

**PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 4, 2017**

**REFUNDING  
NEW ISSUE SERIAL BONDS**

**RATING: SEE "RATING" HEREIN**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "Tax Matters" herein.*

*The Bonds WILL be designated by the Town as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Code.*

**TOWN OF MAMARONECK  
WESTCHESTER COUNTY, NEW YORK**

**\$6,620,000\*  
REFUNDING (SERIAL) BONDS, 2017  
(the "Bonds")**

**Dated Date: Date of Delivery**

**Maturity Date: March 1, 2018-2030**

The Bonds are general obligations of the Town of Mamaroneck, Westchester 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 Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to applicable statutory limitations (see "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein).

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "Book-Entry-Only System herein.

The Bonds will be dated their Date of Delivery, will bear interest from such date payable March 1, 2018 and semiannually thereafter on each March 1 and September 1 until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See "OPTIONAL REDEMPTION" herein.)

The Bonds are offered when, as, and if issued by the Town and accepted by the purchaser, subject to the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that Bonds will be available for delivery through the offices of DTC in Jersey City, New Jersey on or about December 28, 2017.

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

Dated: December \_\_, 2017

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Bonds offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

The Bonds mature on the dates, subject to optional redemption, as set forth below:

<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Date</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>
03/01/2018	\$ 210,000	%	%	03/01/2025	\$ 650,000	%	%
03/01/2019	310,000			03/01/2026**	685,000		
03/01/2020	515,000			03/01/2027**	705,000		
03/01/2021	540,000			03/01/2028**	485,000		
03/01/2022	570,000			03/01/2029**	500,000		
03/01/2023	600,000			03/01/2030**	225,000		
03/01/2024	625,000						

\* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law and to achieve the refunding objectives of the Town.

\*\* The Bonds maturing in the years 2026 and thereafter will be subject to redemption prior to maturity, as described herein. (See "OPTIONAL REDEMPTION" herein.)

**TOWN OF MAMARONECK  
WESTCHESTER COUNTY, NEW YORK**

**NANCY SELIGSON**  
Supervisor

***TOWN BOARD***

Ernest Odierna .....Deputy Supervisor and Councilmember  
Abby Katz ..... Councilmember  
Jaine Elkind Eney ..... Councilmember  
Thomas Murphy .....Councilmember

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Stephen V. Altieri .....Town Administrator  
Anthony Siligato .....Town Comptroller/Director of Finance  
Christina Battalia ..... Town Clerk  
William Maker, Jr. Esq. .... Town Attorney

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**BOND COUNSEL**

**Orrick, Herrington & Sutcliffe LLP**  
New York, New York

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**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island \* Hudson Valley \* Southern Tier \* Western New York*  
**(516) 472-7049**

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 Bonds 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 which 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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**OFFICIAL STATEMENT**  
**TOWN OF MAMARONECK**  
**WESTCHESTER COUNTY, NEW YORK**

**relating to**  
**\$6,620,000\***  
**REFUNDING (SERIAL) BONDS, 2017**

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Town of Mamaroneck, in the County of Westchester, in the State of New York (the “Town”, “County” and “State,” respectively) in connection with the sale of \$6,620,000\* Refunding (Serial) Bonds, 2017 (the “Bonds”).

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 Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

**THE BONDS**

***Description***

The Bonds will be dated the Date of Delivery, will bear interest from such date payable March 1, 2018 and semiannually thereafter on each March 1 and September 1 until maturity and will mature on the dates in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as described herein. (See “Optional Redemption” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

The record date for payment of principal of and interest on the Bonds will be the the fifteenth day of the calendar month preceding each interest payment date.

***Authorization and the Refunding Plan for the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the Town Law, the Local Finance Law and a refunding bond resolution duly adopted by the Town Board on November 28, 2017. A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

The Bonds are being issued to refund up to \$2,050,000 outstanding principal of the Town’s Various Purposes (Serial) Bonds, 2007 which mature in the years 2018 to 2027, inclusive (the “Refunded 2007 Bonds”), up to

\$2,470,000 outstanding principal of the Town's Various Purposes (Serial) Bonds, 2009 which mature in the years 2020 to 2029, inclusive (the "Refunded 2009 Bonds") and up to \$2,275,000 of the Town's Various Purposes (Serial) Bonds, 2010 which mature in the years 2019 to 2030, inclusive (the "Refunded 2010 Bonds"). The Refunded 2007 Bonds were issued in the original principal amount of \$3,378,000. The Refunded 2009 Bonds were issued in the original principal amount of \$4,170,000. The Refunded 2010 Bonds were issued in the original principal amount of \$3,320,000. Under the Refunding Plan, the Refunded 2007 Bonds are to be called and redeemed on February 1, 2018, the Refunded 2009 Bonds are to be called and redeemed on March 1, 2019, and the Refunded 2010 Bonds are to be called and redeemed on October 1, 2018. The net proceeds of the Bonds (after payment of the costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company, (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Town and the Escrow Holder, dated as of the delivery date of the Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium of the Refunded 2007 Bonds, the Refunded 2009 Bonds and the Refunded 2010 Bonds on their respective dates of redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the Town and the Escrow Contract, to pay the redemption price of the Refunded Bonds on the earliest date on which the Refunded Bonds may be called for redemption prior to maturity. The Refunded 2007 Bonds, the Refunded 2009 Bonds and the Refunded 2010 Bonds are collectively referred to as the "Refunded Bonds". All proceeds of the Refunded Bonds have been heretofore expended.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the Town to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the Town. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal, interest and redemption premium requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded 2007 Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
September 15, 2018	\$ 165,000	4.000%	February 1, 2018 @ 100%	561484QE9
September 15, 2019	170,000	4.000	February 1, 2018 @ 100%	561484QF6
September 15, 2020	180,000	4.000	February 1, 2018 @ 100%	561484QG4
September 15, 2021	190,000	4.125	February 1, 2018 @ 100%	561484QH2
September 15, 2022	200,000	4.125	February 1, 2018 @ 100%	561484QJ8
September 15, 2022	210,000	4.125	February 1, 2018 @ 100%	561484QK5
September 15, 2022	215,000	4.125	February 1, 2018 @ 100%	561484QL3
September 15, 2022	230,000	4.250	February 1, 2018 @ 100%	561484QM1
September 15, 2022	240,000	4.250	February 1, 2018 @ 100%	561484QN9
September 15, 2022	<u>250,000</u>	4.250	February 1, 2018 @ 100%	561484QP4
Total:	<u>\$2,050,000</u>			

\* Preliminary, subject to change.

Refunded 2009 Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
March 1, 2020	\$ 205,000	4.000%	March 1, 2019 @ 100%	561484RA6
March 1, 2021	210,000	4.000	March 1, 2019 @ 100%	561484RB4
March 1, 2022	220,000	4.000	March 1, 2019 @ 100%	561484RC2
March 1, 2023	230,000	4.000	March 1, 2019 @ 100%	561484RD0
March 1, 2024	240,000	4.000	March 1, 2019 @ 100%	561484RE8
March 1, 2025	250,000	4.000	March 1, 2019 @ 100%	561484RF5
March 1, 2026	260,000	4.125	March 1, 2019 @ 100%	561484RG3
March 1, 2027	270,000	4.125	March 1, 2019 @ 100%	561484RH1
March 1, 2028	285,000	4.125	March 1, 2019 @ 100%	561484RJ7
March 1, 2029	<u>300,000</u>	4.125	March 1, 2019 @ 100%	561484RK4
Total:	<u>\$2,470,000</u>			

Refunded 2010 Bonds:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
October 1, 2019	\$160,000	2.500%	October 1, 2018 @ 100%	561484RT5
October 1, 2020	165,000	2.500	October 1, 2018 @ 100%	561484RU2
October 1, 2021	170,000	3.000	October 1, 2018 @ 100%	561484RV0
October 1, 2022	175,000	3.000	October 1, 2018 @ 100%	561484RW8
October 1, 2023	180,000	3.000	October 1, 2018 @ 100%	561484RX6
October 1, 2024	185,000	3.000	October 1, 2018 @ 100%	561484RY4
October 1, 2025	190,000	3.000	October 1, 2018 @ 100%	561484RZ1
October 1, 2026	195,000	3.125	October 1, 2018 @ 100%	561484SA5
October 1, 2027	205,000	3.250	October 1, 2018 @ 100%	561484SB3
October 1, 2028	210,000	3.250	October 1, 2018 @ 100%	561484SC1
October 1, 2029	215,000	3.375	October 1, 2018 @ 100%	561484SD9
October 1, 2030	<u>225,000</u>	3.500	October 1, 2018 @ 100%	561484SE7
Total:	<u>\$2,275,000</u>			

\* Preliminary, subject to change.

***Sources and Uses of Proceeds***

Sources:

Par Amount  
Net Original Issue Premium/Discount

Total:

Uses:

Refunding Escrow Deposit:  
Costs of Issuance, Bond Insurance  
and Contingency  
Underwriters' Discount

Total:

### ***Verification of Mathematical Computations***

Causey Demgen and Moore P.C. will verify from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes. Causey, Demgen, and Moore P.C. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

### ***Optional Redemption***

The Bonds maturing on or before March 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on or after March 1, 2026 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after March 1, 2025, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The Town may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the Town shall determine to be in the best interest of the Town at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by transmitting such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

## **NATURE OF OBLIGATION**

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

Holders of any series of notes or bonds of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds 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 as required by Section 100.00 of the Local Finance Law. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). 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 local governments, fire districts and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities, including fire districts, and school districts to levy certain year-to-year increases in real property taxes.



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 Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts (but not district corporations) in New York State is effectively applicable by Section 100.00 of the Local Finance Law and 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 this is what the courts have held they mean... 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 and 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 (1976) 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 political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations. It should be noted that these provisions do not by their terms apply to fire districts.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond

faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### **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, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applications to their respective city). 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 15, 2020 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 due to 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 its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such 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 Law (June 24, 2011).

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 the 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 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 is not clear.

### **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

**General Municipal Law Contract Creditors' Provision.** Each Bond when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor

shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

**Execution/Attachment of Municipal Property.** 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 certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

**Authority to File For Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the counties, cities, towns and villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the 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, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Bonds) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975, applicable to municipalities (counties, cities, towns and villages).

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for

the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an “emergency financial control board” for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law (“Title 6-A”) effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight

powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. School districts and fire districts are not eligible for FRB assistance. The Town does not presently expect any need for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply to fire districts nor, in general in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness

issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon 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 political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

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

### ***Book-Entry-Only System***

The Depository Trust Company ("DTC"), New York, New York, DTC will act as securities depository for the Bonds and the Bonds will be issued as fully-registered Bonds 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 bond certificate will be issued for each Bond bearing 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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 principal and interest 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 Bonds at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

THE TOWN CANNOT AND DO NOT GIVE ANY ASSURANCE THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS; (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE**

The financial and economic condition of the Town as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. (See "State Aid" herein).

Should the Town fail to receive monies expected from the State in the amounts and at the times expected, the Town is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder to incur a potential capital loss if such bond is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Bonds (See "TAX MATTERS" herein).

The enactment of Chapter 97 of the Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the Town, school districts and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Bonds. (See "TAX LEVY LIMITATION LAW" herein.)



## **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" and a score of 12.5%

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. OSC has not released a report on the financial condition of the Town in the past five years nor is one presently in progress. Additional information regarding State audits can be obtained by visiting the New York State website for Local Governments and School Accountability.

## **LITIGATION**

Various notices of claim have been filed with the Town. The allegations set forth in the claims relate to circumstances including primarily personal injury, property damage and occasionally administrative determinations by Town officials. Most claims are for money damages, while others seek a specific action or forbearance on the part of the Town.

In the opinion of the Town Attorney, the resolution of the claims presently pending against the Town will not have an adverse material effect on the Town's financial position. Such matters are either for inconsequential amounts (under \$25,000) or adequately covered by existing insurance. Pursuant to the Local Finance Law, the Town is authorized to issue debt to finance judgments and claims, if necessary.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town, threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Town with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Town.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is

exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in AppendixD hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Town has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York, the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Tax reform legislation is presently under consideration in Congress.

Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe, LLP Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix D.

## **DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced under the heading “Litigation” and under the headings “The Town”, “Financial Factors”, “Tax Information”, and “Town Indebtedness” in Appendix A and in Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2017, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2017; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities law including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event 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.

Event (iii) is included pursuant to a letter for the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (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.

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 Bonds; but the Town does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

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 Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provisions, as the case may be, do not or no longer apply to the Bonds. 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 Bonds, 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 Bonds.

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 the Rule, as amended.

### ***Compliance History***

The Town filed its annual financial information and operating data for the fiscal years ended December 31, 2012 through 2016, inclusive, in a timely manner and does not anticipate delays in any future required filings.

The Town did not make a timely filing of material event notice related to Moody's Investors Service, Inc.'s downgrade of the Town's underlying rating to 'Aa1' from 'Aaa' on December 13, 2012. The Town has since made such filing.

The Town has reviewed and modified its continuing disclosure practices to ensure that all material event notices are filed in a timely manner. The Town has also corrected any past failures to file as required.

### **RATINGS**

The Town has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Such application is pending at this time.

On September 28, 2016 Moody's Investors Service, Inc. ("Moody's") upgraded the Town's underlying credit rating to "Aaa" with a stable outlook.

With respect to the Moody's rating applicable to uninsured debt, such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 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 the Bonds or the availability of a secondary market for the Bonds.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinions or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town files with the repository. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

Orrick Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expressed no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did 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, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

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

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC has acted as municipal advisor to the Town in connection with the sale of the Bonds.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, which 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 Bonds.

### **ADDITIONAL INFORMATION**

Additional information may be obtained from Mr. Anthony Siligato, Town Comptroller/Director of Finance, 740 West Boston Post Road, Mamaroneck, New York, (914) 381-7850 or from the Town's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, 11021, (516) 472-7049.

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 Bonds.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://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.

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

TOWN OF MAMARONECK  
WESTCHESTER COUNTY, NEW YORK

By: \_\_\_\_\_  
Nancy Seligson  
Supervisor

DATED: December \_\_, 2017

**APPENDIX A**

**THE TOWN**

## **THE TOWN**

### ***General Information***

The Town encompasses an area of approximately 14.0 square miles, and is located in southeastern Westchester County approximately 10 miles north of New York City along the Long Island Sound. The area is primarily residential in character, with some commercial development. Most residential development consists of single-family homes, but townhouse complexes and estates are also located within the area. Commercial facilities mainly include professional buildings and suburban shopping centers.

The population of the Town was 29,877, according to the 2016 American Community Survey by the U.S. Census Bureau. Most residents are employed throughout Westchester County or Manhattan where they hold positions in industry, finance and are engaged in various professions.

Rail transportation is provided by the Metro North Railroad (now part of the Metropolitan Transit Authority). Highways serving the Town include the New England Thruway (Interstate I-95) and the Hutchinson River Parkway. The area is also covered by an extensive network of County and Town roads.

### ***Form of Government***

The Town was established as a municipal government in 1661, and is vested with the powers and responsibilities inherent in the operation of a municipal government including the authority to tax real property and incur debt. The Town includes the Village of Larchmont, the Mamaroneck Union Free School District, Mamaroneck Fire District #1, as well as a portion of the Village of Mamaroneck and the Scarsdale Union Free School District.

Governmental operations of the Town are subject to the provisions of the State constitution and various statutes affecting local governments including Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the Westchester County Tax Law, a basic feature of which requires that the Town guarantee and enforce the real property taxes levied by the County as well as school districts situated in the Town. The Real Property Tax Law, in part, also governs certain assessment and taxing procedures for the Town. Under Article 3-A of the Town Law, the Town is classified as a suburban town.

### ***Elected and Appointed Officials***

The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four Board members, elected at large to serve four-year terms, plus the Supervisor. Board members may serve an unlimited number of terms. It is the responsibility of the Town Board to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Town must be approved by the Supervisor and Town Board; modifications and transfers between budgetary appropriations also must be authorized by the Supervisor and Town Board on the recommendation of the Town Administrator and/or Comptroller. The original issuance of all Town indebtedness is subject to approval by the Town Board.

The Supervisor is the chief executive and financial officer of the Town and is elected for a two-year term of office with the right to succeed himself/herself. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. The Supervisor and the Town Board appoint a Town Administrator who serves as chief operating officer of the Town. Duties of the Town Administrator include the administration of the Town's daily functions and budget preparation and control. The Comptroller is responsible for fiscal and treasury management and the management of the issuance of notes and bonds to finance Town various purposes.

The Town Clerk acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, and coordinating Town elections. The Town Clerk is elected to a four-year term and may serve an unlimited number of terms.



The Receiver of Taxes, Comptroller and Town Attorney are all appointed by the Supervisor and the Town Board. It is the responsibility of the Receiver of Taxes to receive and collect all County, Town and school taxes, and all assessments levied or assessed in the Town.

The Town Assessor is appointed by the Town Board, on the Supervisor’s recommendation, to serve a six-year term. It is the Assessor’s responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State Board of Assessment and Equalization (“State Board”). The State Board is required annually to determine the assessment of each special franchise in the Town that is subject to assessment. In addition, the State Board provides an advisory service to assist with the assessment of certain forested lands, public utilities or unusually complex properties. Assessment review procedures include examination of the tentative assessment roll in the Assessor’s presence, a public hearing before an independent board of assessment review and, finally, judicial review in State Supreme Court.

***Services and Programs***

The Town provides its residents with many of the services traditionally provided by Town governments, including water, street maintenance and lighting, snow removal and recreational activities. Education is provided by the Mamaroneck School District and the Scarsdale School District. In addition, the County furnishes certain other services.

Fire protection is furnished by the Mamaroneck Fire District No. 1. Police protection is provided by the Town’s police department.

Pursuant to State Law, the County, not the Town, is responsible for funding and providing various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs.

***Employees***

The Town provides services through approximately 123 full-time employees, some of whom are represented by the following units of organized labor.

<b><u>Employees</u></b>		
<u>Number of Employees</u>	<u>Contract Organization</u>	<u>Contract Expiration Date</u>
52	Civil Service Employees Association	12/31/20
38	Policemen’s Benevolent Association	12/31/18

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”) or the New York State and Local Police and Fire Retirement System (collectively, the “Retirement System”). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation 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 Retirement System 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 ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are 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 Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before April 2, 2013 must contribute three

percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary.

On December 10, 2009, the then Governor signed in to law a new Tier 5. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees in Tier 5 will now contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years 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 6 employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 (“Chapter 49”). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system 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 by Chapter 49, 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.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments 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 has prepaid its employer contributions each December since the option was made available in 2004.

For the five years 2011 through 2015, the Town’s contributions to the ERS and PFRS combined were: \$1,180,049; \$2,256,278; \$2,553,735; \$2,939,685 and \$2,147,720, respectively. The Town contributed \$2,330,418 to ERS and PFRS in 2016.

Due to significant capital market declines in the recent past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State’s Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5% percent. The Town has paid all of its required payments in full and has not needed to borrow for a portion of those payments through the State. The legislation also authorizes local governments and school districts to establish reserve accounts to fund future payment increases that are a result of fluctuations in pension plan performance.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011 and the Town has not found it necessary to use this option and instead the Town pays its required contributions in full. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined

by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The Town has not in the past and does not have any plans to amortize any of its annual required contributions to ERS or PFRS.

In Spring 2013, the State modified the ERS Stable Contribution Option ("SCO") adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. For ERS, the 2013-14 SCO rate is 12%. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the municipalities can choose not to defer payment in any given year. Under the SCO, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The Town has no plans to participate in this SCO program.

### ***Other Post Employment Benefits***

Recently enacted accounting rule, 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.

The Town is in compliance with the requirements of GASB 45. The Town has determined that its actuarial accrued liability ("AAL") for OPEB as of January 1, 2016 was approximately \$67,240,000. For financial reporting purposes, the Town has elected to amortize the AAL over 30 years. For the year ended December 31, 2016, the Town's annual OPEB cost was \$5,790,000. At this time, New York State has not developed guidelines for the creation of methods for the funding of OPEB through reserve funds or irrevocable trusts. The Town continues funding the expenditure on a pay-as-you-go basis.

Legislation has been introduced to create an optional investment pool to help the State and local governments fund retiree health insurance and other post employment benefits. The proposed legislation 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 local governments to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposed legislation, there would be no limits on how much a local government can deposit into the trust. The Town cannot predict whether such legislation will be enacted into law in the foreseeable future.

## **FINANCIAL FACTORS**

### ***Budgetary Procedure***

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the Budget Officer (Town Administrator) on or before October 20<sup>th</sup>. Estimates for the fire district situated within the Town must also be filed with the Budget Officer by this date; however, the Town has no authority to change a fire district budget. The fire district is a separate municipal unit of government. After reviewing these estimates, the Budget Officer prepares a tentative budget which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30<sup>th</sup> of October. Subsequently, the Town Clerk presents the tentative budget to the Town Board at a regular or special hearing which must be held by November 10<sup>th</sup>. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board becomes the preliminary budget. A public hearing, notice of which must be duly published in the Town's official newspaper, on the preliminary budget is required to be held on or before the 10<sup>th</sup> day of December. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no requirement or provision that the preliminary budget or any portion thereof be voted on by members of the public. After the public hearing, the Town Board may further change and revise the preliminary budget. The Town Board, by resolution, adopts the preliminary budget as submitted or amended not later than December 20<sup>th</sup>, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Any changes or modifications to the annual budget must be approved by resolution of the Board.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions outlined in the law. All tax levies for budgets of the Town adopted in accordance with the procedures discussed herein must comply with the requirements of the Tax Levy Limitation Law. With the exception of the fiscal years ended December 31, 2013, December 31, 2014 and December 31, 2017, the Town has remained within the tax levy cap limits established by the Tax Levy Limitation Law for each of the remaining last five fiscal years and expects to adopt a budget for fiscal year end December 31, 2018 within the limits of the tax levy cap. (See "TAX LEVY LIMITATION LAW" herein).

### ***Independent Audits***

The financial statements of the Town are audited by the firm of O'Connor Davies, LLP, independent certified public accountants. Appendix B to this Official Statement presents a summary of the audited financial statements for the fiscal years ended December 31, 2012 through 2016. In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

### ***Fund Structures and Accounts***

The Town utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are two basic fund types: (1) governmental funds that are used to account for basic services, debt service and capital projects; and (2) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The Town maintains the following governmental funds: General Fund, Special Revenue Funds consisting of Town Outside Village Fund, Highway Fund, Special Districts Fund (Water, Sewer, Street Lighting, Fire Protection, Refuse and Garbage District, and Ambulance District), Tri-Municipal Cable T.V. Fund, Section 8 Housing Assistance Program, Debt Service Fund, Capital Projects Fund, Fiduciary Funds.

***Basis of Accounting***

The financial statements of the Town are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are “measurable” and “available” to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group and recognized as an expenditure when due, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due and (3) compensated absences which are charged to expenditures when paid.

***Revenues***

***Property Taxes*** The Town derives a major portion of its revenues from a tax on real property (see “Statement of Revenues, Expenditures and Changes in Fund Balance” in Appendix B.) Property taxes accounted for 52.43% of total general fund and special fund revenues for the fiscal year ended, December 31, 2016, while State aid accounted for 5.12% and sales tax accounted for 4.14%.

The following table sets forth total fund revenues and real property taxes received for each of the past five audited fiscal years and the amount budgeted for the current fiscal year.

**Fund Revenues & Real Property Taxes**

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Total</u> <u>Revenues<sup>(1)</sup></u>	<u>Real</u> <u>Property Taxes<sup>(1)</sup></u>	<u>Taxes to</u> <u>Revenues</u>
2012	\$32,186,870	\$21,016,101	65.29%
2013	37,556,545	24,124,573	64.24
2014	35,947,591	23,442,576	65.21
2015	36,022,673	23,543,249	65.36
2016	37,241,758	23,443,483	62.95
2017 (Adopted Budget)	37,783,291	24,987,956	66.13

(1) Exclusive of Section 8 Housing Assistance and Capital Projects.

Source: Audited Financial Statements and Adopted Budget of the Town. Summary itself not audited.

***State Aid*** The Town receives financial assistance from the State. State Aid accounted for approximately 5.12% of the total fund revenues of the Town in the 2016 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material 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 “MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE”, herein.)

The following table sets forth total fund revenues and State aid revenues received for each of the past five audited fiscal years and the amount budgeted for the current fiscal year.

**Fund Revenues & State Aid Revenues**

<u>Fiscal Year</u> <u>Ended December 31</u>	<u>Total</u> <u>Revenues<sup>(1)</sup></u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2012	\$32,186,870	1,564,965	4.86%
2013	37,556,545	1,996,428	5.32
2014	35,947,591	1,852,581	5.15
2015	36,022,673	2,284,792	6.34
2016	37,241,758	2,378,856	6.39
2017 (Adopted Budget)	37,783,291	1,903,725	5.04

(1) Exclusive of Section 8 Housing Assistance and Capital Projects.

Source: Audited Financial Statements and Adopted Budget of the Town. Summary itself not audited.

**Sales Tax** The County presently imposes a 1 1/2% County-wide sales and use tax on all retail sales. This, in addition to the present 4% State sales tax and 3/8% sales tax levied in the Metropolitan Transportation Authority District, provides a minimum combined sales tax in the County of 5 7/8%. In addition, the cities in the County have the power under State law to impose by local law and State legislative enactment their own sales and use taxes. At present, such taxes are imposed at a rate of 2.5% in the Cities of White Plains, Mount Vernon, and New Rochelle. The city of Yonkers, pursuant to State law, has imposed sales and use taxes at a rate of 3.00%. The cities of Rye and Peeksill do not currently impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax (above the 1 1/2% County-wide sales and use tax described above) for the County to impose in localities other than cities which have their own sales tax. This additional 1% sales tax became effective on October 15, 1991 and has been extended through May 31, 2020. The additional 1% sales tax is to be apportioned between the County (33 1/3%), school districts in the County (16 2/3%) and towns, villages and cities in the County which have imposed sales taxes (50%).

Effective March 1, 2004, the State Legislature authorized an additional 1/2% sales tax for the County to impose in localities other than cities which have their own sales tax. The additional 1/2% sales tax is apportioned between the County (70%), school districts in the County (10%), and towns, villages, and cities in the County which have not imposed sales taxes (20%). The legislation authorizing the additional 1/2% sales tax expires on May 31, 2018.

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The following table sets forth total fund revenues and sale taxes received for each of the past five audited fiscal years.

**General Fund Revenues & Sales Tax**

Fiscal Year <u>Ended December 31</u>	Total <u>Revenues<sup>(1)</sup></u>	<u>Sales Tax</u>	<u>Sales Tax to Revenues</u>
2012	\$32,186,870	\$1,580,133	4.91%
2013	37,556,545	1,684,780	4.49
2014	35,947,591	1,743,960	4.85
2015	36,022,673	1,727,220	4.79
2016	37,241,758	1,748,807	4.70
2017 (Adopted Budget)	37,783,291	1,700,000	4.50

(1) Exclusive of Section 8 Housing Assistance and Capital Projects.  
Source: Audited Financial Statements. Summary itself not audited.

**TAX INFORMATION**

***Valuations and Tax Data***

The Town derives its power to levy an ad valorem real property tax from Article 8, Section 10 of the Constitution of the State of New York. The Town is responsible for levying taxes for operating purposes and debt service.

The following table shows the trend during the last five years for taxable assessed valuations, state equalization ratios, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation.

**Valuations and Tax Data**

	<u>2013<sup>(1)</sup></u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Value	\$8,686,122,513	\$8,696,224,895	\$9,210,122,797	\$9,475,944,071	\$9,771,592,337
Equal. Ratio	1.0000	1.0000	1.0000	1.0000	1.0000
Full Value	8,686,122,513	8,696,224,895	9,210,122,797	9,475,944,071	9,771,592,337
Tax Levy <sup>(2)</sup>	16,714,850	17,078,642	17,275,690	17,587,637	18,415,041
Tax Rate per \$1,000AV <sup>(2)</sup>	230.15	4.05	4.11	3.79	3.96

- (1) In 2013, the Town underwent a revaluation of their assessed values equal to 100% of their full values.
- (2) Data reflects General Townwide, Town Outside Village and Highway Town Outside Village levies and related tax levies and rates.

Source: Town officials and the New York State Board of Equalization and Assessment.

***Tax Collection Procedures***

The assessment and collection of real property taxes is governed by the Westchester County Tax Law as well as by the Real Property Tax Law of the State. Towns and cities in Westchester County are responsible to assess all real property within their boundaries, with the exception of franchised utility companies, and to collect all real property taxes. The Town collects all Town, County, fire district and school district taxes. It receives warrants for the collection of taxes from the County, from its fire districts and from each of its school districts. The Town then remits the amount of the County and individual fire and school district warrants at times set forth in the Westchester County Tax Law. The Town is required to remit the full amount of each warrant presented by the County or the individual fire or school districts, whether or not these sums are actually collected by the Town. The Town also has the responsibility for conducting in rem foreclosure proceedings.

Town, County, State judicial and special district taxes for the period from January 1 to December 31 are due in a single payment on April 1. Payment may be made without penalty until April 30, after which the penalty is 2% during May, 5% during June and July, 7% during August and September, 10% during October, November and December and 12% thereafter to the date of the tax lien redemption.

School taxes for the period from July 1 to June 30 are due on September 1, with the first half payable without penalty until September 30<sup>th</sup>, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March, and 12% thereafter to the date of the tax lien redemption. Second half school taxes are payable without penalty until January 31, after which the penalty is 10% during February and March, and 12% thereafter to date of the tax lien redemption.

The following table sets forth the amount of taxes levied and collected by the Town for the last five fiscal years.

**Real Property Tax Levies and Collections**

Fiscal Year Ended <u>December 31:</u>	Town Gross <u>Tax Levy</u>	Current Taxes <u>Collected</u>	Percentage Current Taxes <u>Collected <sup>(1)</sup></u>
2012	21,344,240	21,320,929	99.9
2013	22,342,535	22,317,393	99.9
2014	22,994,635	22,972,587	99.9
2015	23,448,445	23,388,040	99.7
2016	23,713,182	23,664,249	99.8
2017	24,987,956	24,879,368	99.6

(1) County/Town taxes are levied and collected in the calendar year.

Source: Town Officials.

***Ten of the Largest Taxpayers***

The following table presents the tentative taxable assessments of ten of the Town’s largest taxpayers for the 2017 fiscal year. With the exception of the Consolidated Edison Company, each of the remaining taxpayers listed have tax certiorari claims pending.

<u>Taxpayer</u>	<u>Taxable Assessments</u>		
	<u>Nature of Business</u>	<u>Assessed Valuation<sup>(1)</sup></u>	<u>Percentage of Total Assessed Valuation</u>
Consolidated Edison Company	Utility	\$ 132,772,386	1.36%
Avalon Properties Inc.	Apartments	45,640,000	0.47%
Larchmont Acres East Assoc. LLC	Co-Op	33,820,000	0.35%
Winged Foot Holding Corp.	Country Club	28,078,500	0.29%
Palmer Terrace Co-Op Inc.	Co- Op	27,521,069	0.28%
Ten Grand Inc.	Manufacturing	22,720,000	0.23%
Mamaroneck Gardens Inc.	Co-Op	22,330,646	0.23%
Larchmont Owners Corp	Co-Op	21,036,080	0.22%
Carlshire Tenants Inc.	Co-Op	18,291,673	0.19%
Larchmont Palmer Owners Inc.	Co-Op	<u>17,716,422</u>	0.18%
Total:		<u>\$369,926,776</u>	3.79%

(1) Based on the total assessment roll for the 2017 fiscal year of \$9,771,592,337.

Source: Town Officials.



## **TOWN INDEBTEDNESS**

### ***Constitutional and Statutory Requirements***

The New York State Constitution and Local Finance Law limit the power of the Town (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form.

***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 year 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. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Town authorized the issuance of bonds with substantial 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, bond anticipation notes and capital notes.

***Debt Limit*** The Town has the power to contract indebtedness for any Town purpose so long as the outstanding principal amount thereof shall not exceed seven percentum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The Town also has the power to contract indebtedness and guarantee indebtedness of the Authority so long as the aggregate principal amount shall not exceed seven percentum of average full valuation of taxable real estate of the Town. The constitutional method for determining full valuation is determined by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Equalization and Assessment. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

### ***Statutory Procedure***

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

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a resolution, approved by the members of the Town Board, the finance board of the Town. Certain 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 that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. Such obligations are authorized for a purpose for which the Town is not authorized to expend money, or

2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
3. Such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by bond counsel, but it is not an absolute legal requirement. The Town published the legal notice of estoppel for the Bonds on December 2, 2017. The estoppel period will lapse on December 22, 2017, in advance of Bond delivery on or about December 28, 2017.

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.

The Local Finance Law permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not extend five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional and Statutory Requirements” herein.)

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness including budget notes, capital notes, revenue anticipation notes, and tax anticipation notes.

### ***Town of Mamaroneck Housing Authority***

The Town of Mamaroneck Housing Authority (the “Authority”) a municipal housing authority of the State of New York issued \$4,645,000 Hommocks Park Apartments Revenue Bonds, 1993 (the “1993 Authority Bonds”) to finance the cost of the construction by the Authority of a 54-unit garden style housing facility on land owned by and located in the Town (the “Project”). The Project is owned and operated by the Authority. The property on which the Project is located is owned by the Town and leased to the Authority. The Authority’s bonds are payable from the revenues of the Project. Payment of the principal and interest on the Authority’s Bonds is guaranteed by the Town pursuant to a Guarantee authorized pursuant to a resolution adopted by the Town Board. The Authority Bonds are not debt of the Town, County or State, except with respect to the Town pursuant to the Guarantee. The Town has never had to pay debt service on the Authority’s bonds pursuant to the Guarantee.

On March 23, 2003, the Authority issued \$4,005,000 Hommocks Park Apartment Refunding Revenue Bonds, 2003 (“2003 Authority Bonds”). The 2003 Authority Bonds were issued by the Authority to refund, prior to maturity, the Authority’s 1993 Bonds, which mature or matured in the years 2005 to 2021.

On October 22, 2015, the Authority issued \$1,535,000 Hommocks Park Apartment Refunding Revenue Bonds – 2015 Series A (the “2015A Authority Bonds”) and \$650,000 Hommocks Park Apartment Public Improvement Revenue Bonds – 2016 Series B (the “2015B Authority Bonds”). The 2015A Authority Bonds were issued by the Authority to refund, prior to maturity, the 2003 Authority Bonds, which mature or matured in the years 2016 through 2021, inclusive.

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The table below sets forth the total debt service payments required to be made on the outstanding Authority Bonds.

**Bond Principal and Interest Maturity Table**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2017 <sup>(1)</sup>	270,000	44,994	314,994
2018	280,000	39,344	319,344
2019	285,000	33,494	318,494
2020	290,000	27,494	317,494
2021	300,000	21,394	321,394
2022	30,000	15,094	45,094
2023	30,000	14,194	44,194
2024	30,000	13,294	43,294
2025	30,000	12,394	42,394
2026	30,000	11,494	41,494
2027	35,000	10,594	45,594
2028	35,000	9,544	44,544
2029	35,000	8,494	43,494
2030	35,000	7,444	42,444
2031	35,000	6,394	41,394
2032	40,000	5,300	45,300
2033	40,000	4,050	44,050
2034	40,000	2,750	42,750
2035	<u>40,000</u>	<u>1,400</u>	<u>41,400</u>
	<u>\$1,910,000</u>	<u>\$289,160</u>	<u>\$2,199,160</u>

(1) For full fiscal year

***Constitutional Debt-Contracting Limitation***

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 interest on or principal of indebtedness theretofore contracted. However, there are statutory limitations on the tax levy. (See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.) The following table sets forth the current debt-contracting limitation of the Town.

**Debt Contracting Limitation**

<u>Fiscal Year Ended December 31</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio <sup>(1)</sup></u>	<u>Full Valuation</u>
2013	8,686,122,513	1.0000	8,686,122,513
2014	8,696,224,895	1.0000	8,696,224,895
2015	9,210,122,797	1.0000	9,210,122,797
2016	9,475,944,071	1.0000	9,475,944,071
2017	9,771,592,337	1.0000	9,771,592,337
Total Five-Year Full Valuation			\$45,840,006,613
Average Five-Year Full Valuation			9,168,001,323
Debt Contracting Limitation – 7% of Average Full Valuation			<u>\$ 641,760,093</u>

(1) Equalization rates are established by the New York State Board of Equalization and Assessment.

Source: New York State Board of Equalization and Assessment.

The following table, based on information furnished by the Town, presents the debt-incurring power of the Town and shows that the Town is within its constitutional debt limit.

**Statement of Debt-Contracting Power**  
(As of December 4, 2017)

Debt-Contracting Limitation:	\$ 641,760,093
Gross Direct Indebtedness:	
Bonds:	
General Purpose (incl. Fire Dist.)	\$25,731,032
Water	3,482,129
Sewer	1,326,835
Bond Anticipation Notes:	0
Total Gross Direct Indebtedness	<u>30,539,996</u>
Less Exclusions and Deductions:	
Water Bonds	3,482,129
Appropriations for Non-Exempt Indebtedness - 2016 Fiscal Year	0
Total Exclusions and Deductions:	<u>3,482,129</u>
Total Net Direct Indebtedness <sup>(1)</sup>	27,057,867
Debt-Contracting Margin	<u>\$614,702,226</u>
Percentage of Debt-Contracting Power Exhausted	<u>4.22%</u>

(1) Does not include lease purchase agreements which, while not debt, do count toward the debt limit of the Town. See "Installment Purchase Agreements" herein.

***Trend of Capital Indebtedness***

The following table sets forth the amount of direct capital indebtedness outstanding for the last five fiscal years.

**Direct Capital Indebtedness Outstanding**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bonds:	\$13,438,000	\$17,577,000	\$25,155,000	\$23,430,000	\$32,860,845
Bond Anticipation Notes:	<u>4,415,000</u>	<u>0</u>	<u>260,000</u>	<u>585,000</u>	<u>0</u>
Totals:	<u>\$17,853,000</u>	<u>\$17,577,000</u>	<u>\$25,415,000</u>	<u>\$24,015,000</u>	<u>\$32,860,845</u>

Source: Audited financial statements of the Town. Table itself is not audited.

***Installment Purchase Agreements***

The Town has entered into an agreement to finance the cost of purchasing certain equipment. The terms of the agreements provide for repayment in annual installments, through 2019, including interest at 0.21%. The balance due as of December 4, 2017 is \$58,602.

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***Overlapping and Underlying Debt***

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County, two Villages, the two school districts, and the fire district. 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 unit’s 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 issued and outstanding by such overlapping entities.

**Statement of Direct and Overlapping Indebtedness**

Gross Direct Indebtedness	\$ 30,539,996
Exclusions and Deductions	<u>3,482,129</u>
Net Direct Indebtedness	<u>\$ 27,057,867</u>

**Overlapping Debt**

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of:</u>	<u>Town Share</u>	<u>Amount Applicable To Town</u>
Westchester County	\$587,520,537	10/31/16	4.5%	\$ 26,438,424
Village of Larchmont	6,074,202	01/10/17	100.0	6,074,202
Village of Mamaroneck	39,612,067	02/16/17	48.5	19,211,852
Mamaroneck UFSD	43,145,000	06/21/17	100.0	43,145,000
Scarsdale UFSD	36,215,000	03/21/17	4.6	1,665,890
Mamaroneck Fire District #1	1,635,000	07/05/16	100.0	<u>1,635,000</u>
Total Net Overlapping Debt				\$ 103,185,369
Total Net Direct Debt				<u>27,057,867</u>
Total Net Direct and Overlapping Debt				<u>\$ 130,243,236</u>

Source(s): Official Statements publically available on the Municipal Securities Rulemaking Board: EMMA website.

***Debt Ratios***

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

**Debt Ratios**

	<u>Amount</u>	<u>Debt Per Capita <sup>(1)</sup></u>	<u>Debt to Full Value <sup>(2)</sup></u>
Net Direct Debt	\$ 27,057,867	\$ 928.04	0.28%
Net Direct and Overlapping Debt	130,243,236	3,539.08	1.06

(1) The population of the Town is 29,156 for 2012 according to the US Census Bureau.

(2) The full valuation of real property located in the Town for the 2017 fiscal year is \$9,771,592,337.

### ***Debt Service Schedule***

The following table shows the debt service requirements to maturity on the Town's outstanding bonded general obligation indebtedness for each fiscal year ending December 31, exclusive of the Bonds, fire district improvement bonds and economically defeased obligations.

#### **Bond Principal and Interest Maturity Table**

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt Service<sup>(1)</sup></u>
2017 <sup>(2)</sup>	2,075,845	779,342	2,855,187
2018	2,110,000	733,343	2,843,343
2019	1,840,000	683,643	2,523,643
2020	1,630,000	639,943	2,269,943
2021	1,670,000	598,768	2,268,768
2022	1,715,000	555,380	2,270,380
2023	1,760,000	510,630	2,270,630
2024	1,800,000	463,418	2,263,418
2025	1,860,000	413,849	2,273,849
2026	1,915,000	360,830	2,275,830
2027	1,975,000	303,630	2,278,630
2028	1,780,000	243,604	2,023,604
2029	1,495,000	196,710	1,691,710
2030	1,235,000	152,279	1,387,279
2031	1,040,000	118,804	1,158,804
2032	1,070,000	92,454	1,162,454
2033	1,100,000	64,586	1,164,586
2034	515,000	34,895	549,895
2035	530,000	24,080	554,080
2036	<u>540,000</u>	<u>12,420</u>	<u>552,420</u>
Totals:	<u>\$29,655,845</u>	<u>\$6,982,608</u>	<u>\$36,638,453</u>

(1) May be off slightly due to rounding.

(2) For the entire fiscal year.

### ***Authorized But Unissued Debt***

Following the issuance of the Bonds, the Town will have \$5,900,725 authorized but unissued debt for various capital purposes. The fire department, a separate municipal unit of the Town, will have \$1,400,000 authorized but unissued debt for various capital and equipment purposed following issuance of the Bonds.

The Town continues to evaluate the cost of constructing a water treatment/filtration facility to be joint ventured with the Town of Harrison and Village of Mamaroneck. Originally the Town's share of the project was estimated to be \$12 million which would be financed through serial bonds. The Westchester Joint Waterworks is continuing to work with the State of New York on the evaluation of less expensive water treatment alternatives.

### ***Cash Flow Borrowings***

The Town has not issued tax anticipation notes, revenue anticipation notes, budget notes or deficiency notes and does not anticipate issuing such notes in the foreseeable future.

## ECONOMIC AND DEMOGRAPHIC DATA

### *Population*

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

	<u>Population Trend</u>			<u>Percentage Change</u>
	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>2010/20156</u>
Town	28,967	29,156	29,877	2.47%
County	923,459	949,113	974,542	2.68%
State	18,976,457	19,378,102	19,745,289	1.89%

Source: U.S. Census Bureau.

### *Income*

The following table presents median household income for the Town, County and State.

	<u>Median Household Income</u>			<u>Percentage Change</u>
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2010/2015</u>
Town	\$84,213	\$111,812	\$114,273	2.20%
County	63,582	79,619	83,958	5.45%
State	43,393	55,603	53,889	-3.08%

Source: U.S. Census Bureau.

### *Employment and Unemployment*

The following tables provide information concerning employment and unemployment in the Town, County and State.

#### Major Employers Located in the Town

<u>Employers</u>	<u>Number of</u> <u>Employees</u>	<u>Product or Service</u>
Cine Magnetics, Inc.	265	Photographic Equipment
Mamaroneck Union Free School District	245	Education
Village of Mamaroneck	150	Municipal government
Town of Mamaroneck	123	Municipal government
Semiconductor Packaging Materials, Inc.	80	Metal Stampings and Fabricated Wire
Derektor, Robert E., Inc.	75	Boat and Ship Building
Argueso, M. & Co.	55	Specialty Wax Compounds
Nessen Lighting Inc.	55	Lighting
Archie Comic Publications, Inc.	54	Publishing of Comic Magazines
Marval Industries, Inc.	50	Plastic Materials and Compounds

Source: Town officials.

### **Civilian Labor Force**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Town	14,400	14,400	14,400	14,600	14,600
County	477,100	475,500	471,700	479,500	479,400
State	9,617,600	9,636,400	9,595,300	9,591,200	9,584,500

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

### **Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2012	6.0	7.3	8.5
2013	5.2	6.3	7.7
2014	4.2	5.1	6.3
2015	3.8	4.6	5.3
2016	3.6	4.2	4.8

Source: New York State Department of Economic Development; Bureau of Economic and Demographic Information.

### **Monthly Unemployment Rates**

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
November 2016	3.4%	4.1%	4.5%
December	3.6	4.0	4.5
January 2017	3.9	4.5	4.9
February	4.1	4.8	5.0
March	3.6	4.1	4.4
April	3.7	4.1	4.2
May	3.5	4.1	4.3
June	3.8	4.5	4.5
July	3.8	4.6	4.9
August	3.8	4.6	4.9
September	4.1	4.5	4.7
October	3.9	4.4	4.6

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

### ***Utilities***

The residents of the Town receive electricity and natural gas from the Consolidated Edison. The Town receives water from the Westchester Joint Waterworks (“WJWW”), which is a joint utility of the Town of Mamaroneck, the Village of Mamaroneck and the Town of Harrison. Capital projects of the WJWW do periodically require the issuance of debt by the Town for its pro rata share of the cost thereof.

### ***Transportation***

The Town is served by a transportation network consisting of all major forms of transportation. Several primary State and U.S. highways including the New England Thruway and the Hutchinson River Parkway run through the Town. The Metropolitan Transportation Authority provides passenger rail service via the New Haven Division of Metro-North. Air transportation is provided by the Westchester County Airport, as well as the three major New York metropolitan airports (Kennedy, LaGuardia and Newark), and the Stewart International Airport in Newburgh.

**END OF APPENDIX A**



**APPENDIX B**

**SUMMARY OF FINANCIAL STATEMENTS**

**TOWN OF MAMARONECK**  
**Summary of Budgeted Revenues & Expenditures**  
**General Fund**  
**Fiscal Years Ending December 31:**

	<u>2016</u>	<u>2017</u>
Revenues:		
Real Property Taxes	\$3,847,133	\$3,838,591
Other Tax Items	605,000	607,000
Departmental Income	324,000	344,750
Culture and Recreation	2,467,500	2,528,000
Intergovernmental Charges	5,000	5,000
Use of Money and Property	263,000	270,000
Licenses and Permits	35,500	35,250
Fines and Forfeitures	270,000	300,000
Sale of Property and Compensation for Loss	0	0
Miscellaneous	51,200	51,200
State Aid	1,573,725	1,818,725
Federal Aid	651,534	736,865
Interfund Revenues	50,000	93,000
Appropriated Fund Balance	<u>565,000</u>	<u>854,022</u>
 Total Revenues	 <u><u>\$10,708,592</u></u>	 <u><u>\$11,482,403</u></u>
 Expenditures:		
General Government Support	\$4,239,348	\$3,894,337
Public Safety	330,000	370,000
Transportation	131,375	143,837
Recreation and Community Services	3,088,550	3,605,276
Employee Benefits	1,982,707	2,202,750
Interfund Transfers	<u>936,612</u>	<u>1,266,203</u>
 Total Expenditures	 <u><u>\$10,708,592</u></u>	 <u><u>\$11,482,403</u></u>

Source: Town Budgets. Summary itself not audited

**TOWN OF MAMARONECK**  
**Summary of Budgeted Revenues and Expenditures**  
**Part Town, Highway, Special District Funds**  
**Fiscal Years Ending December 31:**

	<u>2016</u>	<u>2017</u>
Budgeted Revenues and Fund Balance:		
Property Taxes	\$19,866,049	\$21,149,365
Other Revenue	6,786,947	7,973,856
Appropriated Balance	<u>135,000</u>	<u>513,325</u>
 Total	 <u><u>\$26,787,996</u></u>	 <u><u>\$29,636,546</u></u>
Budgeted Expenditures:		
Part Town	\$11,553,318	\$12,373,019
Highway Fund	5,251,386	5,638,021
Fire Districts	3,229,121	3,676,765
Street Lighting District	255,044	257,092
Ambulance District	1,473,106	1,561,859
Garbage District	2,096,274	2,117,134
Sewer District	202,153	283,839
Water District	307,369	393,159
Debt Service Fund	<u>2,420,225</u>	<u>3,335,658</u>
 Total	 <u><u>\$26,787,996</u></u>	 <u><u>\$29,636,546</u></u>

Source: Town Budgets. Summary itself not audited

**TOWN OF MAMARONECK**  
**Comparative Balance Sheets**  
**General Fund**  
**Fiscal Years Ended December 31:**

	<u>2015</u>	<u>2016</u>
<b>Assets:</b>		
Cash	\$19,030,508	\$12,465,669
Investments	0	0
Taxes Receivable	43,619,858	50,475,530
Other Receivables	217,439	331,769
State and Federal Aid	25,961	28,658
Prepaid Expenditures	206,496	213,450
Due from other funds	62,336	171,629
	<hr/>	<hr/>
Total Assets	<u>\$63,162,598</u>	<u>\$63,686,705</u>
<b>Liabilities and Fund Balance:</b>		
<b>Liabilities:</b>		
Accounts Payable and Accrued Liabilities	420,500	257,215
Due to School Districts	54,389,119	54,306,843
Due to Other Funds	83,008	5,625
Due to Other Governments	0	10
Overpayments	86,651	379
Unearned Revenues	0	1,753
Deferred Revenues	558,227	822,842
	<hr/>	<hr/>
Total Liabilities	<u>55,537,505</u>	<u>55,394,667</u>
<b>Fund Balance:</b>		
Nonspendable	206,496	213,450
Restricted	0	125,000
Assigned	589,177	887,976
Unassigned	6,829,420	7,065,612
	<hr/>	<hr/>
Total Fund Balance	<u>7,625,093</u>	<u>8,292,038</u>
Total Liabilities and Fund Balance	<u>\$63,162,598</u>	<u>\$63,686,705</u>

Source: Town's Audited Financial Statements. Summary itself is not audited.

**TOWN OF MAMARONECK**  
**Comparative Balance Sheets**  
**Special Revenue Funds**  
**Fiscal Years Ended December 31:**

	<u>2015</u>	<u>2016</u>
Assets:		
Cash	\$11,979,923	\$18,968,857
Investments	0	1,051,225
Other Receivables:		
Accounts	323,907	251,754
State and Federal Aid	102,773	3,685
Due From Other Governments	651,760	620,978
Due From Other Funds	240,124	20,598
Prepaid Expenditures	<u>666,273</u>	<u>732,390</u>
 Total Assets	 <u>\$13,964,760</u>	 <u>\$21,649,487</u>
 Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable	1,173,954	1,064,795
Accrued Liabilities	0	64,952
Bond Interest and Matured Bonds Payable	10,490	0
Due to Other Funds	219,452	186,602
Due to Other Governments	0	9,661
Retainages Payable	0	0
Deferred Revenues	0	0
Unearned Revenues	11,092	51,010
Bond Anticipation Notes Payable	<u>585,000</u>	<u>0</u>
 Total Liabilities	 <u>1,999,988</u>	 <u>1,377,020</u>
 Fund Balance:		
Nonspendable	666,273	732,390
Restricted	1,105,487	7,909,457
Assigned	10,193,012	11,157,486
Unassigned	<u>0</u>	<u>0</u>
 Total Fund Balance	 <u>11,964,772</u>	 <u>19,799,333</u>
 Total Liabilities and Fund Balance	 <u>\$13,964,760</u>	 <u>\$21,176,353</u>

Source: Town's Audited Financial Statements. Summary itself is not audited.

**TOWN OF MAMARONECK**  
**Combined Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**General Fund**  
**Fiscal Years Ended December 31:**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>					
Real Property Taxes	\$2,863,375	\$5,546,027	\$4,158,266	\$3,765,435	\$3,643,083
Other Tax Items	795,738	1,840,070	996,880	647,383	1,000,533
Departmental Income	3,115,792	3,402,611	3,245,308	3,494,554	3,597,718
Use of Money and Property	303,863	313,492	311,358	315,453	313,684
Licenses and Permits	47,675	50,235	59,840	31,079	72,710
Fines and Forfeitures	225,414	250,078	307,985	317,363	320,723
Sale of Property and Compensation for Loss	1,341	7,531	2,648	20,412	158,808
State Aid	1,456,998	1,912,622	1,750,487	2,137,184	2,273,584
Federal Aid	99,908	108,529	70,726	63,600	77,003
Miscellaneous	174,226	66,299	49,992	166,132	68,647
<b>Total Revenues</b>	<u><u>\$9,084,330</u></u>	<u><u>\$13,497,494</u></u>	<u><u>\$10,953,490</u></u>	<u><u>\$10,958,595</u></u>	<u><u>\$11,526,493</u></u>
<b>EXPENDITURES</b>					
Current:					
General Government Support	3,386,137	3,349,679	3,569,950	3,574,284	4,040,191
Health	304,010	326,543	358,453	360,101	373,063
Transportation	116,506	120,462	124,907	129,834	135,000
Economic Assistance and Opportunity	488,114	450,419	455,863	432,861	452,103
Culture and Recreation	1,999,726	2,127,487	2,156,858	2,526,916	2,395,766
Home & Community Services	381,265	390,834	393,575	390,426	433,957
Employee Benefits	1,810,680	1,997,774	2,010,257	1,827,137	1,979,948
Debt Service	13,500	12,860	0	0	0
<b>Total Expenditures</b>	<u><u>8,499,938</u></u>	<u><u>8,776,058</u></u>	<u><u>9,069,863</u></u>	<u><u>9,241,559</u></u>	<u><u>9,810,028</u></u>
Excess (Deficiency) of Revenues Over Expenditures	<u><u>584,392</u></u>	<u><u>4,721,436</u></u>	<u><u>1,883,627</u></u>	<u><u>1,717,036</u></u>	<u><u>1,716,465</u></u>
Other Financing Sources					
Operating transfers in	107,370	211,075	99,345	129,774	59,000
Operating transfers out	<u>(413,026)</u>	<u>(662,734)</u>	<u>(495,739)</u>	<u>(986,713)</u>	<u>(1,108,520)</u>
<b>Total Other Financing Sources</b>	<u><u>(305,656)</u></u>	<u><u>(451,659)</u></u>	<u><u>(396,394)</u></u>	<u><u>(856,939)</u></u>	<u><u>(1,049,520)</u></u>
Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses	278,736	4,269,777	1,487,233	860,097	666,945
Fund Balance - Beginning of Year	729,250	1,007,986	5,277,763	6,764,996	7,625,093
<b>Fund Balance - End of Year</b>	<u><u>\$1,007,986</u></u>	<u><u>\$5,277,763</u></u>	<u><u>\$6,764,996</u></u>	<u><u>\$7,625,093</u></u>	<u><u>\$8,292,038</u></u>

Source: Town's Audited Financial Statements. Summary itself is not audited.

**TOWN OF MAMARONECK**  
**Combined Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Special Revenue Funds**  
**Fiscal Years Ended December 31:**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues:					
Real Property Taxes	\$18,152,726	\$18,578,546	\$19,284,310	\$19,777,814	\$19,800,400
Non-property taxes	1,580,133	1,684,780	1,743,960	1,727,220	1,748,807
Departmental Income	2,580,745	2,572,859	3,011,905	2,842,711	3,366,600
Intergovernmental Charges	563,115	468,060	592,074	552,035	494,377
Use of Money and Property	26,762	13,861	13,211	9,076	198,714
Licenses and permits	426,728	508,692	715,616	514,701	822,790
Fines and Forfeitures	14,000	4,285	16,040	12,115	9,035
Sale of Property and Compensation for Loss	79,365	100,675	81,924	28,406	53,761
State aid	134,777	93,269	102,094	151,608	105,226
Federal Aid	5,860,792	6,546,374	5,720,467	6,116,195	6,205,198
Miscellaneous	365,772	330,838	114,251	355,638	380,836
Total Revenues	<u>\$29,784,915</u>	<u>\$30,902,239</u>	<u>\$31,395,852</u>	<u>\$32,087,519</u>	<u>\$33,185,744</u>
Expenditures:					
Current:					
General Government Support	\$1,188,560	\$1,208,202	\$1,122,045	\$1,282,613	\$1,423,210
Public Safety	7,150,956	7,194,619	7,344,939	7,573,748	7,478,299
Health	1,074,027	1,100,167	1,187,467	1,188,122	1,174,390
Transportation	2,990,678	3,006,789	3,109,378	3,074,827	2,960,738
Economic assistance and opportunity	6,646,968	6,358,181	6,134,504	6,247,221	6,244,244
Culture and Recreation	1,151,689	1,191,299	1,230,500	1,256,743	1,296,332
Home & Community Services	1,968,802	2,132,148	2,397,727	2,213,274	2,355,739
Employee Benefits	5,375,305	5,797,604	6,444,298	5,931,029	6,507,627
Principal	1,240,000	970,000	1,282,000	1,754,300	1,774,300
Interest	538,686	479,760	579,330	711,367	681,610
Refunding Bond Issuance Cost	0	62,224	0	0	0
Capital Outlay	2,133,250	2,053,853	9,006,343	3,513,961	6,697,638
Total Expenditures	<u>\$31,458,921</u>	<u>\$31,554,846</u>	<u>\$39,838,531</u>	<u>\$34,747,205</u>	<u>\$38,594,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,674,006)</u>	<u>(652,607)</u>	<u>(8,442,679)</u>	<u>(2,659,686)</u>	<u>(5,408,383)</u>
Other Financing Sources					
Issuance of serial bonds	0	5,154,000	8,860,000	0	11,175,845
Refunding Bond Issued	0	2,630,000	0	0	0
Issuance Premium	0	179,057	0	0	0
Payment to Refunded Bond Escrow	0	(2,746,833)	0	0	0
Installment purchase debt issued	0	0	0	146,502	0
Insurance Recoveries	0	0	67,108	75,124	2,047
Operating transfers in	2,412,685	2,677,261	2,517,018	3,748,106	3,601,155
Operating transfers out	(2,107,029)	(2,225,602)	(2,120,624)	(2,891,167)	(2,551,635)
Total Other Financing Sources	<u>305,656</u>	<u>5,667,883</u>	<u>9,323,502</u>	<u>1,078,565</u>	<u>12,227,412</u>
Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses	<u>(1,368,350)</u>	<u>5,015,276</u>	<u>880,823</u>	<u>(1,581,121)</u>	<u>6,819,029</u>
Fund Balance - Beginning of Year	<u>11,060,259</u>	<u>7,649,794</u>	<u>12,665,070</u>	<u>13,545,893</u>	<u>11,964,772</u>
Cumulative Effect of Change in Accounting Principals	0	0	0	0	1,015,532
Fund Balance - End of Year	<u>\$9,691,909</u>	<u>\$12,665,070</u>	<u>\$13,545,893</u>	<u>\$11,964,772</u>	<u>\$19,799,333</u>

## **APPENDIX C**

### **LINK TO AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website of the Municipal Securities Rulemaking Board (“MSRB”) at the following link:**

**<http://emma.msrb.org/ER1153661.pdf>**

**\* Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP has not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**



**APPENDIX D**

**FORM OF BOND COUNSEL'S LEGAL OPINION RELATED  
TO THE BONDS**

**DRAFT**

December \_\_\_\_, 2017

Town of Mamaroneck,  
County of Westchester,  
State of New York

Re: Town of Mamaroneck, Westchester County, New York,  
\$\_\_\_\_\_ Refunding (Serial) Bonds, 2017

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$\_\_\_\_\_ Refunding (Serial) Bonds, 2017 (the “Obligations”), of the Town of Mamaroneck, Westchester County, New York (the “Obligor”), dated December 28, 2017, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ hundredths per centum (\_\_\_\_\_% ) per annum as to bonds maturing in each of the years 201\_\_\_\_ to 20\_\_\_\_, both inclusive, payable on March 1, 2018 and semi-annually thereafter on September 1 and March 1 , and maturing in the amount of \$\_\_\_\_\_ on March 1, \_\_\_\_\_, and \$\_\_\_\_\_ on March 1 in each of the years \_\_\_\_\_ to \_\_\_\_\_, both inclusive.

Obligations maturing on or before March 1, 2025 are not subject to redemption prior to maturity. Obligations maturing on or after March 1, 2026 and thereafter are subject to redemption prior to maturity, at the option of the Obligor, on any date on or after March 1, 2025, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the “Code”);
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the “Arbitrage Certificate”); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ORRICK, HERRINGTON & SUTCLIFFE LLP

/zmt