

RENEWAL ISSUE**BOND ANTICIPATION NOTES**

In the opinion of Underberg & Kessler LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on The Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on The Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

The Town will be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**TOWN OF HAMBURG
ERIE COUNTY, NEW YORK****\$2,815,000
BOND ANTICIPATION NOTES – 2018 (RENEWAL)
(the "Notes")****Date of Issue: July 3, 2018****Maturity Date: July 3, 2019**

The Notes are general obligations of the Town of Hamburg, of Erie County, New York (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, The Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"). (See "Tax Levy Limit Law" herein.)

The Notes will be issued as registered notes, and at the option of the purchaser, may be registered to the Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of the purchaser.

If the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. (See "Book-Entry-Only System" herein).

If the Notes are registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are offered when, as and if issued and received by the purchasers and subject to the receipt of the respective final approving opinions of Underberg & Kessler LLP, Rochester, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery on or about July 3, 2018.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED TO BE FINAL BY TOWN THE FOR THE PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE NOTICES OF MATERIAL EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: June 14, 2018

**TOWN OF HAMBURG
ERIE COUNTY, NEW YORK**

**James M. Shaw
Supervisor**

TOWN BOARD

Tom Best, Jr. Council Member
Michael Petrie..... Council Member
Elizabeth Farrell..... Council Member
Michael Mosey. Council Member

Catherine A. Rybczynski Town Clerk
Steven J. Walters Town Attorney
Samantha Tarczynski Director of Administration and Finance

BOND COUNSEL

**Underberg & Kessler LLP
Rochester, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
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No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources that are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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APPENDIX A

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**TOWN OF HAMBURG
ERIE COUNTY, NEW YORK**

Relating to

**\$2,815,000
BOND ANTICIPATION NOTES - 2018**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Hamburg, in the County of Erie, in the State of New York (the "Town", "County" and "State," respectively) in connection with the sale of \$2,815,000 Bond Anticipation Notes – 2018 (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description

The Notes will be dated July 3, 2018 and will mature, without option of prior redemption, on July 3, 2019. The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

If the Notes will be issued through the Depository Trust Company ("DTC" or the "Securities Depository"), the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or multiples thereof, as may be determined by such successful bidder.

Authority for and Purpose

The Notes are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board on the dates set forth below:

Purpose of the Notes

The proceeds received from the sale of the Notes, together with \$505,000 current funds, will be applied to redeem a \$3,320,000 portion of the Town's bond anticipation notes maturing on July 5, 2018 originally

issued to finance capital improvements of the Town pursuant to the bond resolutions adopted by the Town Board as detailed below:

<u>Purpose:</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Original Issue Date</u>	<u>Principal Paydown</u>	<u>The Notes</u>
Wanakah Water District	6/21/2004	\$695,000	7/22/2004	\$110,000	\$585,000
Mt Vernon Sewer District Phase I	3/22/2004	\$230,000	12/16/2004	30,000	\$200,000
Mt Vernon Sewer District Phase II	3/10/2008	\$290,000	7/16/2008	20,000	\$270,000
Sewer Improvements (SS-21)	1/24/2005	\$1,000,000	7/19/2006	110,000	\$890,000
Sewer Improvements (SS-29)	2/13/2006	\$370,000	7/19/2006	30,000	\$340,000
Sewer Improvements (SS-29)	11/27/2006	\$210,000	7/18/2007	30,000	\$180,000
Hamburg Water Improvement Project	11/10/08 & 12/8/08	<u>\$525,000</u>	7/15/2009	<u>175,000</u>	<u>\$350,000</u>
		<u>\$3,320,000</u>		<u>\$505,000</u>	<u>\$2,815,000</u>

Nature of Obligation

Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law." (See "*Tax Levy Limit Law*" herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The Tax Levy Limit Law imposes a limitation upon the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*The Tax Levy Limit Law,*" herein).

Book-Entry-Only System

If the Notes are issued as book-entry notes, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for all of the Notes which bear the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC

and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Notes will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Town.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The Town's credit rating could be affected by circumstances beyond the Town's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of Town property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the Town's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the Town to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the the Notes, could be adversely affected.

The Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The Town's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the Town will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the Town requiring either a counterbalancing

increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also “State Aid” herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see “Tax Matters” herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See “The Tax Levy Limit Law” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town could impair the financial condition of such entities, including the Town and the ability of such entities, including the Town to pay debt service on their respective obligations.

LITIGATION

In common with other municipalities, The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town Attorney does not believe, however, that adverse decisions in such suits either individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Underberg & Kessler LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The arbitrage and use of proceeds certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Notes, and Bond Counsel has assumed compliance by the Town with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel to the Town expresses no opinion regarding any other Federal or state tax consequences with respect to the Notes. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Notes, or on the exemption from state and local tax law of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on such Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Notes. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Notes of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Note having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Note under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “note premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the note premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note, determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Note). An owner of a Premium Note must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the note premium allocable to that period. In the case of a tax-exempt Premium Note, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of note premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law and could affect the market price for, or the marketability of, the Notes. There can be no assurance that any such legislation, actions or decisions, if ever enacted, taken or rendered following the issuance of the Notes, will not have an adverse effect on the tax-exempt status, market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Notes will be subject to the final approving opinion of Underberg & Kessler LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Notes and will be to the effect that the Notes are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit, and all the taxable real property within the Town is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. Said opinion shall also contain further statements to the effect that (a) the power of the Town to levy unlimited real estate taxes on all the real property within the Town to pay debt service may be subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011 (General Municipal Law 3-c), depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal change, (b) the enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may have furnished or disclosed to purchasers of the Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Closing Certificates

Upon the delivery of the Notes, the Purchasers will be furnished with the following items: (i) a Certificate of the Supervisor to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement to the date of issuance of the Notes; and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by the Supervisor evidencing payment for the Notes; (iii) a Signature Certificate evidencing the due execution of the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Notes were authorized or affecting the validity of the Notes thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Notes have been repealed, revoked or rescinded; and (iv) an Arbitrage and Use of Proceeds Certificate executed by the Supervisor, as described under "Tax Matters" herein.

DISCLOSURE UNDERTAKINGS

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Town may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The Town’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Notes.

The Town reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Prior Disclosure History

Over the past five years there have been a variety of ratings changes to the municipal bond insurers which insure the outstanding serial bonds of the Town of Hamburg, Erie County, New York.. The Town filed event notices for these changes on EMMA on August 5, 2014.

Other than the foregoing, the Town is in compliance in all material respects with its previous undertakings made pursuant to Rule 15c2-12 within the last five years.

RATINGS

The Town has not applied for a rating on the Notes.

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the uninsured outstanding bonded indebtedness of the Town.

Such ratings reflect only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such or the availability of a secondary market for those bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the Town in connection with the sale of the Notes.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from the Town Supervisor, James M. Shaw at 6100 South Park Avenue, Hamburg, NY 14075, phone: 716- 649-6111 ext. 2380, email: jshaw@townofhamburgny.com or the Town's Municipal advisor, Capital Markets Advisors, LLC, (716) 662-3910.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or holders of any of the Notes.

This Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original

source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

**TOWN OF HAMBURG
ERIE COUNTY, NEW YORK**

By: /s/ James M. Shaw
James M. Shaw
Town Supervisor

DATED: June 14, 2018

APPENDIX A

THE TOWN

General Information

The Town's population is 56,957 according to the 2010 U.S. census estimate. The Town, with a total land area of approximately 42 square miles, constitutes the largest town in terms of square miles of the County's twenty-five towns. Located 11 miles south of the City of Buffalo on the eastern terminus of Lake Erie, the Town includes the Villages of Hamburg and Blasdell. Residents find employment in various industrial and service industries within the Town and the greater Western New York area.

The Buffalo metropolitan area offers Town residents numerous recreational and cultural attractions. Among these are Niagara Falls, the Albright-Knox Art Gallery, the Buffalo Zoological Gardens, the Buffalo Museum of Science, and the Buffalo Historical Society. Buffalo is also home to professional football, hockey and baseball teams. In addition, the cities of Toronto and Hamilton, Ontario, as well as Erie, Pennsylvania and Rochester, New York are within 90 miles of the Town. Cleveland, Pittsburgh and Syracuse are all within a six-hour drive.

The Buffalo Niagara International Airport, Conrail, the New York State Thruway, the Southern Tier Expressway, Routes 219, 75, 62 and 5 and the Niagara Frontier Metro Bus System make the Town accessible to area transportation.

The Government

The Town was established in 1812 by the State Legislature with its own independent form of government. The taxable real property in the Town is subject to taxation for certain purposes. In addition, four independently governed school districts, Hamburg CSD, Orchard Park CSD, Frontier CSD, and West Seneca CSD, are located in part within the Town and rely upon their own taxing powers granted by the State to raise revenues for school district purposes. The school districts use the Town's assessment roll as their basis for taxation of property within the Town.

Subject to the provisions of the State Constitution, the Town operates pursuant to the Town Law, the Local Finance Law, other laws generally applicable to the Town, and any special laws applicable to the Town. Under such laws, there is no authority for the Town to have a charter, but pursuant to the Town Law and other laws generally applicable to home rule, the Town may, from time to time, adopt local laws.

The legislative power of the Town is vested in the Town Board, which currently consists of five members, including the Supervisor, who is the chief executive officer of the Town, elected for a term of four years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two council members are elected every two years. While Board members are typically elected to four year terms, with the expansion of the Board in 2017 with the term beginning 1/1/18, one Board member was elected to a two year term in order to stagger the elections moving forward as noted. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve. Since January 2012, the Town Board consists of three members, the Supervisor and two elected council members.

The Town Clerk and the Superintendent of Highways are elected to four-year terms. The Town Board appoints the Assessor for a six-year term and the Town Attorney for a two-year term.

Town Services

Electricity and natural gas are supplied throughout the Town by National Grid, New York State Electric and Gas and National Fuel Gas Distribution Corporation, respectively.

The Erie County Water Authority supplies water for the Town and is responsible for the maintenance of the necessary facilities. The Authority charges the cost for the water service against the property or property owners served. The Town has a number of water districts that are responsible for the financing and construction of the water transmission lines within their respective boundaries.

Police and fire protection as well as highway, sanitation, recreation and sewage services and facilities are provided by the Town or by special districts under the supervision of the Town Board.

Employees

The Town provides services through 194 full-time and 179 part-time and seasonal employees, some of which are represented by the following collective bargaining organizations:

Table 1
Employees

<u># of</u> <u>Employees</u>	<u>Bargaining Unit</u>	<u>Contract</u> <u>Expiration Date</u>
13	International Association of Firefighters Local 2478	12/31/2018
10	Police Command Officers Association	12/31/2020
50	Southtowns Police Club Inc.	12/31/2012
62	CSEA Local 1000 AFSCME, AFL-CIO, Blue Collar Unit, Local 815	12/31/2020
24	CSEA Local 1000 AFSCME, White Collar Unit, Local 815	12/31/2019

Source: Town Officials

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System (the "ERS"). The ERS is a cost-sharing multiple public employer retirement system. The obligations of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the ERS is jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the ERS. The ERS is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the ERS, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute a percentage of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town prepaid its employer contributions in December 2011, 2012, 2013, 2014 and 2015.

On December 10, 2009, then Governor Paterson signed into law a new pension tier - Tier V. The law is effective for ERS employees hired from January 1, 2010 through March 31, 2012. Tier V employees now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, the Governor signed into law the new pension tier - Tier VI - effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

The following schedule reflects the Town's contribution to each of the Systems for the last three fiscal years and the 2018 budgeted fiscal year.

<u>Fiscal Year Ending December 31:</u>	<u>State Fiscal Year Ending March 31</u>	<u>ERS Contribution</u>	<u>PFRS Contribution</u>
2018 <i>Budget</i>	2019	1,513,000	1,610,000
2017	2018	1,495,959	1,592,000
2016	2017	1,347,448	1,398,809
2015	2016	1,577,380	1,374,267

As a result of significant capital market declines in the recent past, in certain years the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State’s Retirement System in future years maybe higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, they will require higher than normal contributions in later years. The Town has not found it necessary to amortize any payments to the retirement system to date; however, the option to do so in future years is expected to be made available to the Town through various forms of existing legislation.

Other Post Employment Benefits

GASB Statement No. 45 (“GASB 45”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the Town account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the Town.

Although GASB 45 encourages earlier adoption, implementation was required for the Town’s fiscal year ending December 31, 2009. The Town is in compliance with the requirements of GASB 45 and the actuarial report prepared by Burke Group, is part of the Town’s financial audit, attached herein.

A summary of the Town’s actuarial valuation report is made part of the Town’s financial statements under Note No. 17 attached herein in Appendix C.

	<u>2017</u>	<u>2016</u>
Normal Cost	\$830,104	\$830,104
Amortization of UAAL	2,693,484	2,693,484
Interest on net OPEB obligation	213,321	213,321
Adjustment to annual required contribution	<u>(220,913)</u>	<u>(220,913)</u>
Annual OPEB costs	3,515,996	3,515,996
Contributions made	<u>2,161,392</u>	<u>2,161,392</u>
Increase in net OPEB obligation	1,354,604	1,354,604
Net OPEB obligation – beginning of year	<u>9,396,842</u>	<u>8,042,238</u>
Net OPEB obligation – end of year	<u>\$10,751,446</u>	<u>\$9,396,842</u>

Should the Town be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Town's finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Town to partially fund its actuarial accrued OPEB liability. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

In April 2015, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The State Comptroller's proposal would authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the State Comptroller's proposal, there are no limits on how much a local government can deposit into the trust.

FINANCIAL FACTORS

Annual Financial Report

The annual financial statements of the Town are audited by independent certified public accountants. The Town is also subject to periodic audit by the State Comptroller's Office. Appendix B to this Official Statement presents a summary of the results of operations for the last five fiscal years ended and a budget summary for the prior and current fiscal years.

Fund Structures and Accounts

The financial statements of the Town conform to those prescribed by generally accepted accounting principles as applied to governmental units.

Revenues are recorded when measurable and available to pay liabilities of the current period. Revenues susceptible to accrual include real property taxes, state and federal aid, sales tax and certain user charges.

Expenditures are recorded when the fund liability is incurred. Exceptions to this rule are (1) prepaid and most inventory-type items are generally recognized at the time of disbursement; (2) unmatured interest on general long-term debt which is recognized when due; and (3) compensated absences, such as vacation and sick leave which vests or accumulates, and is charged as an expenditure when paid.

The encumbrance method of accounting is employed in the governmental funds, whereby commitments for contracts and outstanding purchase orders are reported as a reservation of fund balance. Such commitments are recorded as expenditures in the accounting period in which the liability is incurred.

The General Fund is the principal fund of the Town and includes all operations not required to be recorded in other funds. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds include the Town Outside Village, Community Development, Insurance, Highway and Special District Funds. Special Districts have been established for sanitary sewer, lighting, water, fire protection, and hydrants.

Revenues

The Town derives its revenues from a direct tax levy on real property, State aid, non-property taxes like the County sales tax, and from departmental fees and charges. A summary of such revenues for the Town's General and Special Revenue Funds over the prior five fiscal years have been compiled from the Town's Annual Financial Reports and are presented in "Statement of Revenues, Expenditures and Changes in Fund Balances" in Appendix B.

Real Property Tax

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amount budgeted for the current fiscal year.

Table 2
Property Taxes

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2013	\$14,424,382	\$9,168,008	63.6%
2014	14,045,732	9,065,596	64.5%
2015	14,966,425	9,343,485	62.4%
2016	15,621,695	10,209,322	65.4%
2017	16,646,600	10,724,249	64.4%
2018 Budget	16,073,295	11,088,389	69.0%

Source: Audited Financial Statements, Adopted Budget, and Town Officials.

Non-Property Taxes. The following table sets forth general fund non-property tax revenues received during the last five audited fiscal years and the amount budgeted for the current fiscal year.

Table 3
Non-Property Taxes

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Non-Property Taxes⁽¹⁾</u>	<u>Non-Property Taxes to Revenues</u>
2013	\$14,424,382	\$133,575	0.9%
2014	14,045,732	136,463	1.0%
2015	14,966,425	146,773	1.0%
2016	15,621,695	131,971	0.8%
2017	16,646,600	131,966	0.8%
2018 Budget	16,073,295	148,000	0.9%

Source: Audited Financial Statements, Adopted Budget, and Town Officials.

State Aid. The Town also receives a portion of its revenues in the form of State aid. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions, which eliminate or substantially reduce State aid could have an adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total general fund revenues and State aid during the last five audited fiscal years and the amount budgeted for the current fiscal year.

Table 4
State Aid

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2013	\$14,424,382	\$1,559,287	10.8%
2014	14,045,732	1,153,534	8.2%
2015	14,966,425	1,331,436	8.9%
2016	15,621,695	1,437,313	9.2%
2017	16,646,600	2,047,060	12.3%
2018 Budget	16,073,295	1,283,916	8.0%

Source: Audited Financial Statements, Adopted Budget, and Town Officials.

Budget Process

The Supervisor prepares a tentative budget and presents it to the Town Clerk on or before September 30th. Subsequent to the budget hearing, revisions, if any, are made and the tentative budget becomes the preliminary budget. A public hearing is held on or before the Thursday immediately following the general election. Following the hearing the Town Board takes action to adopt a final budget for the coming calendar year. The budget is not subject to voter approval.

Appendix B sets forth a summary of the Town's prior and current General Fund and Special Revenue Fund budgets.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the Town is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The Town may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the Town; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the Town, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Town Board has adopted an investment policy and such policy conforms to applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the Town are made in accordance with such policy.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of the State Comptroller designates the Town as "No Designation". (See <http://www1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm>.)

Note: Reference to websites implies no warranty of accuracy of information therein.

New York State Comptroller's Audit

The financial affairs of the Town are subject to periodic compliance reviews by the Office of the State Comptroller (OSC) to ascertain whether the Town has complied with the requirements of various State and federal statutes.

The last audit conducted by OSC was released in May 2011. The purpose of the audit was to evaluate internal controls over justice court operations for the period January 1, 2009 through December 13, 2010. The complete report can be obtained from OSC's website:
www.osc.state.ny.us/localgov/audits/towns/2011/hamburg.pdf.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures and History

The Town Tax Collector collects the County and School District taxes as well as the General Town and Special District levies. Under the County Tax Act, under which the Town collects taxes, any uncollected items are deducted from the amount returned to the County and the County assumes the responsibility for obtaining payment. Therefore, before the tax rolls are returned to the County at the end of the tax collection period the Town Tax Collector pays in full all tax levies due to the Town.

Taxes are due January 1st and payable without penalty through February 15th. Penalties are imposed as follows: 1.5% from February 16th through February 28th, 3% from March 1st through 15th, 4.5% from March 16th through April 2nd, 6% from April 3rd through 16th, 7.5% from April 17th through 30th, and an additional 1.5% each month thereafter. After August 31, when the rolls are turned over to the County, all taxes are payable to the County with an additional penalty to date of payment.

The following table sets forth the annual tax levies of the Town's General Fund, Part Town Fund, Highway Funds and Special District levies, for the past five years.

Table 5
Total Tax Levy and Tax Rate

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund	\$9,072,102	\$9,353,136	\$10,190,764	\$10,672,874	\$11,088,389
Part Town Fund	4,135,352	4,018,831	4,182,909	4,237,161	4,391,059
Highway Fund	5,080,870	5,219,271	5,604,406	6,024,099	6,121,919
Special Districts	<u>5,635,513</u>	<u>5,763,801</u>	<u>5,796,047</u>	<u>5,954,318</u>	<u>6,128,549</u>
Total Levy	\$23,923,837	\$24,355,039	\$25,774,126	\$26,888,452	\$27,729,916
General Fund Tax Rate					
Per \$1,000 Assessed Value	\$4.19	\$4.31	\$4.68	\$4.88	

The following table sets forth the assessed and full valuation of taxable real property, the State equalization rate and the Town's real property tax levy for Town purposes for the last five fiscal years.

Table 6
Assessed and Full Valuation

Roll Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Tax Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxable Assessed Valuation	\$2,153,497,853	\$2,170,868,404	\$2,175,569,427	2,187,760,413	\$2,196,876,747
State Equalization Rate	58.00%	56.60%	54.50%	53.00%	52.00%
Full Valuation	\$3,712,927,333	\$3,983,244,777	\$3,991,870,508	4,127,849,836	\$4,224,762,975

Source: Town Assessor

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School

Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2016 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said New Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the New Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

Ten of the Largest Assessed Values for the 2018 Tax Year

The following table presents the total assessed valuations of the Town's largest property owners.

Table 7
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Valuation</u> ^(a)
McKinley Mall, LLC	Mall	\$28,408,630	1.29%
National Fuel Gas	Utility	27,533,247	1.25%
Benderson and Related Companies	Retail	24,903,400	1.13%
BG Hamburg & Related Companies	Retail	21,837,000	0.99%
Burke and Related Companies	Apartments/Subdivision	22,544,500	1.03%
Niagara Mohawk	Utility	13,452,726	0.61%
Ford Motors	Auto Manufacturing	12,300,000	0.56%
MREIC Buffalo, NY LLC	Fed Express	11,600,000	0.53%
BG MHC LLC	Mobile Home Park	10,692,500	0.49%
New York State Electric & Gas	Utility	10,608,724	0.48%
	Total:	<u>\$183,880,727</u>	<u>8.36%</u>

^(a) Total taxable assessed valuation for 2018 tax year is \$2,196,876,747.

Source: Town Assessor.

TOWN INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the Town and the Bonds.

Purpose and Pledge. The Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid within three fiscal years periods indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the

Town determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness, including bonds and bond anticipation notes issued in anticipation of such bonds, by the adoption of a resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Certain such resolutions may be subject to permissive referendum, or may be submitted to the Town voters at the discretion of the Town Board.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The Town has complied with such procedure for the validation of the bond resolutions authorizing the issuance of the Bonds.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York, permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements").

In addition, under each bond resolution, the Town Board may delegate, and has delegated, power to issue and sell bonds and notes, to the Supervisor, the chief fiscal officer of the Town.

In general, the Local Finance Law contains similar provisions providing the Town with power to issue general obligation revenue anticipation notes, tax anticipation notes and budget notes.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Town and per certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness.

Constitutional Debt Limit

The following table sets forth the constitutional debt limit of the Town.

Table 8
Constitutional Debt Limit

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Equalization Rate</u>	<u>Full Valuation</u>
2013	\$2,153,497,853	58.00%	\$3,712,927,333
2014	2,170,868,404	56.60%	3,835,456,544
2015	2,175,569,427	54.50%	3,991,870,508
2016	2,187,760,413	53.00%	4,127,849,836
2017	2,196,876,747	52.00%	<u>4,224,762,975</u>
Total Five-Year Valuation			<u>\$19,892,867,196</u>
Average Five-Year Valuation			<u>\$3,978,573,439</u>
Debt Limit - 7% of Average Full Valuation			<u>\$278,500,141</u>

Source: Town Assessor's Office

Statement of Debt Contracting Power

Table 9
Statutory Debt Limit and Net Indebtedness

(As of June 14, 2018)

Debt Contracting Limitation	\$278,500,141
Serial Bonds	5,240,000
Bond Anticipation Notes	<u>3,320,000</u>
Total Gross Direct Indebtedness	8,560,000
Exclusions and Deductions:	
2018 Appropriations for Debt Service	<u>425,000</u>
Total Net Indebtedness	<u>8,135,000</u>
Net Debt-Contracting Margin	<u>\$270,365,141</u>
Percentage of Debt-Contracting Margin Exhausted	<u>2.92%</u>

Source: Town Officials

Remedies Upon Default

Under current law, provision is made for contract creditors (including the Noteholders) of the Town to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a bondholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

The State has consented that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debts including judicial control over identifiable and unidentifiable creditors.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events, including financial crises as they may occur in the State and in municipalities of the State, require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

No principal or interest payment on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

Trend of Outstanding Indebtedness

The following table provides information relating to the capital indebtedness outstanding at year-end for the last five fiscal years.

Table 10
Outstanding Indebtedness

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bonds	\$3,310,000	\$2,700,000	\$ 2,080,000	\$ 1,445,000	\$ 5,260,000
Bond Anticipation Notes	<u>\$6,367,900</u>	<u>6,830,900</u>	<u>10,568,900</u>	<u>8,580,000</u>	<u>3,320,000</u>
Total Outstanding Debt	<u>\$9,977,900</u>	<u>\$9,530,900</u>	<u>\$12,648,900</u>	<u>\$10,035,000</u>	<u>\$8,580,000</u>

Short Term Indebtedness

The Town currently has bond anticipation notes outstanding in the amount of \$3,320,000. The proceeds of the Bonds, along with \$505,000 in budgetary appropriations, will be used to retire the bond anticipation notes when due. See “Authority for and Purpose of Issue” herein.

The Town has not needed to issue revenue or tax anticipation notes for operating purposes in recent years, and does not anticipate issuing such notes in the current or ensuing fiscal years.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness, as of June 14, 2018.

Table 12
Bond Principal and Interest Maturity

FY Ending 12/31:	Principal	TOTAL INT	Debt Service
2018	425,000	129,676	554,676
2019	455,000	124,719	579,719
2020	460,000	112,408	572,408
2021	385,000	99,966	484,966
2022	360,000	88,999	448,999
2023	365,000	79,411	444,411
2024	275,000	69,707	344,707
2025	255,000	64,150	319,150
2026	255,000	59,050	314,050
2027	260,000	53,950	313,950
2028	275,000	48,750	323,750
2029	205,000	42,563	247,563
2030	205,000	37,438	242,438
2031	205,000	31,800	236,800
2032	205,000	25,650	230,650
2033	210,000	19,500	229,500
2034	220,000	13,200	233,200
2035	220,000	6,600	226,600
	<u>\$5,240,000</u>	<u>\$1,107,535</u>	<u>\$6,347,535</u>

Direct and Overlapping Indebtedness

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

Table 13
Statement of Direct and Overlapping Indebtedness

<u>Direct Debt</u>				
Gross Direct Debt				\$ 8,560,000
Exclusions and Deductions				<u>425,000</u>
Net Direct Debt				8,985,000
<u>Overlapping Debt</u>				
		Net Debt	Town	Amount
Issuer	As of	Outstanding	Share	To Town
Erie County	09/30/17	\$475,089,545	7.51%	\$35,679,224
Village of Blasdell	05/31/17	1,331,221	100.00%	\$1,331,221
Village of Hamburg	05/31/17	6,295,000	100.00%	\$6,295,000
Hamburg CSD	06/30/17	43,365,000	72.48%	\$31,430,952
Frontier CSD	06/30/17	35,599,290	99.93%	\$35,574,370
Orchard Park CSD	02/28/18	39,312,609	5.77%	\$2,268,338
West Seneca CSD	11/16/17	25,200,000	1.24%	<u>\$312,480</u>
Net Overlapping Debt				112,891,585
Net Direct Debt				<u>8,135,000</u>
Total Net Direct and Overlapping Debt				<u>\$121,026,585</u>

Source: Official Statements and State Comptroller's Special Report.

Debt Ratios

The following table presents certain debt ratios relating to the Town's net direct and overlapping indebtedness.

Table 14
Debt Ratios

	Amount	Debt Per	Debt to
		Capita ⁽¹⁾	Full Value ⁽²⁾
Net Direct Debt	\$ 8,135,000	\$143	0.19%
Net Direct and Overlapping Debt	\$ 121,026,585	\$2,125	2.86%

(1) The population of the Town is 56,957.

(2) The Town's full value of taxable real property for 2018 is \$4,224,762,975

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table presents population trends for the County, State and United States, based upon census data.

Table 15
Population Trend

	2000	2010	Percentage
			Change
Town	56,259	56,936	1.2%
County	950,265	919,040	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: US Census Bureau

Employment and Unemployment

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town. Because the Town is centrally located in Western New York, many of its residents are employed throughout the neighboring communities.

Table 16
Largest Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Ford Motor Company	Auto Manufacturing	1,105
Frontier Central School District	Education	940
Hamburg Central School District	Education	645
Wegman's Markets, Inc.	Retail Food Store	540
West Herr Ford	Auto Sales	509
Town of Hamburg	Government	430
Walmart	Retail	450
Republic Engineered Products	Steel Manufacturing	308
Tops Supermarkets	Retail	320
Autumnview Manor Nursing Home	Nursing Home	230

Source: Town officials

Table 17
Civilian Labor Force
(Annual Average, in Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town	31.6	31.1	31.2	31.1	31.1
County	460.3	450.4	451.2	448.1	448.6
State	9,659.3	9,591.3	9,644.6	9,668.7	9,704.7

Source: New York State Department of Labor, Bureau of Labor Statistics.

Table 18
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2013	6.6%	7.4%	7.7%
2014	5.5%	6.1%	6.3%
2015	4.7%	5.3%	5.3%
2016	4.4%	4.9%	4.8%
2017	4.6%	5.2%	4.7%

Table 19
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
April 2017	4.4%	4.9%	4.4%
May	4.3%	4.9%	4.4%
June	4.4%	5.0%	4.6%
July	4.6%	5.3%	4.9%
August	4.5%	5.2%	4.9%
September	4.2%	4.9%	4.7%
October	4.1%	4.8%	4.4%
November	4.5%	5.0%	4.4%
December	4.8%	5.2%	4.4%
January 2018	5.3%	5.8%	5.1%
February	5.7%	6.1%	5.1%
March	5.2%	5.6%	4.8%

Source: New York State Department of Labor. Information not seasonally adjusted.

Financial Institutions

All major local banks including M&T Bank, JPMorgan Chase Bank, Key Bank, and Bank of America have offices located within the Town.

LITIGATION

The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town Attorney does not believe, however, that adverse decisions in such suits either individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

**Town of Hamburg, New York
Comparative Balance Sheet
(General Fund and Special Revenue Funds)
At December 31**

	<u>General Fund</u>		<u>Special Revenue Funds</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
<u>ASSETS</u>				
Cash and Investments	\$4,359,210	\$4,676,746	\$3,845,164	\$5,505,950
Receivables:				
Accounts Receivable	169,428	122,447	15,630	1,170
State and Federal Receivable	142,873	120,862	0	0
Due from Other Governments			2,021,006	141,579
Prepaid Expenditures	235,871	231,756	427,860	424,961
Due from Other Funds	161,025	854,145	0	7,875
Total Assets	<u>\$5,068,407</u>	<u>\$6,005,956</u>	<u>\$6,309,660</u>	<u>\$6,081,535</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$63,452	\$112,438	\$40,380	\$96,395
Accrued Liabilities	135,927	142,941	218,011	302,246
Due to Other Governments	136	8,622	0	0
Due to Other Funds		7,875	0	25,246
Overpayments & Clearing Account				
Deferred Revenues	61,829	7,967	0	0
Total Liabilities	<u>261,344</u>	<u>279,843</u>	<u>258,391</u>	<u>423,887</u>
Fund Balance:				
Non-Spendable	235,871	231,756	418,043	424,961
Restricted	2,268,072	2,262,779	73,875	15,875
Assigned	943,990	961,128	5,559,351	4,802,540
Unassigned	1,359,130	2,270,450	0	0
Total Fund Equity	<u>4,807,063</u>	<u>5,726,113</u>	<u>6,051,269</u>	<u>5,243,376</u>
Total Liabilities & Fund Balance	<u>\$5,068,407</u>	<u>\$6,005,956</u>	<u>\$6,309,660</u>	<u>\$5,667,263</u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

Town of Hamburg, New York
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	\$9,168,008	\$9,065,596	\$9,343,485	\$10,209,322	\$10,724,249
Real Property Tax Items	487,721	474,052	518,209	566,502	490,626
Non-property Tax Items	133,575	136,463	146,773	131,971	131,966
Departmental Income	307,770	240,854	278,142	245,824	324,868
Intergovernmental Charges	92,535	100,073	109,098	106,327	73,914
Use of Money and Property	36,062	27,689	32,083	27,055	15,791
Licenses and Permits	689,667	719,257	989,314	761,262	792,093
Fines and Forfeitures	644,378	619,733	564,392	642,171	576,781
Sale of Property & Compensation for Loss	187,406	205,800	382,677	266,557	161,056
Miscellaneous	1,012,719	1,292,215	1,202,838	1,216,998	1,298,555
State Aid	1,559,287	1,153,534	1,331,436	1,437,313	2,047,060
Federal Aid	105,254	10,466	67,978	10,393	9,641
Total Revenues	<u>14,424,382</u>	<u>14,045,732</u>	<u>14,966,425</u>	<u>15,621,695</u>	<u>16,646,600</u>
Expenditures:					
General Government Support	4,236,392	4,137,640	3,841,137	3,813,873	4,030,167
Public Safety	1,963,098	1,865,103	2,061,241	2,101,683	2,098,772
Health	3,662	3,662	3,803	3,662	3,664
Transportation	233,403	246,719	233,764	220,921	239,167
Economic Assistance	883,170	864,373	866,990	805,670	830,119
Culture and Recreation	3,243,751	3,208,074	3,436,445	3,420,342	3,611,382
Home and Community Service	209,940	199,840	245,898	220,558	281,311
Employee Benefits	4,478,951	4,755,368	5,167,641	4,967,689	4,989,593
Miscellaneous	27,051	0	0	0	0
Debt Service	420,403	448,913	452,236	1,971,951	673,188
Total Expenditures	<u>15,699,821</u>	<u>15,729,692</u>	<u>16,309,155</u>	<u>17,526,349</u>	<u>16,757,363</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(1,275,439)</u>	<u>(1,683,960)</u>	<u>(1,342,730)</u>	<u>(1,904,654)</u>	<u>(110,763)</u>
Other Financing Sources (Uses):					
Operating Transfers In	2,014,481	1,545,397	2,597,254	3,451,545	1,620,442
Operating Transfers Out	(1,069,669)	(1,144,360)	(1,188,117)	(915,848)	(590,629)
Total Other Financing Sources (Uses)	<u>944,812</u>	<u>401,037</u>	<u>1,409,137</u>	<u>2,535,697</u>	<u>1,029,813</u>
Excess of Revenues and Other Financing Sources Over					
(Under) Expenditures (Uses)	(330,627)	(1,282,923)	66,407	631,043	919,050
Fund Balance at January 1	5,699,346	5,368,719	4,109,613	4,176,020	4,807,063
Adjusted Fund Balance	0	23,817	0	0	0
Fund Balance at December 31	<u>\$5,368,719</u>	<u>\$4,109,613</u>	<u>\$4,176,020</u>	<u>\$4,807,063</u>	<u>\$5,726,113</u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

Town of Hamburg, New York
Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues:					
Real Property Taxes	9,311,182	9,216,222	9,238,102	9,787,315	10,261,260
Non-property Tax Items	7,058,922	7,395,344	7,430,719	7,490,018	7,245,868
Departmental Income	62,809	34,537	42,120	44,836	56,232
Intergovernmental Charges	89,982	69,333	77,765	79,995	90,294
Use of Money and Property	41,875	24,332	8,197	11,538	4,451
Licenses and Permits	20,657	12,670	31,114	38,280	29,699
Sale of Property & Compensation for Loss	5,550	34,606	22,916	37,720	158,484
Miscellaneous	38,288	19,247	55,645	80,272	19,852
State Aid	381,611	369,348	580,262	524,889	487,697
Federal Aid	79,168	41,683	497,260	345,769	117,552
Total Revenues	<u>17,090,044</u>	<u>17,217,322</u>	<u>17,984,100</u>	<u>18,440,632</u>	<u>18,471,389</u>
Expenditures:					
Public Safety	7,180,324	7,472,438	7,614,511	7,517,490	7,585,591
Transportation	3,720,795	3,959,856	4,392,255	3,676,602	4,073,326
Home and Community Service	368,591	361,283	405,666	378,566	407,477
Employee Benefits	4,757,846	5,024,848	5,539,142	5,536,590	5,601,843
Debt Service	234,956	225,222	225,398	230,673	279,441
Total Expenditures	<u>16,262,512</u>	<u>17,043,647</u>	<u>18,176,972</u>	<u>17,339,921</u>	<u>17,947,678</u>
Excess of Revenues Over (Under)					
Expenditures	<u>827,532</u>	<u>173,675</u>	<u>(192,872)</u>	<u>1,100,711</u>	<u>523,711</u>
Other Financing Sources (Uses):					
Operating Transfers In	0	91,121	780,510	1,598	14,039
Operating Transfers Out	(1,010,000)	(659,621)	(2,402,119)	(1,307,037)	(1,031,371)
Total Other Financing Sources (Uses)	<u>(1,010,000)</u>	<u>(568,500)</u>	<u>(1,621,609)</u>	<u>(1,305,439)</u>	<u>(1,017,332)</u>
Net Change in Fund Balance	(182,468)	(394,825)	(1,814,481)	(204,728)	(493,621)
Fund Balance at January 1	<u>8,647,681</u>	<u>8,465,213</u>	<u>8,070,478</u>	<u>6,255,997</u>	<u>6,051,269</u>
Fund Balance at December 31	<u><u>8,465,213</u></u>	<u><u>8,070,388</u></u>	<u><u>6,255,997</u></u>	<u><u>6,051,269</u></u>	<u><u>5,557,648</u></u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

**Town of Hamburg, New York
General Fund
Budget Summary**

GENERAL FUND

	<u>2017</u>	<u>2018</u>
Estimated Revenues:		
Real Property Tax Items	\$10,672,874	\$11,088,389
Other Tax Items	518,540	544,540
Non Property Tax Items	148,000	148,000
Departmental Income	408,220	410,150
Use of Money and Property	30,900	15,900
Licenses & Permits	608,900	643,900
Fines & Forfeitures	655,000	655,000
Miscellaneous	1,230,679	1,283,500
State Aid	1,258,916	1,283,916
Federal Aid	25,000	0
Total Revenues	15,557,029	16,073,295
Interfund Revenues	522,400	719,489
Appropriated Fund Balance	600,000	600,000
Total Revenues and Appropriated Fund Balance	\$16,679,429	\$17,392,784
 Appropriations:		
General Government Support	\$3,432,068	\$3,944,985
Public Safety	2,060,980	2,146,386
Health	3,662	3,662
Transportation	275,699	209,213
Economic Assistance	876,052	843,125
Culture and Recreation	3,493,281	3,444,568
Home and Community Service	224,533	252,571
Employee Benefits	4,643,562	4,877,588
Debt Service	690,629	448,150
Interfund Transfers	978,963	1,222,536
Total Appropriations	\$16,679,429	\$17,392,784

Source: Budget summary extracted from Annual Budgets as adopted.