

TOWN OF CAIRO

April 25, 2014

RESOLUTION NO. _____

**AUTHORIZING THE SUPERVISOR AND/OR TOWN CLERK TO
PROCEED WITH REQUEST FOR ENACTMENT OF A SPECIAL
LAW**

Councilperson _____ offered the following resolution
and moved its adoption:

WHEREAS, it has become necessary to request the enactment of a special law
by the NYS Legislature to authorize, validate and ratify certain actions taken
by the Town of Cairo with respect to the issuance of certain obligations,
therefore

Be it resolved, that the Town Board of the Town of Cairo hereby authorizes the
Supervisor and/or Town Clerk to execute all forms necessary to complete the
above-referenced process in accordance with the attached Memorandum,
including but not limited to the Home Rule Request blue form.

SECONDED BY COUNCILPERSON _____

COUNCILMAN OSTRANDER	AYE	NAY
COUNCILMAN PUORRO	AYE	NAY
COUNCILMAN JOYCE	AYE	NAY
COUNCILMAN CORDS	AYE	NAY
SUPERVISOR BANTA	AYE	NAY

AYE _____ NAY _____ ABSENT _____ CARRIED _____ DEFEATED _____



512 Main St., PO Box 728
Cairo, NY 12413

Town Supervisor	(518) 622-2060
Town Clerk	(518) 622-3120
Bookkeeper	(518) 622-3366
Tax Collector	(518) 622-9218
Building Dept.	(518) 622-9894
Water & Sewer	(518) 622-0052
Tax Assessor	(518) 622-8545
Court Clerk	(518) 622-3388
Cairo Police	(518) 622-2324
Ambulance Billing	(518) 622-2786
Highway Department	(518) 622-9515

www.townofcairo.com
supervisor@townofcairo.com

February 20, 2014

Assemblymember Peter D. Lopez
Assembly District 102

Re: Special Legislation for the Town of Cairo

Dear Assemblymember Lopez:

The Town of Cairo respectfully requests your assistance in a matter whereby we need to move forward and gain approval for special legislation regarding our long-term EFC financing. Enclosed you will find the sample legislation drafted by our Bond Counsel-Christine Chale. EFC and the Town of Cairo have reviewed and agreed to the drafted legislation. The Town kindly and respectfully requests your assistance in putting forth this legislation for its approval. Thank you for your time and consideration. If you have any questions please don't hesitate to contact me at 518-466-1219(my cell).

The contact information for our Bond Counsel-Christine Chale is:

Office phone: 845-473-7766

Cell phone: 518-929-1646

Email: CChale@rapportmeyers.com

Best regards,

TSBIII

Ted Banta
Supervisor

MEMORANDUM

BILL NUMBER:

TITLE OF BILL:

AN ACT to legalize, validate, ratify and confirm certain actions taken by the Town of Cairo, Greene County, New York, with respect to obligations heretofore issued, and authorizing the issuance of obligations of said Town with respect thereto.

PURPOSE:

This legislation is to provide legislative relief by validating and ratifying the Town of Cairo's actions with respect to a bond anticipation note and renewals thereof notwithstanding the fact that the Town did not make a principal payment in 2011 or 2012 as required by section 23.00 of the local finance law.

SUMMARY OF PROVISIONS:

Section 1. Outlines history of the bond resolutions adopted by the Town, a bond anticipation note and renewal thereof of and a prior principal payment made on such note in 2010 by the Town of Cairo issued to finance the construction of certain improvements to their sewer plant and sewer system.

Section 2. Provides that such notes are validated, ratified and confirmed.

Section 3. Provides that the bond shall be issued in all other respects in accordance with provisions of the Local Finance Law.

Section 4. Provides standard protections so that if a court invalidates any part of this act it does not invalidate the entire act.

Section 5. This act shall take effect immediately.

JUSTIFICATION:

The Town of Cairo adopted its bond resolutions authorizing the aggregate issuance of \$2,915,000 obligations under the Local Finance Law in anticipation of financing the cost of improvements to its wastewater treatment plant and system. Pursuant to such bond resolutions, said Town issued a bond anticipation note on December 24, 2008 in the principal amount of \$750,000.00 renewed such note on December 24, 2009 and December 23, 2010 and made a principal payment of \$29,285 on said bond anticipation note on December 24, 2010 and also obtained short term financing through the New York State Environmental Facilities Corporation ("EFC") on September 29, 2011 in the maximum aggregate amount of \$2,885,715.00, which refinanced the outstanding principal balance of said bond anticipation note of \$720,715.

Section 23.00 of Local Finance Law requires an initial principal payment to be made within two years from the original issuance date of the bond anticipation note of December 24, 2008 and additional principal payments to be made prior to the termination of each twelve months' period succeeding the initial principal payment. While the Town made a principal payment in 2013, the Town did not make the required principal payments in 2011 and 2012 towards the note held by EFC that refinanced the original bond anticipation note in accordance with the provisions of section 23.00. Section 21.00 of the local finance law also requires that no annual installment of bonds on bond anticipation notes shall be more than fifty per centum of the smallest prior installment, except that the municipality may determine to provide for substantially level or declining annual debt service. This bill is needed to provide legislative relief by validating and ratifying the Town's actions with respect to timing and amount of the principal payments on the note. The legislation is needed in order to allow the Town to obtain permanent financing from EFC to refund the subject note.

LEGISLATIVE HISTORY:

New bill.

FISCAL IMPLICATIONS:

None to the State.

EFFECTIVE DATE:

This act shall take effect immediately.

12/23/13

DRAFT

AN ACT to legalize, validate, ratify and confirm certain actions taken by the town of Cairo, Greene County, New York, with respect to obligations heretofore issued, and authorizing the issuance of obligations of said town with respect thereto.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. It is hereby found and
2 determined that (i) the town of Cairo, Greene county, New York,
3 has heretofore duly adopted bond resolutions authorizing the
4 aggregate issuance of two million nine hundred fifteen thousand
5 dollars (\$2,915,000) serial bonds to finance the upgrade and
6 expansion to the town's wastewater treatment plant, construction
7 of a force main, and additional improvements to its sewer system;
8 (ii) pursuant to such bond resolutions, said town issued a bond
9 anticipation note in the principal amount of \$750,000.00 on
10 December 24, 2008 and renewals of said bond anticipation note on
11 December 24, 2009 and December 23, 2010 and made a principal
12 payment of \$29,285 on said bond anticipation note on December 23,
13 2010; (iii) pursuant to such bond resolutions, said town also
14 obtained short term financing through the New York State
15 Environmental Facilities Corporation ("EFC") on September 29,
16 2011 in the maximum aggregate amount of \$2,885,715.00, which
17 refinanced the outstanding principal balance of said bond
18 anticipation note of \$720,715; (iv) the town did not make the

19 minimum principal payments on the EFC short term financing bond
20 anticipation notes of \$19,300 for 2011 and \$20,000 for 2012 until
21 December 2013; (v) section 21.00 of the local finance law states
22 that no annual installment of bonds or bond anticipation notes
23 shall be more than fifty per centum of the smallest prior
24 installment, except that the municipality may determine to
25 provide for substantially level or declining annual debt service,
26 and section 23.00 of the local finance law states that notes or
27 the renewals thereof shall not extend more than two years beyond
28 the original date of issue unless a portion of such notes or the
29 renewals thereof shall be redeemed from a source other than the
30 proceeds of bonds within two years from such original date of
31 issue and unless a further portion thereof shall be so redeemed
32 prior to the termination of each twelve months' period succeeding
33 the date such original portion was so redeemed; and (vi) the
34 timing of the town's payments on the EFC note render it incapable
35 of amortizing a long-term conversion of the short-term EFC
36 financing to comply with the aforesaid amortization requirements
37 of sections 21.00 and 23.00 of the local finance law.

38 § 2. Notwithstanding the defects described in section one of this
39 act, the bond anticipation notes and any renewals thereof issued
40 by the town of Cairo as described in section one of this act, and
41 all resolutions, acts and proceedings heretofore adopted or taken
42 by the town board and the Supervisor of said town in relation
43 thereto, are hereby validated, ratified and confirmed and any
44 principal payment made by such town in 2013 on the bond

45 anticipation note shall be deemed to be in compliance with the
46 amortization requirements of sections 23.00, 21.00 and 169.00 of
47 the local finance law.

48 § 3. Except as otherwise set forth in this act, the bonds and
49 bond anticipation notes, and renewals thereof, issued pursuant to
50 this act shall be issued in accordance with the provisions of the
51 local finance law.

52 § 4. If any clause, sentence, subdivision, paragraph or part of
53 this act be adjudged by any court of competent jurisdiction to be
54 invalid, such judgment shall not affect, impair or invalidate the
55 remainder thereof, but shall be confined in its operation to the
56 clause, sentence, subdivision, paragraph, section or part thereof
57 directly involved in the controversy in which such judgment shall
58 have been rendered.

59 § 5. This act shall take effect immediately.