



Guidelines for the Sale and Reporting of Bonds and Notes

I. STATEMENT OF PURPOSE

These guidelines are adopted in compliance with the requirements of New York Public Authorities Law §2665 (the “Act”) and are intended to set forth the guidelines of the Schenectady Metroplex Development Authority (the “Authority”) governing the terms and conditions of any private or public sale of bonds and notes and the reporting thereof. The Authority must review and re-approve these guidelines at least annually.

II. SELECTION OF METHOD OF SALE

Upon authorization of a debt issue by the Board, the Board shall select a method of sale from among the following:

- A. *Public Competitive Sale.* When a particular bond or note issue is standardized and routine such that the specifics of the issue can be satisfactorily described in a public notice to the bidders and for which the most important factor is the ultimate price of the issue, bids may be solicited from the public. The notice of sale of bonds and notes shall be circulated in the manner determined by the Executive Director, or a designee, to provide adequate notice for the most practical and efficient sale.
- B. *Public Negotiated Sale.* Bonds or notes may be sold at public negotiated sale when the issue represents a new financing method; includes complex security, structuring, or other factors that require extensive explanation to potential purchasers of the bonds or notes; or has such other features as require extensive pre-marketing efforts in order to achieve a cost-effective sale. In addition, the use of public negotiated sale is appropriate during periods of instability or uncertainty in the financial markets. In the case of a public negotiated sale, a managing underwriter or underwriters shall be selected in accordance with Article II of these Guidelines.
- C. *Private Placement.* Where the size, complexity or risk of a bond or note issue would make it impractical or not cost-effective to offer the bonds or notes for sale to more than a limited number of ultimate purchasers, the Authority may select a private placement sale, with the selection of the placement agent (if any) for the bonds or notes to be made in accordance with Article II of these Guidelines.

III. SPECIAL PROVISIONS CONCERNING THE SELECTION OF MANAGING UNDERWRITERS AND PRIVATE PLACEMENT AGENTS

In selecting underwriters or private placement agents for the issuance of bonds or notes by public negotiated sale or private placement, the following general procedures shall be followed:

- A. The Executive Director, or a designee, shall solicit bids from at least three investment banking firms and/or private placement agents with experience in the structuring and/or marketing of tax-exempt and/or taxable bonds or notes, as applicable. The Executive Director or designee shall solicit bids by directly soliciting proposals from at least three investment banking firms or agents experienced in such matters through a written request for proposals (the “Request for Proposals”).
- B. The Fiscal Audit Committee of the Authority is charged with evaluating the responses to the Request for Proposals the criteria set forth in D below. The Committee shall make recommendations to the Board as to which firms are qualified to underwrite or place the Authority’s bonds and notes. The Committee may recommend a single agent or underwriter, or a team of participants with one party designated as the managing agent or underwriter.
- C. The criteria used in evaluating each response to the Request for Proposals may include, but need not be limited to, the underwriter’s or agent’s
 - i. Price proposal,
 - ii. Experience in handling similar matters,
 - iii. Ability to structure and sell Authority bond or note issues, as applicable,
 - iv. Prior experience of the Authority with the bidder,
 - v. Capitalization and financial strength of the bidder, and
 - vi. Ability to promote and assist participation of Minority and Women-owned Business Enterprises in such issuance.
- D. The Fiscal Audit Committee may consider such other factors as it deems relevant in evaluating the responses to the Requests for Proposals including, but not limited to
 - i. The geographic location of the underwriter or agent, especially in New York State and the Capital District,
 - ii. Status as a New York State certified Minority and Women Owned Business Enterprise, and
 - iii. The ability of the bidder to bring the bond or note issue to market according to the schedule established by the Authority.
- E. The Executive Director, or a designee, shall document in writing the recommendations of the Fiscal Audit Committee to the Board for its consideration and action.

It is the goal of the Authority to, among other things, promote and assist participation by and of Minority and Women Owned Business Enterprises in the underwriting and placement of the Authority’s bonds and notes. This goal shall be considered in the selection of managing underwriters and private placement agents as described above.

It is also the Authority’s goal to select as underwriters or private placement agents those investment-banking firms that have evidenced compliance with the laws of the State of New York prohibiting discrimination in employment. The Authority recognizes that this goal may be achieved by selecting as underwriters or private placement agents those firms that have

demonstrated that they do not discriminate in employment. Accordingly, the Executive Director, or his designee, shall request from investment banking firms and placement agents such information on employment policies and practices as is necessary to assess such firms' compliance with relevant laws and policies on equal employment opportunity and affirmative action.

It is also the goal of the Authority to, among other things, promote and assist participation by New York State Business Enterprises in the underwriting and placement of the Authority's bonds and notes. This goal shall be considered in the selection of underwriters and private placement agents.

IV. REPORTS ON BOND SALES

Annual Report. The Authority shall annually prepare and approve a bond sale report, which pursuant to the provision of §2665(4)(e and, (f) and §2800 of the Public Authorities Law shall be submitted to the State Comptroller, Senate Finance Committee, Assembly Ways and Means Committee, and as part of the annual financial report, to the Chairperson of the Schenectady County Legislature and the Authority Budget Office. The bond sale report shall include the Authority's Guidelines for the Sale and Reporting of Bonds and Notes, amendments to such Guidelines since the last Authority report, an explanation of the Guidelines and any amendments thereto, and the results of any sales conducted during the fiscal year including, but not limited to, the underwriter's compensation and interest costs of bonds sold during the fiscal year.

- A. Such bond sale report shall also identify which of the Authority's bond sales were conducted as negotiated sales, public sales or private sales and describe the participation of minority and women-owned business enterprises in such sales. Such bond sale report may be a part of any other annual report that the Authority is required to make.
- B. Such bond sale report shall include a schedule of all outstanding Authority bonds and notes, including amounts redeemed, a schedule of debt issuance, which schedule shall include the date, term, amount, interest rate, sources of repayment, calls, refundings, defeasements, interest rate exchanges, and a detailed list of the costs of debt issuance. Copies of the bond report sale shall be available to the public upon reasonable request at the Authority's main office.

V. PROCUREMENT OF OTHER SERVICES

Any services other than the services of an underwriter or placement agent required in connection with the sale of bonds and notes by the Authority, including, but not limited to, the services of bond counsel, financial advisor and trustee, shall be procured in accordance with the Authority's Procurement Policy.

VI. MISCELLANEOUS PROVISIONS

- A. *Powers of Amendment.* Any modification or amendment of these Guidelines may be made by a Resolution adopted at any duly constituted Board meeting; provided, however, that no such modification or amendment shall abrogate the rights and duties of existing Authority contracts, the terms of which were established pursuant to these Guidelines.
- B. *No Recourse.* No provision of these Guidelines shall be the basis for any claim based on these Guidelines against any Board Member, Officer or Employee of the Authority or the Authority itself. Furthermore, notwithstanding the provisions of these Guidelines, once the Board has authorized the issuance of debt, these Guidelines shall not be construed to restrict in any way the issuance of such debt.