

October 7, 2010

A regular Meeting of the Village Board of the Town of Harrison, Westchester County, New York was held at the Municipal Building, 1 Heineman Place, Harrison, NY, Westchester County, on the 7th day of September, 2010 at 7:30 PM, Eastern Daylight Savings Time. All members having received due notice of said meeting:

MEMBERS PRESENT:

Joan B. Walsh Mayor

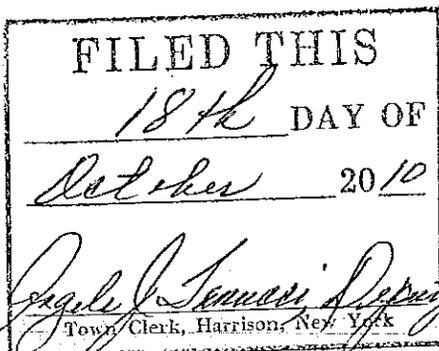
Joseph Cannella)
Fred Sciliano) Trustees
Patrick Vetere)
Marlane Amelio)

ALSO ATTENDING:

Frank Allegretti Town Attorney
Fred Castiglia Deputy Town Attorney
Robert Paladino..... Village Attorney
Jonathan Kraut Deputy Village Attorney
Maureen MacKenzie Treasurer

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October 7, 2010

V - - 2010 - - 055

PRESENTATION BY MICHAEL SOLOMON AND RAYMOND KRAUS OF
JANNEY MONTGOMERY SCOTT, LLC
RE: REFUNDING OF VILLAGE OF HARRISON BONDS

Treasurer Maureen MacKenzie explained that the Village of Harrison bonds for such items as capital projects, road resurfacing, sidewalk replacement and equipment. Over the years we've issued bonds with various interest rates depending on the market. Annually, Ms. Mac Kenzie would discuss the bond issues with the Village advisor at NYMAC's to see if there would be any way to save money for the Village by refinancing or as called refunding the bonds. It would be like any individual refinancing their mortgage at a lower rate. As of last year we were unable to take advantage of any savings since the interest rates had not come down enough to make it advantageous for us. Since August that has all changed. Ms. MacKenzie and Mr. Kraus, Vice President of Janney Montgomery Scott spoke last week of ways for the Village to save money. Mr. Kraus asked Mr. Solomon to take a look at our bonds. Since the rate environment has changed, there should be savings to be made. Mr. Kraus and Mr. Solomon are here this evening to share ways of saving money on previously issued bonds.

Mr. Raymond Kraus of Harrison addressed the Board stated that his firm was established in 1832 Janney is a full service financial firm. He manages the Westchester office located in Tarrytown, New York. Mr. Kraus introduced Michael Solomon, Managing Director with the firm's Municipal Finance Capital Markets Group. He explained that they are present this evening to discuss an opportunity for the Village to save substantial interest expense by refunding a portion of the Village outstanding debt.

Mr. Michael Solomon stated that by refunding some of the outstanding bonds, the Village can save approximately \$95,000 a year, beginning fiscal year 2011 and going through, annually, 2022, which is the life of the bonds. These are reoccurring savings and in total in mechanical basis over the life of the bonds, it's in excess of over \$1,000,000.00. This would be a very attractive opportunity. As the Treasurer said over the years the Village has sold bonds at market rates at the time, some of the bonds they're refunding go back to 1996 and 1998 series. In total there are nine series of bonds the Village is looking to refund. Some of the interest rates are as high as 5.25%. Rates in the capital market have declined sharply especially since the summer and right now the Village can go out and borrow, refinance these bonds and replace the 5% type interest rates with rates under 2%. Once you sell the bonds, the savings are locked in. The key in these refunding, which are being done by many municipalities around the state and the country, is to capture the market before it turns the other way. Right now, the Village has an efficient and attractive refunding.

Trustee Cannella stated that given the current market, refinancing makes sense. Some bonds can't be called upon because they are ten years. You suggest negotiating on a one on one basis instead of the competitive bidding approach.

Trustee Amelio asked if the fees and closing costs could be explained.

Mr. Solomon stated that we're all governed under New York Local Finance Laws. When someone wants to go to market with you new money deals by law you have to do a competitive sale. What you do on a competitive sale is you set the date, your financial advisor sends out the offering document and you receive bids at a certain time, certain date, the lowest yield owns the bonds. The proceeds go to pay for whatever the projects have been approved. A refunding transaction is very market sensitive and the beauty of the negotiated deal you don't have to price in advance we're going to price on a particular date. Most municipalities do Refunding. On the shorter bonds its \$2.50 per bond of bonding a \$5,000 amount. On the longer bonds the take down is 3.75. The "take down" is what the firm makes for placing your bonds with an investor. It also provides some cushion that if for what ever reason Janney has to underwrite the bonds that they have a little bit of cushion, the majority of the fees are for the "take down", the expenses are usually standard fees and the cost of issuance side, which involves legal fees, fees to the financial advisor.

Trustee Cannella asked what the company's target audience is.

Mr. Solomon stated Mr. Kraus runs the Westchester office and hopefully we could get interest locally in the bonds which is one of the other things you could do with a negotiated sale. Perhaps run an ad in the local paper. Given Harrison is a good, strong credit, Mr. Solomon expects we would get some demand on retail, bond funds, insurance companies and maybe some corporations. Janney has sixteen offices across the state and does a tremendous amount of retail.

Mayor Joan Walsh asked: you have no doubt that Janney could sell the refinances.

Mr. Solomon responded: No doubt.

Trustee Cannella stated that many municipalities are having the same problems as Harrison but Harrison's credit is quite good.

Mr. Solomon: Yes.

Mr. Cannella asked about the escrow.

Mr. Solomon: the escrow is a short period.

Mayor Walsh stated that she and Treasurer Maureen MacKenzie had reviewed the document and the Town will be saving over a million dollars in interest.

Questions were asked by members of the audience but they did not speak at the microphone which makes it inaudible.

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FILED THIS
18th
Retcher 2010
Deputy
Town Clerk, Harrison, New York

October 7, 2010

V - - 2010 - - 056

MATTERS FOR EXECUTIVE SESSION:

Collective Bargaining 1
Potential Litigation 1

On motion duly made and seconded, with all members voting in favor, the Meeting was recessed for Executive Session at 8:00 PM.

On motion duly made and seconded, with all members voting in favor, the Meeting was reconvened at 9:30 PM.

There being no further matters to come before the Board, the Meeting was, on motion duly made and seconded, with all members voting in favor declared closed at 9:30 PM.

Respectfully submitted,

Angela J. Tamucci
Deputy Village Clerk

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