



Encl. #10.11
December 16, 2010

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November 18, 2010
Via Mail

Mr. Ralph Marino
Superintendent
Horseheads CSD
One Raider Lane
Horseheads, New York 14845

Re: **Fiscal Advisors and Marketing Inc. FA Proposal to Serve as Financial Advisor to the Horseheads Central School District, New York Refunding of the 1998, 1999 and 2000 Bonds and other Annual Services through June 30, 2011**

Dear Mr. Marino,

Thank you for the opportunity to provide a proposal for Financial Advisory services for the School District.

This proposal is meant to offer a guide to our Scope of Services and Fees associated with Refunding the above Referenced Bonds as well as other Annual and Ongoing Services:

I. Implementation of the Refunding Financial Plan

A. For issuance of Refunding Serial Bonds with an Official Statement, FA's responsibilities will include the following:

- Review the impact of refinancing through analysis of budgetary impact and current IRS regulations.
- Discuss the Refinancing with officials to formulate and discuss the Financial Plan including the preparation of preliminary maturity schedules with an estimate of the interest.
- Provide a chronological Calendar of Events for necessary financial and legal items to be accomplished in conjunction with the financing.
- Provide advice on the implications of the Local Finance Law, and Tax Reform Act of 1986 as they relate to the structure and timing of the financing for the capital projects.
- Advise on the length of the maturity schedule for the refunding bonds and the dollar size of the issue based on Federal and State Regulations and upon market conditions.
- Prepare, where appropriate, a consolidated maturity schedule for submission to both the School District and Bond Counsel for approval.

- Gather the information necessary to create a Preliminary Official Statement from annual reports and other documents, and by interviewing administrators as necessary, in compliance with the Official Compilation of Codes, Rules and Regulations of the State of New York, the Local Finance Law and the Securities and Exchange Commission's Rule 15c2-12.
- Review overlapping/underlying debt of other units of local government for the Official Statement and acquire pertinent information through requests to the governments and the offices of the State Comptroller as required.
- Coordinate activities of the proposed financing with the School District, the School District's Attorney and Bond Counsel.
- Submit required documentation to the Rating Agencies (Moody's and/or Standard & Poors) and follow-up to support issuance of the best possible credit rating for the Serial Bond issue. Arrange and coordinate meetings with the Rating Agencies if necessary.
- Prepare the proper application for Municipal Bond Insurance, Escrow Agent and Verification agent.
- Advise as to the condition of financial market at such time as the Serial Bonds are ready for sale.
- Revise and update the Preliminary Official Statement on a current basis when the sale is scheduled. Distribute the Preliminary Official Statement and Notice of Sale to an extensive list of potential underwriters throughout New York State and the United States. Assist the printing firm to post the Official Statement on the FA website.
- Act as a point of contact in the financial industry to clarify any potential uncertainties on the part of the potential underwriters.
- Prepare and file the Debt Statement with the New York State Comptroller's Office - Department of Audit & Control.
- Arrange for the required legal advertisement of the Notice of Estoppel in the local newspaper in compliance with the Official Compilation of Codes, Rules and Regulations of the State of New York, the Local Finance Law and the Securities and Exchange Commission's Rule 15c2-12.
- Recommend the date and time of the sale. Conduct the Sale and recommend acceptance or rejection of the bids based on compliance with the bidding instructions. Verify the Net Interest Cost and advise on the award of the bid.
- Arrange all applicable details for the delivery of the issue, including the acquisition of CUSIP (Committee on Uniform Security Identification Procedures) numbers. Coordinate the arrangements of delivery for book-entry-only issues with the Depository Trust Company (DTC) or in physical form locally. Coordinate the responsibilities at the time of closing among DTC, the purchaser(s), the School District's bank and Bond Counsel. Provide written wire-transfer directions to the underwriter for depositing the proceeds into the School District's bank account on the day of closing.

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- Confirm the accuracy of the Federal Funds wire transfer credit advice and the bank reference number of the wire transfer.
- Assist in the purchase of State and Local Government Securities for the Escrow.
- Coordinate, where appropriate and requested by the School District, the payoff of the existing Bonds.
- Prepare Final Official Statements for distribution by the Underwriter in the secondary market as required by Securities and Exchange Commission Rule 15c2-12.
- Prepare comprehensive debt service schedules tailored to the fiscal year of the School District and distribute to appropriate parties, and advise concerning the procedures for paying debt service, upon request.
- Provide the necessary information to Bond Counsel so they can prepare the necessary tax forms to be filed with the appropriate tax authorities relating to the debt issuance.

Fee(s) - In consideration of the services provided by FA in connection with the issuance of the Serial Bonds with an Official Statement and a Notice of Sale as outlined in Section I. A. above, FA will be paid a not to exceed fee of \$19,500. Said fee will be payable to FA upon receipt by the School District of the bond proceeds. FA will not charge for any other expenses other than the all-inclusive fee stated above.

II. For the Financing of Bus Bonds

A. For issuance of Serial Bonds for the District's Annual Bus Aquisitions, FA's responsibilities will include the following:

- Meet with appropriate officials to formulate and discuss the Financial Plan including the preparation of preliminary maturity schedules with an estimate of the interest cost and impact on tax rates.
- Provide a chronological Calendar of Events for necessary financial and legal items to be accomplished in conjunction with the financing.
- Provide advice on the implications of the Local Finance Law, and Tax Reform Act of 1986 as they relate to the structure and timing of the financing for the capital projects.
- Advise on the length of the maturity schedule for the serial bonds and the dollar size of the issue based on Federal and State Regulations and upon market conditions.
- Prepare, where appropriate, a consolidated maturity schedule for submission to both the School District and Bond Counsel for approval.
- Coordinate activities of the proposed financing with the School District, the School District's Attorney and Bond Counsel.

- Advise as to the condition of financial market at such time as the Serial Bonds are ready for sale.
- Revise and update the Preliminary Notice of Sale on a current basis when the sale is scheduled. Distribute the Notice of Sale to an extensive list of potential underwriters throughout New York State and the United States. Assist the printing firm to post the Notice of Sale on the FA website.
- Act as a point of contact in the financial industry to clarify any potential uncertainties on the part of the potential underwriters.
- Recommend the date and time of the sale. Conduct the Sale and recommend acceptance or rejection of the bids based on compliance with the bidding instructions. Verify the Net Interest Cost and advise on the award of the bid.
- Arrange all applicable details for the delivery of the issue, including the acquisition of CUSIP (Committee on Uniform Security Identification Procedures) numbers. Coordinate the arrangements of delivery for book-entry-only issues with the Depository Trust Company (DTC) or in physical form locally. Coordinate the responsibilities at the time of closing among DTC, the purchaser(s), the School District's bank and Bond Counsel. Provide written wire-transfer directions to the underwriter for depositing the proceeds into the School District's bank account on the day of closing.
- Confirm the accuracy of the Federal Funds wire transfer credit advice and the bank reference number of the wire transfer.
- Coordinate, where appropriate and requested by the School District, the payoff of any Bond Anticipation Notes with the Serial Bond proceeds.
- Prepare comprehensive debt service schedules tailored to the fiscal year of the School District and distribute to appropriate parties, and advise concerning the procedures for paying debt service, upon request.
- Provide the necessary information to Bond Counsel so they can prepare the necessary tax forms to be filed with the appropriate tax authorities relating to the debt issuance.

Fee(s) - In consideration of the services provided by FA in connection with the issuance of the Serial Bonds in Section II. A. above, FA will be paid a minimum fee of \$2,800. FA will not charge for any other expenses other than the all-inclusive fee stated above.

III. Annual and Ongoing Services Offered by FA

- Continuing Secondary Market Disclosure Dissemination Agent “Continuing Disclosure” Services – FA will charge a fee of \$2,400 for each filing of the Disclosure Document (a yearly requirement of the SEC) and \$500 for each filing of a Material Events Notice.
- Assistance in establishing the accounting and Bookkeeping System for Capital Project reporting as required by the New York State Uniform System of Accounts – Fee: \$155 per hour.
- Assistance with the calculation of new Debt Service requirements for Budget purposes – Fee: \$155 per hour.
- Provide assistance with the timely filing of State Aid Forms with the State Education Department – Fee: \$155 per hour.
- Assist with the preparation and filing of the Final Cost Reports on the capital project as required by the State Education Department– Fee: \$155 per hour.
- Evaluating Bonds Substituted in Lieu of Cash Retainage by contractors.

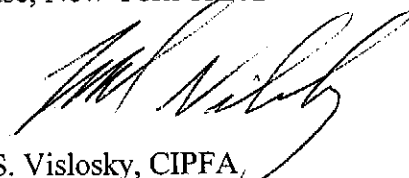
FA’s fees for these services are stated above. We do not charge for travel, telephone calls, photocopies, etc.

IV. Miscellaneous

Either Party may terminate this Agreement upon 30 days written notice to the other Party. In such an event, Fiscal Advisors and Marketing, Inc. (FA) will be paid for services properly rendered up to the date of termination in accordance with the provisions of this Agreement.

Upon acceptance of this proposal, please execute both copies and return one to the office location listed below.

FISCAL ADVISORS & MARKETING, INC.
120 Walton Street
Suite 600
Syracuse, New York 13202



Mark S. Vislosky, CIPFA
CEO

Accepted by: _____ **School District authorized representative**

Signature: _____

Title: _____

Date: _____