

**Business of the Village Board
Village of Saranac Lake**

SUBJECT: Fiscal Advisors Contract

Date: 11/11/2024

DEPT OF ORIGIN: Village Manager

Bill # 169-2024

DATE SUBMITTED: 11/5/2024

EXHIBITS: _____

APPROVED AS TO FORM:

Village Attorney

Village Administration

EXPENDITURE
REQUIRED:

AMOUNT
BUDGETED:

APPROPRIATION
REQUIRED:

SUMMARY STATEMENT:

MOVED BY: White SECONDED BY: Brunette

VOTE ON ROLL CALL:

MAYOR WILLIAMS

yes

TRUSTEE RYAN

yes

TRUSTEE WHITE

yes

TRUSTEE SCOLLIN

yes

TRUSTEE BRUNETTE

yes

**RESOLUTION TO AUTHORIZE THE VILLAGE MANAGER TO SIGN CONTRACT WITH
FISCAL ADVISORS AND APPROVE FUNDING**

WHEREAS, the Village of Saranac Lake seeks assistance in preparing, completing, and submitting required financial documentation in relation to the Water Pollution Control Plant (WPCP) Upgrade Capital Project, and,

WHEREAS, Fiscal Advisors will act as the financial advisor to the Village for services relating to the funding provided by the New York State Environmental Facilities Corporation (NYSEFC) Clean Water Revolving Fund (CWSRF) for the Water Pollution Control Plant (WPCP) Upgrades, and,

WHEREAS, there are budgetary appropriations necessary to cover the costs for the services of Fiscal Advisors, and,

WHEREAS, the appropriation, not to exceed \$15,000, will be made part of the budget for the WPCP Capital Project Account and is necessary to cover the financial assistance related to the project.

THEREFORE, BE IT RESOLVED, the Village of Saranac Lake Board of Trustees authorizes the Village Manager to sign the Fiscal Advisors Contract for their services related to the WPCP Capital Project.

BE IT FURTHER RESOLVED, the Village of Saranac Lake Board of Trustees approves the appropriation, not to exceed \$15,000, to cover the costs associated to the Fiscal Advisor Contract.



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisors to Local Governments

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement (“Agreement”), entered into as of November ____, 2024 (“Effective Date”), is between the Village of Saranac Lake, New York (“Client”) and Fiscal Advisors & Marketing, Inc. (“Fiscal Advisors”) (collectively referred to herein as the “Parties”).

Client agrees to hire Fiscal Advisors and Fiscal Advisors agrees to act as financial advisor to the Client to provide services relating to the issuance of Bond Anticipation Notes, pursuant to the terms of this Agreement and to provide administrative services related to funding provided by the New York State Environmental Facilities Corporation (“NYSEFC”) Clean Water State Revolving Fund (“CWSRF”) for the Client’s Waste Water Treatment Project (“WWTP”) Improvements Project No. C5-5516-10-00, pursuant to the terms of this Agreement:

- 1. ISSUANCE DESCRIPTION.** Client may issue Securities from time to time during the term of this engagement.
- 2. SCOPE OF SERVICES.** Client hires Fiscal Advisors to provide the services set forth in Appendix A attached hereto (“Services”). All services described in Appendix A are hereby incorporated by reference and the scope of Fiscal Advisor’s engagement under the terms of this Agreement shall be solely limited to the Services. Client acknowledges that prior to the Effective Date that Fiscal Advisors has not provided any advice, recommendations or guidance with respect to the Issuance and that, to the extent any prior communications have occurred between Client and Fiscal Advisors relative to the Issuance, any such communications have been limited to communications involving general information relative to the Issuance.
- 3. COMPENSATION.** As compensation for the provisions of Services, Client hereby agrees to compensate Fiscal Advisors in accordance with Fiscal Advisors’ Fee Schedule attached hereto as Appendix B (“Compensation”). Any modification to the fee schedule made in accordance with this Agreement will become effective upon the date and time mutually agreed upon by the Parties.
- 4. TERM AND TERMINATION.** This Agreement shall be effective as of the Effective Date and shall remain in effect until terminated by either party upon (30) days written notice; provided, however, that in the event of termination of any such engagement, Fiscal Advisors reserves the right to receive a portion of Compensation based upon the services rendered under this Agreement up to and including the date of termination.
- 5. AGREEMENT TO PROVIDE INFORMATION.** Client agrees to provide Fiscal Advisors with complete and accurate information as shall be deemed necessary by Fiscal Advisors for the performance of Services, which may include the provision of financial statements, budgets, and other relevant documents. Client further agrees to not intentionally omit any material information and agrees to not provide any misleading information relevant to Fiscal Advisors’ provision of Services or in response to a request from Fiscal Advisors.
- 6. BILLING STATEMENT.** Client will receive an invoice upon closing of the Issuance, upon the provision of other services charged on an hourly basis, or upon cancellation of the Issuance or termination of this Agreement as provided in Section 4 for services conducted for the Issuance up to and including the date of cancellation or termination based on actual work performed, as described in Appendix B. Payment shall be due and payable within thirty (30) days of the invoice date.
- 7. OUT-OF-POCKET EXPENSES.** Fiscal Advisors will not charge for out-of-pocket expenses.

8. **AMENDMENT.** This Agreement constitutes and expresses the entire agreement of the Parties with respect to the subject matter hereof, and all promises, undertakings, representations, agreements, understandings and arrangements, whether oral or written, with reference thereto are merged herein. No amendments to or alterations or variations of this Agreement shall be valid unless made in writing and signed by the Parties; provided, however, that changes to Appendix C may be provided by Fiscal Advisors in writing (which may be by email) without the need for the Parties' signature, and modifications or amendments to Appendix B or changes to or the provision of the fees for any particular transaction or issuance type may be provided by Fiscal Advisors in writing (which may be by email) without the need for the Parties' signature. Fiscal Advisors agrees to promptly amend or supplement this Agreement to reflect any material changes or additions to this Agreement.

9. **HEADINGS.** The headings of the various sections in this Agreement are inserted for the convenience of the Parties and shall not affect the meaning, construction or interpretation of this Agreement.

10. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of New York. Any suit or legal proceeding brought pursuant to, touching upon, relating to, or otherwise arising out of this Agreement or performance hereunder will be brought solely in the County of Franklin, New York.

11. **CLIENT EDUCATION AND PROTECTION.** Fiscal Advisors is a registered municipal advisor with both the Securities and Exchange Commission (#866-00478-00) and the Municipal Securities Rulemaking Board ("MSRB") (#K0191). The website address for the MSRB is www.msrb.org, where you may find a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.

12. **DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION.** Client acknowledges receipt of those disclosures set forth and contained within Appendix C attached hereto. Client further acknowledges that it has been given the opportunity to raise questions and discuss the foregoing matters with Fiscal Advisors and that it fully appreciates the nature of these conflicts and corresponding disclosures. Client hereby waives such conflicts and authorizes Fiscal Advisors to provide those services described herein. Client further agrees that in the event Fiscal Advisors shall provide any additional disclosures, that such disclosures may be provided to Client's Director of Finance or designated signatory and any such additional disclosures shall be deemed to be a part of this Agreement as if fully set forth herein.

13. **COUNTERPARTS.** This Agreement may be executed in any number of identical counterparts, via facsimile transmission or otherwise, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective duly authorized officers as of the date first written above.

**VILLAGE OF SARANAC LAKE,
NEW YORK**

**FISCAL ADVISORS
& MARKETING, INC.**

By: _____

By: Andrew Watkins

Signature: _____

Signature: Andrew Watkins

Title: _____

Title: Municipal Advisor

APPENDIX A – SERVICES

1. **FINANCING PLAN.** Fiscal Advisors will develop a financing plan that will include recommendations with respect to the timing of the Securities sale, a maturity schedule, redemption features, and other terms required to market the Securities.
2. **RECOMMENDATIONS AND REVIEW OF SECURITIES TYPE.** Upon the written request of Client, Fiscal Advisors shall review the financing type selected by Client. Unless specifically requested by Client, in writing, Fiscal Advisors shall assume that Client has already conducted an analysis of the suitability of a particular financing type and shall be under no duty to investigate and/or advise Client of alternatives to the proposed financing structure that are then suitable to Client.
3. **OFFICIAL STATEMENT PREPARATION.** Fiscal Advisors will assist in preparing the Preliminary and Final Official Statement (collectively the “Official Statement”) based on information provided by the Client and/or third parties, including bond counsel for certain language relating to legal matters. Fiscal Advisors will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the Official Statement; it is not responsible for independently verifying the information provided by the Client or any third party for inclusion in the Official Statement and its assistance in preparing these documents should not be construed as a representation that it has independently verified such information; and Fiscal Advisors may rely on the Client’s or any such third party’s review of the Official Statement with regard to the accuracy thereof.
4. **PRIVATE PLACEMENT MEMORANDUM PREPARATION.** When appropriate, Fiscal Advisors will assist Client in preparing a private placement memorandum or other necessary offering document necessary to complete such financings. Fiscal Advisors will prepare the private placement memorandum based on information provided by the Client and/or third parties, including bond counsel for certain language relating to legal matters. Fiscal Advisors will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the private placement memorandum; it is not responsible for independently verifying the information provided by the Client or any third party for inclusion in the private placement memorandum and its assistance in preparing these documents should not be construed as a representation that it has independently verified such information; and Fiscal Advisors may rely on the Client’s or any such third party’s review of the private placement memorandum with regard to the accuracy thereof.
5. **RATING ANALYSIS AND PREPARATION.** When appropriate, Fiscal Advisors shall assist Client with the rating process. Upon written request of Client, Fiscal Advisors will analyze the overall credit conditions of Client including the probable impact of any potential financing plan on the credit rating of Client, and Fiscal Advisors may assist Client official(s) in their preparation for the rating interview with rating agency personnel, which may occur at the office(s) of the rating agency(ies). Upon request of Client, Fiscal Advisors will meet or engage in discussions with rating agencies to review Client’s financing plans.
6. **CREDIT ENHANCEMENT.** When appropriate, Fiscal Advisors will make recommendations as to the suitability of municipal bond insurance for an offering. Fiscal Advisors will take into consideration the requirements for insurance and likelihood that a particular offering would qualify. When appropriate, Fiscal Advisors will also make recommendations as to the suitability of other forms of credit enhancements that might be available to Client, if any.
7. **METHOD OF SALE.** Fiscal Advisors shall provide advice with respect to the method of sale (i.e., competitive bid, negotiated underwriting or private placement). For a competitive sale, Fiscal Advisors shall assist in preparing necessary bidding documents and offering materials, including the notice

of sale and *Bond Buyer* publication, as applicable. For a negotiated sale, Fiscal Advisors shall prepare, as applicable and requested, a request for proposals, appraise the proposals received, make recommendations as to the firm to be selected, and finalize the terms of the sale to reflect Client's best interest.

8. MARKET ANALYSIS. In order to appropriately advise Client on the establishment of a desirable sale date and to keep Client abreast of the cost of the financing plan under development, Fiscal Advisors shall monitor the following:

- a. General conditions and trends in the economy;
- b. Capital market conditions including the imposition of any unusual restraints on monetary supply by the Federal Reserve System;
- c. The prices of municipal issues recently sold in the primary market; and

9. PAYING AGENT OR TRUSTEE & ESCROW AGENT SELECTION. Fiscal Advisors shall assist Client in selection a Paying Agent or Trustee & Escrow Agent, as applicable.

10. MATHEMATICAL COMPUTATIONS. Fiscal Advisors will oversee preparation of maturity and other schedules showing mathematical results of the sale and/or pricing.

11. ATTENDANCE AT MEETINGS. At the request of Client, Fiscal Advisors shall attend Client meetings to explain the status of the Issuance.

12. CLOSING. For competitive transactions, Fiscal Advisors will prepare a memo or similar document showing the expected or required fund transfers to be received by Client at closing. Fiscal Advisors will apply for CUSIP numbers as requested by Client or as required by MSRB rules.

13. NYSEFC CWSRF and WIIA.

- a. Fiscal Advisors' Municipal Advisor(s) will calculate principal payment(s) due in short-term financing and advice of the amount to budget.
- b. Attend any necessary meetings as requested.
- c. Complete and submit sewer exclusion application to OSC on behalf of the Village.
- d. Assist with any missing items/documents to EFC for CWSRF and WIIA.
- e. Review EFC Exhibits for CWSRF and WIIA short-term financing.
- f. Review key components in the project financing agreement (PFA) from NYSEFC for CWSRF.
- g. Complete the NYSEFC Disbursement Cost Summary and Supplemental Certificate Forms on an as need basis to requisition CWSRF and WIIA funds from project costs.
- h. Assist with Minority and Women Business Enterprises (MWBE) Utilization Plans and quarterly submittals of MWBE reports, as applicable.
- i. Fiscal Advisor will work in conjunction with NYSEFC staff as well as the Engineers, Local Counsel, Bond Counsel, and Client on the appropriate filing of cost documentation, amendments, change orders and reporting of project progress in an effective manner to utilize all appropriate funding sources available to meet cash flow needs of the Client and project completion.

The services provided under this Agreement are limited to the services described herein unless amended or supplemented in accordance with this Agreement or as otherwise agreed to in writing by Fiscal Advisors.

APPENDIX B – FEE SCHEDULE

<u>SERVICE</u>	<u>FEEES</u>
SHORT-TERM FINANCINGS:	
Bond Anticipation Notes	
Par amount:	
Up to \$1,000,000 (Notice of Sale only)	\$ 2,900
\$1,000,001 to \$3,000,000 (Note fee increases based on size - \$250 per every \$1 million above \$3 million)	\$ 6,100
NOT-TO-EXCEED BUDGET AMOUNT:	\$ 15,000
PREPARATION OF OSC SEWER DEBT EXCLUSION	\$ 2,500
HOURLY FEE:	\$ 200

Fee Schedule Notes:

Actual Fees will be based on actual work performed, including for issues that do not close or if Agreement is terminated prior to closing. Fees may be affected by additional hourly fees charged for additional services specifically requested by the Client.

This fee schedule is proprietary information provided to the Client only; it is not for dissemination.

Fees may adjust yearly based on Consumer Price Index (CPI) beginning July 1, 2025, and annually thereafter.

The fees shown above are only for the services provided by Fiscal Advisors. The Client may also incur charges from (including, but not limited to) Bond Counsel, Rating Agency (as applicable), and Premier Printing, Inc. for printing/ mailing services/ the electronic publication or distribution of offering documents. Client is not obligated to use Premier Printing, Inc., and Premier Printing, Inc. will provide Client an estimate of charges for its services upon request.

The not-to-exceed budget amount includes the CWSRF finance application fee, sewer exclusion fee (if applicable) and administration services for CWSRF and WIIA. The CWSRF finance application and sewer exclusion fee will be invoices lump sum and billed upon services rendered. All other work will be billed at the hourly rate and invoiced quarterly.

APPENDIX C - DISCLOSURE OF CONFLICTS OF INTEREST

OTHER MATERIAL CONFLICTS OF INTEREST

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about material conflicts of interest. The following represent Fiscal Advisors material conflicts of interest known to Fiscal Advisors as of the date of this Agreement.

Affiliated Entities and Subsidiaries. Most securities issuances will require the services of a financial printer and/or the electronic distribution of the Official Statement, Notice of Sale and/or offering documents. In connection with these requirements, Fiscal Advisors utilizes Premier Printing, Inc., a wholly owned subsidiary of Fiscal Advisors, to print, mail and electronically post, or cause the posting of, applicable documents. Client is not obligated to use Premier Printing, Inc., and Premier Printing, Inc. will provide Client an estimate of charges for its services upon request and will bill separately for its services.

Armory Associates, LLC is an affiliate of Fiscal Advisors that provides valuations for Other Post-Employment Benefits, and may provide these services to you under separate contract for which it receives separate compensation. In addition, valuations provided by Armory Associates, LLC may be reported in your official statements, continuing disclosure, or other documents (either separately or as part of your audited financial statements). These valuations may affect a creditor's or investor's assessment of your financial position or credit strength. Client is not obligated to use Armory Associates, LLC, and Armory Associates, LLC will provide Client an estimate of charges for its services upon request and will bill separately for its services.

With respect to all of the above conflicts, Fiscal Advisors manages and mitigates these conflicts primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Client which require it to put the interests of the Client ahead of its own. These conflicts are further mitigated by several factors. Fiscal Advisors discloses to Client the nature of its relationship with each of its affiliates and will remain fully responsive at all times during the course of the engagement to inquiries by Client regarding any specific details or concerns regarding such relationship. Further, in the event that Fiscal Advisors makes a recommendation to Client that could influence the level of business with an affiliate, Fiscal Advisors will, at the request of Client, provide an analysis of potential alternatives to such recommendation and the relative benefits and costs of the recommendation and any such alternatives. Finally, neither Fiscal Advisors' nor any affiliate's separate engagement with Client is conditioned on Client maintaining its relationship with any other such party, further mitigating any potential conflict that could result if Fiscal Advisors' services to Client were contingent on Client maintaining an engagement with an affiliate.

VARIOUS FORMS OF COMPENSATION

The Municipal Securities Rulemaking Board requires us, as your Municipal Advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

Forms of compensation; potential conflicts. The fees to be paid by the Client to Fiscal Advisors are partially contingent on the successful closing of the transaction. Although this form of compensation may be customary, it presents a conflict because Fiscal Advisors may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, Fiscal Advisors may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fixed fee. Under a fixed fee form of compensation, the Municipal Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Municipal Advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee. Under an hourly fee form of compensation, the Municipal Advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (e.g., a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction. Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement. Under a retainer agreement, fees are paid to a Municipal Advisor periodically (e.g., monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (e.g., a fixed fee per month regardless of the number of hours worked) or an hourly basis (e.g., a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal or notional amount and term of transaction. Under this form of compensation, the Municipal Advisor's fee is based upon a percentage of the principal amount of an issue of securities (e.g., bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

With respect to each of the compensation conflicts described above, Fiscal Advisors manages and mitigates these conflicts primarily by adherence to the fiduciary duty which it owes to municipal entities such as the Client which require it to put the interests of the Client ahead of its own.

REQUIRED REGULATORY DISCLOSURES

Fiscal Advisors is registered as a "Municipal Advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB").

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

As part of its SEC registration, Fiscal Advisors is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Fiscal Advisors. Pursuant to MSRB Rule G-42, Fiscal Advisors is required to disclose any legal or disciplinary event that is material to the Client's evaluation of Fiscal Advisors or the integrity of its management or advisory personnel. Fiscal Advisors has determined that no such event exists.

Copies of Fiscal Advisors' filings with the SEC, including Fiscal Advisors' most recent Form MA and each most recent Form MA-I, can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/search> and searching for either Fiscal Advisors & Marketing, Inc. or for our CIK number which is 0001591452.

Fiscal Advisors has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.