

TOWN OF OAKFIELD

PLANNING MEETING

FEBRUARY 19, 2013

Supervisor Cianfrini called the meeting to order at 4:00 pm, followed by the Pledge to the Flag.

PRESENT: Supervisor Cianfrini, Councilpersons Veazey, Glor, Kabel and Martin, Town Clerk Haacke, Justice Graham, Justice Baker, Superintendent of Highways Dennis, Code & Zoning Office Mikolajczyk, Deputy Clerk Denny, Tom Carpenter of Clark Paterson Lee and Jeremy DeLyser of Clark Patterson Lee

The outline of the meeting is scanned and attached to these minutes.

WATER DISTRICT 3

The Town has received a grant and the district is moving forward.

WATER STANDARDS

These are in good shape.

EFFICIENCY GRANT

Supervisor Cianfrini was contacted by Mark Masse of GCEDC to join with the Town of Alabama and the Village of Oakfield in updating the Comprehensive Plan. The following resolution was presented:

RESOLUTION TO APPLY FOR EFFICEIENCY GRANT

ALONG WITH THE TOWN OF ALABAMA AND THE VILLAGE OF OAKFIELD

WHEREAS, the State of New York has authorized the making of grants to aid eligible units of government in financing the cost of improvements and/or studies that will impact managing the future growth and development of the community; and

WHEREAS, the Municipality intends to request grant assistance from the state;

NOW, THEREFORE...

The Municipality perform the functions and obligations of the grant recipient as set out in a grant agreement should this project be chosen for funding.

The Supervisor, and successors so titled, is hereby authorized to execute and file an application on behalf of the Municipality, with the State of New York for a grant to aid in the Joint Efficiency Grant Application along with the Town of Alabama and Village of Oakfield and execute all necessary documents with an amount not to exceed \$10,000.00.

The Supervisor and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project to make the assurances as contained above, and to execute such other documents as may be required in connection with the application.

A **motion** was made by Councilman Veazey, seconded by Councilman Kabel and carried by unanimous vote to approve the above resolution dated February 19, 2013.

WATER

Districts 7 & 10 are being worked on with the Town of Batavia. There would be phasing of this total due the size.

Water District 9—other districts would come first.

Water District 11—will go in with STAMP.

Water District 8—This Bliss Road project will have if Water District 6 goes in.

Water Districts 4, 5 & 6---look to possibly go with PVC as opposed to DIP.

BOND RESOLUTION FOR WATER DISTRICT 3

A. Alessi

Partner

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February 12, 2013

Via E-mail: mcianfrini@townofoakfield.com

Michael Cianfrini, Esq., Town Supervisor

Town of Oakfield

3219 Drake Street

Oakfield, New York 14125

Dear Supervisor Cianfrini:

Re: Town of Oakfield, Genesee County, New York;

Bond Counsel Services and Billing Arrangements

We are grateful for the continuing opportunity you have given us to work with you and your colleagues as bond counsel to the Town of Oakfield (the “Town”). We believe that our size, our long and stable history, our extensive public finance and municipal law experience, our local presence, and our commitment to serving Western New York clients and investing in the Western New York community make Hodgson Russ uniquely qualified to serve the Town as bond counsel. We are right here in Western New York, and our bond counsel practice exists within a larger firm that understands and values municipal clients and has organized itself to serve municipalities in many diverse areas. We will be available to you and responsive to you,

no matter what questions you may ask us. We appreciate your confidence and trust, and we will strive to exceed your expectations.

The attorneys in our Public Finance Practice Group have acted as bond counsel for a great many bond and note issuers in Western New York and throughout New York State, including the majority of the school districts, cities, villages and towns in this part of the State. We have rendered our approving opinions on billions of dollars of New York public financings, and our bond counsel practice continues to grow State-wide.

The addition of Richard Alessi as Special Counsel in our Public Finance Practice Group in 2003 further enhanced our public finance capabilities. The response to Richard's affiliation with us was overwhelmingly favorable. Nearly all of the many school district, town, village, city and fire district clients who worked with Richard over the years followed him to Hodgson Russ. Although my father has formally retired from our firm, he has worked very closely with our Public Finance Practice Group and remains available to us as a special consultant. I am proud to carry on the tradition of client service for which my father was so well known and respected. In my work with you and the Town, I will always strive to live up to the standards of excellent client service and responsiveness that my father demonstrated.

This is the letter that we send at the outset of an engagement, and from time to time thereafter, to outline and confirm the services which we will perform as your bond counsel, and to set forth the terms of our ongoing engagement. This supplants any other similar letter or fee

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schedule that we have previously sent to you. We believe that our fees are fair and reasonable, and we apply them across-the-board. You need not worry that someone else is receiving a more favorable current fee schedule. Additionally, we understand that this letter will be supplemented with a "not to exceed" cost figure for any project identified as a Rural Development Agency or Environmental Facilities Corporation matter once a tentative multi-year borrowing schedule has been established for any such project.

Responsibilities of Bond Counsel

As a matter of custom and prudence, both issuers and the purchasers of tax-exempt bonds and notes have come to require an opinion of recognized bond counsel in connection with the issuance of such obligations. Bond counsel is retained as an expert whose primary responsibility is to render an objective legal opinion with respect to such obligations. The opinion of bond counsel ordinarily provides, among other things, that (1) the obligations have been properly authorized and issued and are valid, and (2) the interest on the obligations is excludable from the gross income of the owners of such obligations for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York (and by the City of New York). It is the certainty and confidence provided by an opinion of recognized bond counsel that allows towns and other municipal issuers to receive the most favorable possible interest rate bids when they issue bonds or notes.

In order to establish the factual basis for the important legal conclusions expressed in our opinion, we prepare a detailed record of proceedings (or transcript) which contains all documents and other materials necessary in our view to ensure that the form and substance of the transaction conform with the requirements of the Internal Revenue Code of 1986, the Securities Act of 1933, the Securities Exchange Act of 1934, the Local Finance Law, the General Municipal Law, the Town Law and other applicable statutes (and related regulations). Included in the record of

proceedings are various resolutions adopted by the governing board of the Town (the “Town Board”) authorizing the issuance of the obligations. Also included are certificates as to various factual matters which serve to establish the tax-exempt status of the obligations and any applicable arbitrage-related exemptions. We are responsible for drafting these resolutions and certificates, as well as other documents which are customary and appropriate in these transactions. In performing our work, we coordinate our efforts with those of Town officials, the Town’s financial advisor (if one is retained), the Town’s regular attorney or law firm, and any involved state or federal agencies or officials.

In addition, we prepare the notice of sale and summary notice of sale in bond transactions, as well as detailed continuing disclosure undertakings (if applicable). We also review and comment on the official statement and other sale documents prepared by the Town’s financial advisor in publicly-offered bond or note sales. Our review is for the limited purpose of ensuring conformity with the described record of proceedings. Except for such limited review of the official statement, we typically assume no responsibility for any disclosure which may be required under state or federal securities laws in connection with the issuance and sale of the obligations (excepting only the description of the obligations and the record of proceedings appearing in the offering documents) or for the accuracy, completeness or fairness of statements, Michael Cianfrini, Esq., Town Supervisor

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representations, information or financial data supplied by the Town, by its financial advisor, or by any financial institution providing credit enhancement for the obligations.

Fees

In the absence of any current (i.e., within the last two years) written arrangements governing particular New York State Environmental Facilities Corporation (EFC) or United States Department of Agriculture - Rural Development Agency (Rural Development) projects (we will provide supplemental engagement letter for the aforementioned matters), our fees for our professional services as bond counsel to the Town will be computed for each set of underlying Town proceedings, and for each subsequent issue of obligations, as follows (these arrangements are in effect for all future bills to be rendered, until such time as we modify them with you in writing).

Our fees are as set forth in the following schedule:

Proceedings:

Fees:

Establishment of single district (water, sewer or lighting) (Article 12) \$3,000

Establishment of single district (water, sewer or lighting) (Article 12-A) \$2,000

Establishment of improvement area (Article 12-C) \$3,000

OSC approval for a particular proceeding (if required) \$8,000

Town Law 202-b proceeding (special single district) \$1,800

Town Law 202-b proceeding (multiple districts) \$2,500

Consolidation proceedings To be determined on a case by case basis

Bond resolution, effective immediately (single purpose) \$700

Bond resolution, effective immediately (multiple purposes) \$700 plus \$200 for each additional purpose

Single-purpose bond resolution, subject to permissive referendum (without subsequent vote)

\$900

Single-purpose bond resolution, subject to referendum or special election
(on Town Board motion)

\$1,600

Bond resolution, subject to referendum or special election as a result of
voter petition

\$2,100

Refunding bond resolution \$1,000 (plus \$400 for each
underlying series of bonds to
be refunded)

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Reserve fund - establishment - immediately \$900

Reserve fund - expenditure - immediately \$800

Reserve fund - establishment or expenditure - permissive referendum \$1,000

Borrowings:

Notes

Issue Size Fees

Base Fees: \$1,000 (new) or \$750 (renewal) (local closing/no official statement)

\$1,250 (new) or \$1,000 (renewal) (DTC closing/no official statement)

\$2,500 (new) or \$2,250 (renewal) (local closing/official statement)

\$2,750 (new or EFC Note) or \$2,500 (renewal) (DTC closing/official statement)

plus:

First \$2,500,000 \$1.00 per thousand

Amount from \$2,500,000 to \$5,000,000 \$.60 per thousand

Amount from \$5,000,000 to \$15,000,000 \$.40 per thousand

Amount over \$15,000,000 \$.25 per thousand

In the case of a note issue involving both new money and renewal money components for the same project, we would charge separate base fees for each new money component and for each renewal money component. The first of these base fees would be based on the nature of the transaction (for example, whether there was an official statement, and whether the closing was conducted through DTC). Any additional base fees would be at the lowest level under our fee schedule that reflects the nature of the closing, without reference to the sale documentation.

Additionally, to the extent that a different project is added to a financing (or in the case of multinote/

multi-purchaser issues), we would follow the same methodology, using our lowest level base fees that reflect the nature of the closing, without reference to the sale documentation.

Under any scenario, the total of our additional base fees (beyond the first) will never exceed \$3,000 regardless of the number of projects being collectively financed. For purposes of this item, "notes" includes bond anticipation notes, bond anticipation renewal notes, revenue anticipation notes, tax anticipation notes, capital notes and budget notes.

Bonds

Fees

Base fee: \$4,000 (\$3,000 for a privately-sold bond issue that is solely for the redemption of bond anticipation notes), excluding Rural Development and EFC financings, for a single project financing. For each additional project being financed in a combined issue, there would be a base fee of \$800 (\$400 for a privately-sold bond issue that is solely for the redemption of bond anticipation notes). Under any scenario, the total of our additional base fees (beyond the first) will never exceed \$4,000 regardless of

the number of projects being collectively financed. Rural Development and EFC matters will have a base fee of \$4,000 (\$3,500 for Rural Development and EFC matters that are issued for the redemption of bond anticipation notes).

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plus:

First \$5,000,000 \$1.00 per thousand

Amount from \$5,000,000 to \$10,000,000 \$.75 per thousand

Amount over \$10,000,000 \$.50 per thousand

Because the range of services we are expected to provide in the context of a bond sale are more easily subject to prediction than is the case with note sales, the fees listed above are “all inclusive” (except for the extraordinary services described later in this letter). We have sought to create a simple and predictable fee schedule for bond issues that is fair and understandable to all parties and that covers all the normal bond counsel services we anticipate performing. Unlike some other bond counsel firms, we have deliberately avoided setting artificially low “base” fees and then charging extra for a host of specific services that we consider to be part of the job (such as reviewing and commenting on the official statement as described above, drafting continuing disclosure documents, setting up and printing the bonds and preparing and filing required IRS documents).

We will submit bills to you on these occasions: (1) upon the Town’s adoption of a bond resolution and (2) upon the later closing of each subsequent issue of obligations.

We understand that the Town may be considering financing various projects through participation in financing programs offered by EFC or Rural Development. If the Town were to finance a project with EFC or Rural Development, our fees would be increased to reflect the additional work related to EFC and Rural Development financing programs. Our additional fees would be determined based on our discounted hourly rates as set forth below. Absent extenuating circumstances and discussions with the Town, we would agree to cap our additional legal fees for services as bond counsel at \$5,000 when such programs are utilized.

For advance refunding transactions, which involve more participants and are more complex in nature, our fee for issues under \$10,000,000 will be calculated off of a flat fee of \$15,000, plus an additional \$2,000 for each underlying series of bonds or notes being refunded. For transactions in excess of \$10,000,000, our fee will be subject to negotiation and agreement in light of the total size of the transaction and the savings involved. Current refundings will be evaluated on a case-by-case basis, but our fees for those refundings will not exceed our stated fees for advance refundings. Note that these refunding transaction fees include within them all of our out-of-pocket disbursements (in order to provide for the absolute fee certainty that is necessary in these complicated transactions). Our fees are payable on closing and will be factored into the underwriter’s cost of issuance calculations for payment out of the transaction proceeds--the Town would not typically pay them separately. These refunding transaction quotes assume the absence of any unusual complicating factors.

For typical lease/purchase transactions (including any related energy performance contract or other document review and negotiation), we will charge for all the work involved on an hourly basis, using our rates as set forth below (with a minimum fee equal to the fee that we would have charged had the transaction been conducted as a “new money” private bond sale).

Our fee would cover all of our work on the lease/purchase financing, including the negotiation

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and delivery of the package of lease documents and the delivery of our final approving opinion in form satisfactory to the lessor.

The legal fees set forth above cover all services outlined above. If we are asked to research extraordinary questions of tax law, securities law or state law, or are called upon to perform extraordinary services with regard to financial analysis or marketing of the obligations, or with regard to real estate matters, environmental compliance matters (such as contract and bid reviews or SEQRA analysis and compliance), unusually complicated reserve fund or equipment financing analysis, unusual or complex debt limit analysis or compliance work, structuring of taxable issues, or other aspects of the financing falling outside the routine responsibilities of bond counsel on a typical tax-exempt financing, we will charge for these extraordinary or related services (or for our basic preliminary bond counsel services if a bond proposition or a bond resolution is defeated) on an hourly basis in accordance with our discounted fees as determined annually. The following hourly rates would be applicable only for such extraordinary questions and special work as identified in this engagement letter and would be in effect until such time as we notify you in writing. Such rates are \$265 for partners, \$245 for associates and \$125 for our paralegals. Environmental compliance and special securities work is currently billed at a rate of \$293. We understand that the term of our engagement will be for the period required to complete the financing for the referenced project. In the event that the Town determines to terminate our engagement prior to the completion of the project, we will bill the Town for our legal services based on the aforementioned hourly rates.

In addition to listing our fee, will also request reimbursement of our direct, out-of-pocket disbursements that we incur on your behalf. These are usually quite modest. They would typically include charges for photocopies of various documents, mileage reimbursement, extraordinary required travel costs (quite rare), overnight courier charges, and long distance telephone calls. To the extent such charges are continuing to be incurred as a final statement is rendered, we will make a good faith estimate of such charges and will make note of that on the final bill, rather than sending subsequent small "cleanup" statements.

Disbursements:

Hodgson Russ disbursements (postage, etc.) are generally nominal and are billed at cost.

Client Information

In performing our services as bond counsel to the Town, our client is the Town, and we represent its interests in connection with the issuance of the obligations. While the Town Board is the finance board of the Town under the New York Local Finance Law, the Town Board will usually delegate to the Town Supervisor the responsibility of providing for the issuance of the obligations and undertaking the projects to be funded thereby. We anticipate that the majority of our conversations and discussions will be with the Town Supervisor, the Attorney for the Town, other appropriate officials of the Town, the Town Clerk and other officers having responsibility for the issuance of the obligations. By acceptance of this letter, the Town Board agrees that communications with such persons will fulfill our professional duty as bond counsel to communicate with the Town Supervisor and/or the Town.

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We will work cooperatively with the Attorney for the Town, and will rely on such other

counsel to address matters falling outside the scope of our traditional bond counsel services (unless we are specifically requested to perform such services). Examples of such matters may include issues involving architectural, engineering and construction contracts, SEQRA compliance work (unless undertaken by us, with the Town's approval, in connection with our work as bond counsel), and matters relating to litigation, public bidding and the general municipal laws governing the project(s) to be financed. To the extent that we are asked to perform any of these related (but "non-core") services, we will bill for our additional work in accordance with this letter and will state any such charges as additional amounts due under the statements we render in connection with our provision of our regular bond counsel services. We believe that this approach best enables the Town to conveniently keep track of all project-related legal costs. We assume that any other parties involved in the issuance of the obligations will retain such counsel as they deem necessary and appropriate to represent their respective interests. Our representation of the Town will not alter our responsibility to render an objective opinion as bond counsel.

Conflicts of Interest

The Lawyer's Code of Professional Responsibility prohibits representation of multiple clients if the exercise of independent professional judgment on behalf of a client will be or is likely to be adversely affected by such multiple representation. As described above, in connection with the issuance of the Obligations by the Town, the Town will be our client. We will not represent any other party involved in the issuance of the Obligations or any substantially related matter.

As a matter of course, our firm regularly represents banks, investment bankers and other corporate clients in public finance and other matters. Any one or more of these clients might become involved in the issuance of the Obligations.

Our representation of these clients has occurred in the past, is presently ongoing, and we hope will continue in the future. Our conflicts partner has indicated to us that, if we represent a regular client in matters not related to the issuance of the Obligations, a "potential" conflict of interest may arise if such client subsequently becomes a party to this transaction (by, for example, being the lowest bidder for the Obligations), even if we are not representing such client in this transaction. Acceptance of this proposal will constitute a waiver by the Town of all such "potential" conflicts of interest, but will not constitute a waiver of an "actual" conflict of interest. An "actual" conflict of interest would exist in a situation where this firm represents the Town and another client in the same matter, such as representing a potential purchaser of the Obligations in preparing its bid for the sale of the Obligations by the Town. However, as noted above, we will not represent any bank, investment banker or other client in any matter related to the issuance of the Obligations by the Town or any substantially related matter.

As we have discussed, you are aware that we represent many other clients in numerous and diverse matters. It is possible that, during the time that we are representing the Town as bond counsel, some of our past, present or future clients may have transactions with the Town.

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The Town agrees that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to our work as bond counsel for the Town (even if the interests of such clients in those other matters is directly adverse to the interests of the Town; however, we agree that your prospective consent to conflicting

representation shall not apply in any instance where, as a result of our representation of the Town, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage.

Acceptance of this proposal further constitutes authorization by the Town to permit the Supervisor, or other authorized Town officials, to execute any writing required by our conflicts partner to resolve any such "potential" conflicts of interest that may arise in the future.

Arbitration

In the event that a dispute arises between us relating to our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

Conclusion

We hope that the information set out above will be helpful to you. Please call us if you have any questions. Otherwise, we look forward to working with you under these arrangements. In closing, we want to reiterate that we appreciate the opportunity you have given us to be of continuing service to the Town as bond counsel.

Very truly yours,

John A. Alessi

JAA/jap

cc: Melissa Haacke, Town Clerk

Kevin Earl, Town Attorney

A **motion** was made by Councilman Veazey, seconded by Councilperson Glor and carried by unanimous vote to approve the Bond Council as submitted.

The following Resolution was presented for the Building Expansion Grant:

The Town of Oakfield Authorizing

Resolution for the Local Government Efficiency Program Grant

WHEREAS, the Towns of Oakfield and Elba will apply for 2012-2013 Local Government Efficiency Grant from the New York State Department of State, which has a deadline date of March 13, 2013; and

WHEREAS, such application will request a grant for the planning, design and construction of a Joint Municipal and Court Facility for use by the Towns of Oakfield and Elba as described herein; and

WHEREAS, Michael Cianfrini, Oakfield Town Supervisor shall be designated as the lead applicant contact person and shall execute all financial and / or administrative processes relating to the implementation of this program; and

WHEREAS, the Town of Elba will be co-applicant(s) on the grant application and will enter into intermunicipal agreements to complete the grant application and future planning, design and construction if the grant is awarded; and

WHEREAS, the project shall be entitled the “Oakfield-Elba Joint Court Facility” and will be located at the site of the existing Oakfield Town Hall, which will be utilized by the Towns of Oakfield and Elba for their local court proceedings. The reconstruction will improve efficiency in court operations and reduce the costs associated with each municipality’s operations; and

WHEREAS, the Town of Oakfield is requesting a share of \$200,000 from the total \$400,000 grant request from the Local Government Efficiency Grant program for the planning, design and construction of the Joint Court Facility; and

WHEREAS, the Town of Oakfield will contribute at a minimum ten (10) percent local cash match if the grant is awarded.

NOW THEREFORE BE IT RESOLVED, Michael Cianfrini, as Oakfield Town Supervisor, is hereby authorized and directed to file an application for funding from the New York State Department of State’s 2012-2013 Local Government Efficiency Grant Program, in the amount of \$400,000 and upon approval of said request to enter into and execute a project agreement with the State of New York Department of State for such financial assistance for the purpose of planning, design and constructing a Joint Court Facility as described above.

FURTHER BE IT RESOLVED, the Town of Oakfield will commit, at a minimum, its share of ten (10) percent of the required local match to participate in the Local Government Efficiency Grant Program.

A **motion** was made by Councilman Veazey, seconded by Councilman Kabel and carried by unanimous vote to move forward with the Building Expansion Grant application.

With no further business to come before the Board, a **motion** was made by Councilman Veazey, seconded by Councilman Martin to adjourn the meeting at 5:40 pm.

Respectfully submitted,

Melissa M. Haacke
Town Clerk