Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- g) Ensure that investments acquired with proceeds of such issue are purchased at fair market value and determine fair market value in accordance with any applicable Treasury Regulation safe harbor.
- h) Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.

- i) Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- j) Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- k) Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- l) Procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability.
- m) Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Use Compliance

The following policies relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with proceeds of the Bonds:

The Compliance Officer will:

- a) Maintain records determining and tracking facilities and equipment financed with specific Bonds and the amount of proceeds allocated to each facility or item of equipment.
- b) Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- c) Maintain records allocating to a project financed with Bonds any funds from other sources that will be used for otherwise non-qualifying costs.
- d) Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- e) Monitor private use of financed facilities and equipment to ensure compliance with applicable limitations on such use. Examples of potential private use include:

- i. Sale or disposition of interests in the facilities or equipment, including sale of naming rights;
- ii. Lease or sub-lease of the facilities or equipment (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
- iii. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
- iv. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
- v. Joint ventures, limited liability companies or partnership arrangements;
- vi. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
- vii. Development agreements which provide for guaranteed payments or property values from a developer;
- viii. Grants or loans made to private entities, including special assessment agreements; and
- ix. Naming rights arrangements.

Monitoring of private use should include the following:

- a) Procedures to review the amount of existing private use on an annual basis; and
- b) Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities or equipment and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged Bonds, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so,

what remedial action is appropriate. The Compliance Officer should retain all documents related to any of potential private uses.

Qualified Tax-Exempt Bonds

If the Issuer issues “qualified tax-exempt obligations” in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 “small issuer” limit is not exceeded.

Reissuance

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Bonds which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The Compliance Officer will:

- a) Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- b) Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- c) Coordinate with staff to generally maintain the following:
 - i. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 - ii. Documentation evidencing expenditure of proceeds of the issue;
 - iii. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 - iv. Documentation evidencing use of financed property by public and private entities (e.g.,

copies of leases, management contracts, utility user agreements, developer agreements and research agreements);

v. Documentation evidencing all sources of payment or security for the issue; and

vi. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).

d) Coordinate the retention of all records in a manner that ensures their complete access to the IRS.

e) Keep all material records for so long as the issue is outstanding (including any refunding), plus three years.

Annual Report

The Compliance Officer shall prepare an annual report (the "IRC Annual Report") confirming that the Village is in compliance with the Policy as it relates to Tax-Exempt Bonds and Tax Advantaged Bonds and shall submit such IRC Annual Report to the Mayor and the Village Board.

Justin Herrington/Fire Chief had nothing to report however, does have some concerns about the extension of the water lines to New Haven and how they will be tied into the current system. As soon as things are resolved information will be passed along.

The meeting adjourned at 7:10 p.m. on motion of Trustee Harter, all aye.

Respectfully submitted,

Traci Wallace

Village Clerk

