

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE OF MEDINA HELD ON MONDAY, JANUARY 23, 2017 AT 7:00 P.M. IN THE CLERK'S OFFICE CONFERENCE ROOM.

Present: Mayor Michael Sidari
Trustees Owen Toale, Todd Bensley, Marguerite Sherman, Timothy Elliott
Fire Chief Thomas Lupo, Police Chief Chad Kenward, Code Enforcement Officer Martin Busch, DPW Supt. Peter Houseknecht
Attorney Abraham Platt

The Mayor called the meeting to order at 7:00 p.m. with the Pledge of Allegiance to the flag.

Mayor Sidari opened the Public Hearing on Proposed Local Law #1 regarding the installation of solar energy equipment and systems. No interested persons appeared to speak and the Mayor closed the Public Hearing at 7:02 p.m.

A motion was made by Trustee Bensley and seconded by Trustee Toale. The minutes of January 9, 2017 are approved as submitted.

All ayes
Motion carried.

A motion was made by Trustee Sherman and seconded by Trustee Elliott. The bills are approved for payment as submitted.

All ayes
Motion carried.

A motion was made by Trustee Elliott and seconded by Trustee Bensley. The Mayor is authorized to request Orleans County Civil Service to schedule a promotional exam for the Account Clerk position recently created for the Village Clerk's Office.

All ayes
Motion carried.

The following resolution was offered by Trustee Owen Toale and seconded by Trustee Todd Bensley to-wit;

RESOLUTION, DATED JANUARY 23, 2017 OF THE VILLAGE BOARD OF TRUSTEES OF THE VILLAGE OF MEDINA, ORLEANS COUNTY, NEW YORK (THE "VILLAGE") ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES

WHEREAS, the Internal Revenue Service has issued regulations requiring issuers of tax-exempt obligations to certify on various forms that they actively monitor compliance with federal tax rules following the issuance of such obligations; and

WHEREAS, the Village is an occasional issuer of tax-exempt obligations and thus is subject to the aforementioned compliance requirements which are critical for the preservation of the preferential tax status of those obligations; and

WHEREAS, it is therefore in the best interest of the Village to adopt formal written procedures to ensure such compliance and to designate an official responsible for ensuring that such procedures are followed; and

WHEREAS, the Village previously adopted interim post-issuance tax compliance procedures (the "Original Procedures"); and

WHEREAS, it was intended that the Original Procedures would be periodically updated and supplemented; and

WHEREAS, Hodgson Russ LLP, as bond counsel to the Village, has prepared and has recommended that the Village adopt updated and more comprehensive post-issuance tax compliance procedures;

NOW THEREFORE, BE IT RESOLVED, that the Village hereby adopts the updated and more comprehensive post-issuance tax compliance procedures that are attached hereto as "Schedule A" and resolves to be governed thereby; and be it further

RESOLVED, that such Schedule A will be placed in its entirety in the official records, files and minutes of the Village and adhered to going forward; and be it further

RESOLVED, that this resolution shall take effect immediately upon its adoption.

The question of the adoption of the foregoing resolution was duly put to a vote, which resulted as follows:

AYES: Trustee Owen Toale
Trustee Marguerite Sherman
Trustee Todd Bensley
Trustee Timothy Elliott

NOES:

ABSENT:

The resolution was thereupon declared duly adopted.

Schedule A

**VILLAGE OF MEDINA,
ORLEANS COUNTY, NEW YORK**

**Post-Issuance Tax Compliance Procedures
for Tax-Exempt Bonds and Notes**

Statement of Purpose

These Post-Issuance Tax Compliance Procedures (the “Procedures”) set forth specific procedures of the **Village of Medina, Orleans County, New York** (the “Issuer”) designed to monitor, and ensure compliance with, certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”) and the related Treasury regulations, promulgated thereunder, post-issuance tax compliance with the Internal Revenue Service (“IRS”) in connection with the Issuer’s issuance of tax-exempt bonds and notes (“Obligations”).

These Procedures describe various systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations to ensure that the interest on such Obligations is eligible for exclusion from gross income for federal income tax purposes. The federal tax law requirements applicable to the Obligations will be described in the tax questionnaire and/or tax certificate prepared by bond counsel and signed by officials of the Issuer. These Procedures establish a permanent, ongoing structure of practices that will facilitate compliance with the requirements for individual borrowings.

To ensure compliance with applicable federal tax requirements, the Issuer must monitor the various direct and indirect uses of proceeds of the obligation and the investment of such proceeds, including but not limited to:

- (1) Monitoring the use of financed property over the life of the obligation.
- (2) Determining the sources of debt service payments and security for the obligation.
- (3) Calculating the percentage of any nonqualified use of the financed property.
- (4) Calculating the yield on investments of proceeds.
- (5) Determining appropriate restrictions on investments.
- (6) Determining the amount of any arbitrage on the investments.

(7) Calculating any arbitrage rebate payments that must be paid to the U.S. Treasury.

The Issuer recognizes that compliance with the pertinent law is an on-going process, necessary during the entire term of the Obligations. Accordingly, the implementation of the Procedures will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Procedures

The following procedures relate to monitoring post-issuance tax compliance generally.

- A. The **Village Clerk-Treasurer (currently, Deborah L. Padoleski)** (the "Compliance Officer") shall be responsible for monitoring post-issuance tax 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 Obligations must be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable IRS requirements, such as those contained in Revenue Procedure 97-22 (see attached).
- D. The Compliance Officer shall be aware of remedial actions under Section 1.141-12 of the Treasury Regulations (see attached) and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance tax compliance procedures and systems on a periodic basis, but not less than annually.
- F. The Compliance Officer will be responsible for training any designated officer or employee who is delegated any responsibility for monitoring compliance pursuant to this procedure. To the extent the Compliance Officer needs training or has any questions with respect to any item in this procedure, he or she should contact bond counsel and/or Issuer's accountants and advisors. The IRS recognizes that the Compliance Officer and any delegated individual are not expected to act as lawyers who know the proper response to all compliance situations that may arise, but they should be familiar enough with federal tax issues that they know when to ask for legal or other compliance advice.

Issuance of Obligations: Documents and Records

With respect to each issue of Obligations, 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 the applicable information reports (e.g., Form 8038 series) for such issue are filed timely with the IRS. Issuer should consult with their accountants and/or bond counsel with questions regarding the filing of such forms.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations.

Arbitrage

The following procedures relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations 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 from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- 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 Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- 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 Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations (see attached).
- 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. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.

- 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, to file a Form 8038-T and to 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 Activity: Use of Proceeds

The following procedures relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records for determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- 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 Obligations 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 to ensure compliance with applicable limitations on such use. Examples of potential private use include:
 - 1. Sale of the facilities, including sale of capacity rights;
 - 2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;

3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
5. Joint-ventures, limited liability companies or partnership arrangements;
6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis but not less than annually; and
2. 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 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 debt, the Compliance Officer will consult with 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 the above potential private uses.

Reissuance

The following procedures relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

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

Record Retention

The following procedures relate to retention of records relating to the Obligations issued.

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:
 - 1. The Transcript relating to the transaction (including any arbitrage or other tax questionnaire, tax regulatory agreement, and the bond counsel opinion);
 - 2. Documentation evidencing expenditure of proceeds of the issue;
 - 3. 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;
 - 4. 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);
 - 5. Documentation evidencing all sources of payment or security for the issue; and
 - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, 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 seven years.

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The following resolution was offered by Trustee Elliott and seconded by Trustee Sherman:

WHEREAS, the Board of Trustees wishes to assess the advisability of submitting a Community Development Block Grant ("CDBG") application to the New York State Office of Community Renewal (the "OCR") for a grant to fund the expansion of the architectural signage facility operated by the Quorum Group LLC, dba Takeform located at 11601 Maple Ridge Road, Medina, New York 14103; and

WHEREAS, the Village is required to hold a public hearing to provide information to the public and to consider citizen comments regarding community needs and the expansion plan proposal prior to submitting an application for CDBG funding, now;

THEREFORE, BE IT RESOLVED, that Board of Trustees hereby calls for a Public Hearing whereat all interested parties shall be heard regarding the CDBG program, the Village's community development and economic development, and the proposed funding application. Such Public Hearing to be held at 4062 Salt Works Road, Medina, New York 14103 at 7:00 PM on the 27th of February, 2017.

All ayes
Motion carried.

A motion was made by Trustee Bensley and seconded by Trustee Toale. The Village Board of the Village of Medina hereby approves the extension of Snow and Ice Contract No. D006852 between the State of New York and the Village of Medina for snow and ice control, for the contract due to expire on June 30, 2018, and now upon approval of the extension, to expire on June 30, 2019, for a contract price of \$15,429.60.

All ayes
Motion carried.

At 7:10 p.m., the Mayor opened the second Public Hearing on Proposed Local Law No. 2 regarding the reclassification of three properties located at 491, 493, and 501 East Center Street. The Planning Board has approved and recommended the rezoning of these three parcels from R-1 Single Family Residential to GB General Business. Code Officer Busch remarked that every property owner within 500 feet of these properties was notified by mail of this proposed change. No interested persons appeared to speak and the Mayor closed the Public Hearing at 7:15 p.m.

Resident Michael Maak, 166 State Street, asked the Board if the towing matter had been resolved. The Mayor replied that it had not.

Mayor Sidari referred to correspondence from the Orleans Economic Development Agency, who offered their thanks and appreciation for the Village Board's support of the Medina Business Park.

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The Mayor also read correspondence from Heritage Wind, LLC. They are notifying area municipalities of their intent to install a wind farm in the Town of Barre.

Mayor Sidari remarked that the ambulance contract with the Towns had been signed by the Town of Shelby, but had yet to be signed by the Towns of Ridgeway and Yates.

The Mayor advised that the quote for the Police Professional insurance policy through the Evans Agency had come in around \$11,000 with a \$10,000 deductible. This quote, included with the general liability policy, is about \$10,000 less than previous years.

The Mayor gave an update on the new water meter installation project. He said that the Board would need to develop a plan, including a fee to be assessed to property owners not providing access to install the new meter.

The Board discussed the Medina Memorial Hospital's delinquent water bill. The Mayor will contact hospital board members to work out a payment plan.

The Board also discussed the delinquent sewer bills owed by the new property owner at 3932 Salt Works Road. Attorney Brooks will send a letter.

A motion was made by Trustee Bensley and seconded by Trustee Elliott. The rate for a dumpster is increased to \$485 for Village residents and \$535 for non-Village residents, with a fee of \$70.00 per ton over the 5-ton limit.

All ayes
Motion carried.

A motion was made by Trustee Toale and seconded by Trustee Sherman. A public hearing is scheduled for February 27, 2017 at 7:05 p.m. regarding an overview of Brownfield Opportunities area project.

All ayes
Motion carried.

A motion was made by Trustee Bensley and seconded by Trustee Toale. The Village-owned properties located at 611, 613-615 and 617 Genesee Street are hereby declared surplus and offered for sale by quit claim deed, no title guarantee, without search and survey, buyer to do his own due diligence; by sealed bid, minimum of \$35,000, due March 1, 2017.

All ayes
Motion carried.

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DPW Supt. Houseknecht reported that the Wastewater Treatment Plant Upgrade Capital Project was complete.

Code Officer Busch reported that NYS DEC had completed the demolition of the Starlite property. They will install a four foot chain link fence around the rear of the property. He added that demolition was also complete on the Ensign Avenue property.

Police Chief Kenward reported that the department had received a grant with Orleans County for purchasing protective gear. He also said that two of the vehicles were off the road in need of major repairs.

Fire Chief Lupo said that he had submitted his year-end report. He also reported that Firefighters Fisher and Seefeldt would be attending the Fire Academy. He would also like the Board to consider a MOU with Firefighter Young, appointing him Training Officer. The Chief also submitted recommendations for ambulance rate increases.

Resident Michael Maak, 166 State Street, asked who would be responsible for any damage caused to the neighboring building when NYS DEC backfills the Starlite property.

A motion was made by Trustee Bensley and seconded by Trustee Elliott. The meeting is adjourned at 8:15 p.m.

All ayes

Motion carried.

Respectfully submitted,

Deborah L. Padoleski
Village Clerk-Treasurer