

**TOWN OF MOUNT MORRIS
SPECIAL MEETING – SUBJECT: BAN RENEWAL
DECEMBER 10, 2024**

PRESENT

Supervisor: David DiSalvo

Deputy Supervisor: Don Huff

Councilmembers: Nate Guzzardi, Jeff Coniglio, Joseph Rawleigh

Attorney: Ed Russell

Accountant: Terri McKerrow

Town Clerk: Chelsey Woodworth

CALL TO ORDER

The meeting was called to order at **5:00 PM** by Supervisor DiSalvo at the Mount Morris Town Hall.

BAN (BOND ANTICIPATION NOTE) RENEWAL

Attorney Russell explained that the **Bond Anticipation Note (BAN)** is due on Friday. During a review with Jeff Smith, the town's municipal advisor, it was discovered that no principal payment had been made on the BAN in **2023**. This oversight went unnoticed at the time. Attorney Russell also conferred with John Leslie, the town's bond counsel, who confirmed the issue. He noted that a similar situation occurred a few months ago, which was flagged, and a payment of approximately **\$15,000** was made.

The oversight in **2023** highlights the importance of having financial advisors like Jeff Smith, as they assist with budgeting and identifying issues like this.

To correct the error, the BAN must be paid off and replaced with a **Tax Anticipation Note (TAN)**. Attorney Russell explained that TANs are used to manage cash flow deficits when incoming revenue does not align with outgoing expenses. Based on the spreadsheet prepared by Accountant McKerrow, the borrowing amount allowable under state rules was confirmed to be **\$356,000**.

Process:

The BAN will be paid off and replaced with a **Tax Anticipation Note**, which can be renewed annually until the amount is fully paid. Unlike other notes, TANs are not subject to a permissive referendum or estoppel period, making them effective immediately.

History:

The original issuance occurred in 2019 to purchase two trucks. Although payments were made annually, no principal payment was made in 2023. Interest was paid, but a decision was made at the time not to pay down the principal due to cash flow purposes.

Attorney Russell also noted that while unusual, such situations do occur. He emphasized that current interest rates are favorable, potentially saving the town **100-200 basis points (1-2%)**, which translates to significant savings, particularly for larger

sums. Although this borrowing pertains to **\$356,000**, such savings could scale for future projects. Jeff Smith is providing this service at **no fee** as an act of goodwill. He also expressed interest in assisting the town with future financing needs, such as roofing projects, ambulance loans, or other refinancings.

Motion by **Councilmember Rawleigh**, seconded by **Councilmember Coniglio**, to authorize the issuance of a **Tax Anticipation Note** in the amount of **\$356,000**.

Vote: Aye: 5 (DiSalvo, Huff, Guzzardi, Coniglio, Rawleigh) | No: 0

Motion Carried.

SOLAR COMPANY ROAD WORK PAYMENT

Deputy Supervisor Huff advised the board that the town should be receiving a payment from the solar company for road work. The amount, estimated at over **\$700,000**. He said must be deposited into a **dedicated special account**.

CONTRACT WITH MUNICIPAL SOLUTIONS

Councilmember Coniglio sought clarification on consolidating town debt under Municipal Solutions. Attorney Russell confirmed that consolidation is advantageous, particularly since the town remains well under the **\$1 million threshold**. Accountant McKerrow affirmed this.

- **Discussion:**

Attorney Russell explained that debt exceeding \$1 million requires the issuance of an official statement, which includes public disclosure of the town's finances. This requirement ensures transparency for potential bondholders and increases costs due to additional documentation.

Councilmember Guzzardi questioned the need for this step now, as it had not been done in the past. Attorney Russell responded that such measures ensure errors like the one identified are avoided in the future and could save the town approximately **\$30,000-\$40,000** in interest. He further noted that consolidating loans results in better rates, as lenders prefer purchasing larger amounts.

Councilmember Rawleigh stressed the importance of ensuring consensus for any future partnerships with Municipal Solutions. The board agreed with Attorney Russell clarifying that Municipal Solutions only charges fees when their services are used.

Motion by **Councilmember Rawleigh**, seconded by **Councilmember Coniglio**, to approve the contract with **Municipal Solutions** at the proposed rate.

Vote: Aye: 5 (DiSalvo, Huff, Guzzardi, Coniglio, Rawleigh) | No: 0

Motion Carried.

PUBLIC HEARING - LOCAL LAW NO. 1 OF 2025

Discussion:

Supervisor DiSalvo noted that additional adjustments are needed before finalizing the law, including incorporating proposed changes from Attorney Veronica. The board agreed to delay the hearing to allow time for further review and revisions. It was confirmed that no permits or applications are currently pending.

A Public Hearing for **Local Law No. 1 of 2025** was scheduled for **January 16, 2025, at 6:00**

PM.

Motion by **Councilmember Rawleigh**, seconded by **Councilmember Guzzardi**, to set the hearing.

Vote: Aye: 5 (DiSalvo, Huff, Guzzardi, Coniglio, Rawleigh) | No: 0

Motion Carried.

ADJOURNMENT

Motion by **Councilmember Coniglio**, seconded by **Supervisor DiSalvo**, to adjourn the meeting.

Vote: Aye: 5 (DiSalvo, Huff, Guzzardi, Coniglio, Rawleigh) | No: 0

Motion Carried.

Meeting Adjourned: 5:22 PM

Respectfully Submitted,

Chelsey Woodworth
Town Clerk

ATTACHMENTS

The following documents are attached to these minutes:

1. Tax Anticipation Note (TAN) Resolution for Fiscal Year 2025

(Supporting documents, or contracts will be attached here.)

A TAX ANTICIPATION NOTE RESOLUTION, DATED DECEMBER ____, 2024, OF THE TOWN BOARD OF THE TOWN OF MOUNT MORRIS, LIVINGSTON COUNTY, NEW YORK (THE “TOWN”) AUTHORIZING THE ISSUANCE OF \$_____ AGGREGATE PRINCIPAL AMOUNT OF TAX ANTICIPATION NOTES OF THE TOWN, PURSUANT TO THE LOCAL FINANCE LAW IN ANTICIPATION OF THE COLLECTION OF REAL ESTATE TAXES TO BE LEVIED IN AND FOR THE TOWN IN ITS 2025 FISCAL YEAR.

WHEREAS, the Town Board of the Town of Mount Morris, in the County of Livingston, New York (the “Town”) desires to issue tax anticipation notes in anticipation of the collection of real estate taxes to be levied in and for the Town in its 2025 fiscal year; and

WHEREAS, no tax anticipation notes have heretofore been authorized to be issued in anticipation of the collection of such uncollected real estate taxes in the Town in its 2025 fiscal year; and

WHEREAS, no portion of such real estate taxes to be received in such fiscal year has been collected as of the date hereof; and

WHEREAS, pursuant to Section 24.00 of the New York State Local Finance Law, tax anticipation notes may be issued by a municipality in anticipation of the collection of taxes or assessments levied for such fiscal year;

NOW THEREFORE, BE IT RESOLVED, BY THE TOWN AS FOLLOWS:

SECTION 1. The Town is hereby authorized to issue tax anticipation notes of the Town in an aggregate principal amount of up to \$_____, and any notes in renewal thereof (collectively, the “Notes”) pursuant to the Local Finance Law, in anticipation of the collection of real estate taxes that have been, or to be, levied in and for the Town in its 2025 fiscal year and that remain uncollected. Such notes shall be designated “Town of Mount Morris Tax Anticipation Notes, 2024” (or such other designation as the Town Supervisor may determine, in accordance with the powers delegated to the Town Supervisor by this resolution).

SECTION 2. The Notes shall be dated, shall mature, shall be in such denominations and shall bear interest at such rate or rates of interest per annum, as may be determined at the time of the public or private sale of the Notes by the Supervisor of the Town, in accordance with the provisions of the Local Finance Law of the State and Chapter 2 of the New York Code of Rules and Regulations.

SECTION 3. The Town Board of the Town has ascertained and hereby states that:

(a) based upon the proposed/adopted budget of the Town, it is anticipated that at least \$465,000 in real estate taxes will be levied for the 2025 fiscal year and an amount equal to \$465,000 remains uncollected;

(b) no tax anticipation notes have heretofore been authorized to be issued (or actually been issued) in anticipation of the collection of such real estate taxes;

(c) no amount has been included in the annual budget of the Town for such fiscal year to offset, in whole or in part, any anticipated deficiency in the collection during such fiscal year of real estate taxes to be levied for such fiscal year;

(d) the date of maturity of the Notes shall not be extended beyond one year from their date of issuance, which is the close of the applicable period in Section 24.00 of the Local Finance Law for the maturity of the Notes;

(e) the proceeds of the Notes will be used to meet the ordinary operating expenses and other various expenses of the Town; and

(f) all earnings from the proceeds of the Notes, if any, shall be applied for payment of interest on the Notes when due and payable or for payment of other governmental purposes of the Town within the meaning of Section 1.103-13(b) (5) (iv) of the United States Treasury Regulations in effect or proposed on the date of the Notes.

SECTION 4. Pursuant to the provisions of Sections 21.00, 24.00, 30.00, 39.00, 50.00, 56.00 and 60.00, inclusive, of the Local Finance Law, the power to sell, issue and deliver and to prescribe the terms, form and contents of the Notes is hereby delegated to the Town Supervisor, as the chief fiscal officer of the Town. The Town Supervisor is hereby authorized to execute the Notes on behalf of the Town and the Town Clerk is hereby authorized to affix the seal of the Town to the Notes and to attest such seal. The Town Supervisor is hereby authorized to deliver the Notes to the purchaser(s) thereof upon receipt in full of the purchase price thereof. Without in any way limiting the scope of the foregoing delegation of powers, the Town Supervisor, to the extent permitted by Section 58.00(f) of the Local Finance Law, is specifically authorized to accept bids for the Notes that are submitted in electronic form.

SECTION 5. The faith and credit of the Town are hereby irrevocably pledged for the payment of the principal of and interest on all obligations authorized and issued pursuant to this resolution as the same respectively become due and payable.

SECTION 6. The Town Supervisor is hereby directed to file with the Town Board a certificate or certificates reporting the date of the Notes, the date the Notes mature, the rate or rates of interest of the Notes, the purchaser(s) of the Notes and a statement to the effect that the powers of the Town Supervisor to sell, issue and deliver the Notes are in full force and effect and have not been modified, amended or revoked prior to the delivery of and payment for the Notes.

SECTION 7. In the absence or unavailability of the Town Supervisor, the Deputy Town Supervisor is hereby specifically authorized to exercise the powers delegated to the Town Supervisor in this resolution.

SECTION 10. The Town Supervisor is further authorized to take such actions and execute such documents as may be necessary to ensure the continued status of the interest on the bonds authorized by this resolution, and any notes issued in anticipation thereof, as excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and may designate the bonds authorized by this resolution, and any notes issued in anticipation thereof, as "qualified tax-exempt bonds" in accordance with Section 265(b)(3) of the Code.

SECTION 11. The Town Supervisor is further authorized to enter into a continuing disclosure agreement with the initial purchaser of the bonds or notes authorized by this resolution, containing provisions which are satisfactory to such purchaser in compliance with the provisions of Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

SECTION 13. The Town hereby determines that the issuance of the Notes is a Type II action that will not have a significant effect on the environment and, therefore, no other determination or procedures under the State Environmental Quality Review Act ("SEQRA") are required.

SECTION 17. This resolution is effective immediately.

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