

The minutes of the Special Meeting of the Village of Haverstraw Board of Trustees on Monday, November 24th, 2014, beginning at 8:00 PM.

PLEDGE OF ALLEGIANCE

ROLL CALL	Trustee Batista	- Present
	Trustee Bueno	- Present
	Trustee Watson	- Present
	Trustee Dominguez	- Present
	Mayor Kohut	- Present

Mayor Kohut: The Mayor announced the purpose of this meeting to be the possible bonding for \$6.5M to settle the Village of Haverstraw vs. AAA Electric condemnation.

Rafael Bueno: Trustee Bueno requested Executive Session to discuss the situation further.

Mel Post, 1422 Round Pointe Drive: Mr. Post feels this involves all Village residents and inquired whether or not this discussion should be adjourned to Executive Session for discussion strictly by the Board or if it should be discussed publicly for everyone to hear.

Jay Hood, Jr., Esq., Village Attorney: Counselor Hood informed Mr. Post that there are certain issues that can be discussed behind closed doors (i.e. employee issues, litigation matters, etc.), which the Board has chosen to do at this time. He further explained that this matter involved potential litigation and that would be discussed in Executive Session.

A motion was made to enter Executive Session.

RESOLUTION #275-2014

Motion by: Rafael Bueno
Seconded by: Emily Dominguez
Motion Carries: All

The Board returned from Executive Session with the Mayor entertaining a motion to return to the Special Meeting from Executive Session.

RESOLUTION #276-2014

Motion by: Emily Dominguez
Seconded by: Rafael Bueno
Motion Carries: All

Mayor Kohut informed the public of the history on the issue requiring the bonding:

In 2012 it was the decision of the Supreme Court to award AAA Electric \$6.5M for their property. The Village appealed to the Appellate Division and was denied. The Village then sought leave to appeal to the Court of Appeals, but this motion was denied as well, which made the lower court's decision final. He reported that the Village and subsequently GDC had previously paid approximately \$2.4M for the property when Eminent Domain was used in 2003. That money paid was deducted from the total sum owed. Interest has accrued at an unconscionable rate of 9% per year since the taking of the property, which brings the total owed back up to \$6.5M. He explained that the

Village and Mr. Ginsburg are in dispute as to who is responsible for paying this amount to AAA Electric, however, there is clear language in the Land Acquisition & Disposition Agreement (LADA) which states that the Village will purchase said property by way of condemnation and that the developer shall reimburse the Village whatever the costs of said condemnation is. The Village has in every way lived up to this agreement with Mr. Ginsburg, however, he has not yet lived up to this agreement. Because the Village is the condemning authority, the former property owner has every right to look to the person who originally purchased the property, thereby making the Village compelled to meet this court ordered obligation. The Village is now required by court order to pay AAA Electric the total due to them before any village properties, bank accounts etc. are garnished to pay the judgment. The legal filings and documentation for this has been delivered to the Village by the attorney for AAA Electric.

The Mayor read the Bond Resolution, prepared by the Village's Bond Counsel, as follows:

A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$6,500,000 BONDS OF THE VILLAGE OF HAVERSTRAW, ROCKLAND COUNTY, NEW YORK, TO FINANCE A PORTION OF \$9,096,150 ESTIMATED MAXIMUM COST OF PAYMENT OF A JUDGMENT IN THE MATTER OF THE VILLAGE OF HAVERSTRAW WITH AAA ELECTRONICS, INC, BY ORDER OF THE SUPREME COURT OF THE STATE OF NEW YORK.

RESOLVED, by the Board of Trustees of the Village of Haverstraw, Rockland County, New York, as follows:

Section 1. For the specific object or purpose financing a portion of \$9,096,150 estimated maximum cost of payment of a judgment in the matter of the Village of Haverstraw with AAA Electronics, Inc., by order of the Supreme Court of the State of New York, including legal and other incidental expenses in connection therewith, there are hereby authorized to be issued up to \$6,500,000 bonds of said Village pursuant to the provisions of the Local Finance Law.

Section 2. The estimated maximum cost of the aforesaid specific object or purpose is hereby determined to be \$9,096,150, and the plan for the financing thereof is by the issuance of the \$6,500,000 bonds authorized hereby, or such lesser portion thereof as shall be necessary, together with the sums of \$2,596,160 and \$35,279.19 previously paid. It is recognized that the cost of payment of said judgment shall not be determined until paid, as it shall include interest accruing in accordance with terms thereof.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is fifteen years, pursuant to subdivision thirty-three of paragraph A of Section 11.00 of the Local Finance Law, because such judgment exceeds one percent of the average assessed valuation of the Village. It is hereby further determined that the maximum maturity of the bonds herein authorized will exceed five years.

Section 4. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the bonds herein authorized, including renewals of such notes, is hereby delegated to the Village Treasurer, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such

manner, as may be prescribed by said Village Treasurer, consistent with the provisions of the Local Finance Law.

Section 5. The faith and credit of said Village of Haverstraw, Rockland County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such bonds becoming due and payable in such year.

Section 6. Such bonds shall be in fully registered form and shall be signed in the name of the Village of Haverstraw, Rockland County, New York, by the manual or facsimile signature of the Village Treasurer and a facsimile of its corporate seal shall be imprinted or impressed thereon and may be attested by the manual or facsimile signature of the Village Clerk.

Section 7. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the Village Treasurer, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of said Village, provided, however, that in the exercise of these delegated powers, he shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the Village Treasurer shall be a full a quittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 8. All other matters, except as provided herein relating to such bonds, including determining whether to issue such bonds having substantially level or declining annual debt service and all matters related thereto, prescribing whether manual or facsimile signatures shall appear on said bonds, prescribing the method for the recording of ownership of said bonds, appointing the fiscal agent or agents for said bonds, providing for the printing and delivery of said bonds (and if said bonds are to be executed in the name of the Village by the facsimile signature of the Village Treasurer, providing for the manual countersignature of a fiscal agent or of a designated official of the Village), the date, denominations, maturities and interest payment dates, place or places of payment, and also including the consolidation with other issues, shall be determined by the Village Treasurer. It is hereby determined that it is to the financial advantage of the Village not to impose and collect from registered owners of such bonds any charges for mailing, shipping and insuring bonds transferred or exchanged by the fiscal agent, and, accordingly, pursuant to paragraph C of Section 70.00 of the Local Finance Law, no such charges shall be so collected by the fiscal agent. Such bonds shall contain substantially the recital of validity clause provided for in section 52.00 of the Local Finance Law and shall otherwise be in such form and contain such recitals in addition to those required by section 52.00 of the Local Finance Law, as the Village Treasurer shall determine.

Section 9. This resolution shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.150 - 2. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 10. The validity of such bonds and bond anticipation notes may be contested only if:

- (1) Such obligations are authorized for an object or purpose for which said Village is not authorized to expend money, or
- (2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 11. This resolution, which takes effect immediately pursuant to Section 36.00 of the Local Finance Law, shall be published in summary form in the *Rockland Journal News*, the official newspaper, together with a notice of the Village Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

Mayor Kohut entertained a motion to authorize the issuance of a \$6.5M Bond Resolution as stated in the above resolution.

RESOLUTION #277-2014

Motion by: Terence Watson, Jr.
 Seconded by: Emily Dominguez
 Motion Carries: All

ROLL CALL VOTE: Trustee Batista - Yes, with the Board to proceed going after GDC for payment of the \$6.5M, which according to the LADA, he is responsible for.

Trustee Bueno	- Yes
Trustee Watson	- Yes
Trustee Dominguez	- Yes
Mayor Kohut	- Yes

MOTION PASSES: with a vote of 5-0.

Mayor Kohut then announced that it is the Board's intention to pursue every avenue to see to it that Mr. Ginsburg lives up to his obligation under the LADA as the Village has done over the past 10 years. He mentioned that a demand letter has been sent to Mr. Ginsburg pursuant to the terms of the contract the Village has with him. The Mayor informed the public that an international law firm has been hired (Norton, Rose, Fulbright) with specialties in every segment of the law. This firm is currently reviewing all the documentation involved in order to determine the best way to proceed. He then stated that in order to avoid the cost of litigation the Village is open to discussions with Mr. Ginsburg and it is now up to him to make the next move.

The Mayor received a letter from the Capital Market Advisors, the Village's financial planners, together with Bond Counsel who advises the Board of changes in how municipal bonding is handled, including reporting, etc. This item must be taken care of before the December 1st Board Meeting. A new initiative by the Securities and Exchange Commission encourages municipalities to self-report any irregularities, such as late filings of audits and annual reports. This has happened in the past; therefore, the SEC is allowing

the Village to complete this self-reporting prior to December 1st, 2014. Our financial advisors have prepared a resolution for the Village, as follows:

A RESOLUTION OF THE VILLAGE OF HAVERSTRAW, ROCKLAND COUNTY
NEW YORK, AUTHORIZING PARTICIPATION IN THE MUNICIPALITIES
CONTINUING DISCLOSURE COOPERATION INITIATIVE OF THE
DIVISION OF ENFORCEMENT OF THE U.S. SECURITIES AND
EXCHANGE COMMISSION

WHEREAS, the Village of Haverstraw (the "Village") has entered into continuing disclosure agreements (the "Continuing Disclosure Agreements") in connection with certain issuances of its bonds or notes (the "Obligations");

WHEREAS, in the Continuing Disclosure Agreements, the Village agreed to file: (i) certain financial information and operating data, (ii) audited financial statements and (iii) material events notices with designated repositories for such data, in accordance to the provisions of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12");

WHEREAS, the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission ("SEC") has announced its Municipalities Continuing Disclosure Cooperation Initiative (the "MCDC Initiative") as a regulatory response to what the SEC perceives as potentially widespread violations of federal securities law (such as Rule 15c2-12), by municipal issuers and underwriters, specifically, their failure to ensure that official statements properly describe any failures by issuers to comply with their prior continuing disclosure undertakings;

WHEREAS, under the MCDC Initiative, municipal issuers whose final official statements contain inaccurate descriptions of prior continuing disclosure compliance, and underwriters that have underwritten bond offerings in which final official statements contain such inaccurate statements, may self-report possible violations of federal securities laws to take advantage of more "lenient" standardized settlement terms;

WHEREAS, the standardized settlement terms offered to issuers that self-report under the MCDC Initiative (if the SEC chooses to bring an enforcement action) will not include monetary penalties but will include: a cease and desist order, without admitting a violation, and an agreement by the issuer to (i) establish policies and procedures for continuing disclosure, (ii) comply with its continuing disclosure undertakings in the future, (iii) cooperate with any subsequent investigation by the SEC, (iv) disclose the settlement terms in future official statements, and (v) to certify compliance with its agreement after one year;

WHEREAS, in connection with certain of the Obligations, official statements were prepared (the "Official Statements"), in which the Village made certain representations with respect to the Village's past compliance with its prior Continuing Disclosure Agreements;

WHEREAS, the Village has reviewed its Official Statements and its compliance with its Continuing Disclosure Agreements and, after consultation with its financial and legal advisors, has concluded that it is in the best interest of the Village to protect itself from potential monetary penalties to participate in the MCDC Initiative by self-reporting certain of its prior Official Statement disclosures regarding the Village's prior compliance with its Continuing Disclosure Agreements by the December 1, 2014 reporting deadline;

NOW, THEREFORE, BE IT RESOLVED, by the Village Board of Trustees of the Village of Haverstraw, Rockland County, New York, as follows:

Section 1. The Village Treasurer, as chief fiscal officer of the Village, is hereby authorized to cause a filing with the SEC under the MCDC Initiative to be made by December 1, 2014, and to execute and deliver all such documentation necessary or convenient to complete such filing, with the assistance of financial advisors and legal counsel.

Section 2. It is hereby determined that the establishment of policies, procedures and training for continuing disclosure is in the best interest of the Village and the Village Board of Trustees of the Village declares its intent to consider such policies, procedures and training for continuing disclosure as shall be proposed by the Village Treasurer at one or more future meetings of the Village Board of Trustees of the Village.

Section 3. In the event the Division recommends an enforcement action which is approved by the SEC and is limited to the standardized settlement terms of the MCDC Initiative, the Village Treasurer is further authorized to execute an agreement on behalf of the Village containing such standardized settlement terms and is authorized to take the steps necessary to comply with such terms including the undertakings set forth therein.

Section 4. The Village Treasurer is hereby authorized to take any and all other action as may be necessary or desirable in order to carry out the provisions of this resolution.

Section 5. This resolution takes effect immediately.

The Mayor explained that this resolution authorizes the Village Clerk/Treasurer to do the proper filings by December 1st of this year. He also explained that the self-reporting would prevent the Village from being penalized by the SEC in the future and would help put practices in place to prevent the Village from any late filings in the future.

Mayor Kohut entertained a motion to that effect.

RESOLUTION #278-2014

Motion by: Francisco Batista
Seconded by: Emily Dominguez
Motion Carries: All

Mayor Kohut: With no further business to be conducted by the Board, the Mayor entertained a motion to adjourn the meeting.

Mayor Kohut entertained a motion to that effect.

RESOLUTION #279-2014

Motion by: Emily Dominguez
Seconded by: Terence Watson, Jr.
Motion Carries: All

Respectfully submitted by,

Beverly A. Swift
Senior Steno Clerk