

## NEW AND RENEWAL ISSUE

## BOND ANTICIPATION NOTES

*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 Notes 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 Notes is not a specific preference item for purposes of 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. Bond Counsel is also of the opinion that interest on the Notes 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 Notes. See "Tax Matters" herein.*

*The Notes will be "qualified tax-exempt obligations" pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986.*

**TOWN OF OSSINING**  
**WESTCHESTER COUNTY, NEW YORK**  
**\$2,675,005**  
**BOND ANTICIPATION NOTES, 2017 SERIES A**  
**(the "Notes")**

**Date of Issue: August 17, 2017**

**Maturity Date: August 17, 2018**

The Notes are general obligations of the Town of Ossining, 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 Notes 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.

At the option of the purchaser(s), the Notes will be issued in (i) certificated registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on such Notes will be payable in Federal Funds by the Town to the registered owner(s).

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,005. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate(s). Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein.)

The Notes are offered when, as and if issued and received by the purchaser(s) subject to the receipt of the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey or as otherwise agreed with the purchaser(s) on or about August 17, 2017.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN).

Dated: July 28, 2017

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

**Dana Levenberg  
Supervisor**

**TOWN BOARD**

Karen D'Attore ..... Board Member  
Elizabeth Feldman ..... Board Member  
Kim Jeffrey ..... Board Member  
Northern Wilcher ..... Board Member

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Madeline Zachacz ..... Budget Officer  
Mary Ann Roberts..... Town Clerk  
Steve M. Silverberg, Esq. .... Town Attorney

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**INDEPENDENT AUDITORS**

**PKF O'Connor Davies, LLP  
Harrison, New York**

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**BOND COUNSEL**

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

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**MUNICIPAL ADVISOR**



**Capital Markets Advisors, LLC  
Hudson Valley \* Long Island \* Southern Tier \* Western New York  
(845) 227-8678**

No person has been authorized by the Town of Ossining to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. 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 Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information, estimates 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 changes in the affairs of the Town of Ossining since the date hereof.

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**OFFICIAL STATEMENT**  
**TOWN OF OSSINING,**  
**WESTCHESTER COUNTY, NEW YORK**

**relating to**

**\$2,675,005**  
**BOND ANTICIPATION NOTES, 2017 SERIES A**  
**(the “Notes”)**

This Official Statement, which includes the cover page and appendices attached hereto, presents certain information relating to the Town of Ossining, in Westchester County, in the State of New York (the “Town,” “County,” and “State,” respectively), in connection with the sale of \$2,675,005 Bond Anticipation Notes, 2017 Series A (the “Notes”).

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

**THE NOTES**

***Description of the Notes***

The Notes will be dated and will mature as reflected on the cover page hereof.

The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either registered in the name of the successful bidder(s) or registered to Cede & Co, as the partnership nominee for DTC. If the Notes are registered in the name of the successful bidder(s), the Town will act as Paying Agent for the Notes. The Town contact information is as follows: Dana Levenberg, Supervisor, 16 Croton Ave., Ossining, New York 10562, (914) 762-6001, e-mail: [dlevenberg@townofossining.com](mailto:dlevenberg@townofossining.com).

***Authority for and Purpose of the Notes***

The Notes are issued pursuant to the State Constitution and statutes of the State, including among others, the Town Law, the Local Finance Law, and bond resolutions adopted by the Town Board on various dates authorizing the issuance of serial bonds to pay the cost as indicated in the table on the following page.

*(The remainder of this page has been left intentionally blank.)*

The proceeds of the Notes together with \$311,666 in available cash will be used to redeem \$2,469,396 in outstanding short term obligations which mature on August 18, 2017, and to provide \$517,275 in original financing as noted below.

<u>Date Authorized</u>	<u>Original Issue Date</u>	<u>Purpose</u>	<u>Notes Currently Outstanding</u>	<u>Note Payment</u>	<u>New Issue Funds</u>	<u>Amount of- The Notes</u>
03-12-13	09-26-13	Old Albany Post Road Dead-End	\$ 192,729	\$33,333	\$ -0-	\$ 159,396
01-14-14	08-22-14	Old Albany Post Road	746,667	53,333	-0-	693,334
09-09-14	12-05-14	Old Albany Post Road Improvements	443,333	31,667	-0-	411,666
02-25-14	08-20-15	Tax Reassessment – Phase II	320,000	80,000	-0-	240,000
03-24-15	08-20-15	Spray Park Recirculation Pump	186,667	13,333	-0-	173,334
03-24-15	08-20-15	LED Street Lighting	180,000	20,000	-0-	160,000
02-25-14	08-18-16	Tax Reassessment – Phase III	400,000	80,000	-0-	320,000
02-28-17	08-17-17	Improvements at Dale Cemetery	0	0	390,000	390,000
02-28-17	08-17-17	Heavy Equipment and Machinery	0	0	127,275	127,275
			<u>\$ 2,469,396</u>	<u>\$311,666</u>	<u>\$517,275</u>	<u>\$ 2,675,005</u>

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

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes if issued as book-entry-only Notes. Such Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each note bearing the same rate of interest and CUSIP and deposited with DTC.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the notes 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 Notes unless authorized by a Direct Participant in accordance with DTC's Money Market Instruments (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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE TOWN TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, 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 NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

### **NATURE OF OBLIGATION**

Each Note 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 Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. 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. See "Tax Levy Limitation Law" herein.

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 and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities 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 Notes 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 in New York State 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 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 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.

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 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, the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are affected indirectly by applicability 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. As amended, the Tax Levy Limit Law 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 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 a statutory tax levy limitation is not clear.

### ***Real Property Tax Rebate***

Chapter 59 of the Laws of 2014 ("Chapter 59"), included provisions which provided a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depended on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must have complied in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have had their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must have been within the tax cap limits set by the Tax Levy Limit Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions included counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which were indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit were set forth in Chapter 59 in order for the tax cap to qualify as one which would have provided the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurred in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts were required to provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain with the tax cap limits established by the Tax Levy Limit Law. The Town complied with the provisions of Chapter 59 and its taxpayers received the rebates provided in 2015 and 2016.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015 which generally extends the provisions of the program through 2019 and includes continued tax cap compliance.

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

**General Municipal Law Contract Creditors' Provision.** The Notes 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 Notes in the event of a default in the payment of the principal of and interest on the Notes.

**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 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 Notes 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 Notes 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 Notes) 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.

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, as described below, 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 the 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. The Town has not applied to the FRB and does not reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible 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 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 noteholders, 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.

## **MARKET FACTORS**

The financial and economic condition of the Town as well as the market for the Notes 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 Notes. 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 Notes, could be adversely affected.

There can be no assurance that the State appropriation for State aid to the Town 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 therefor. 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 therefor. (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 Notes should elect to sell a Note 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

Notes. In addition, the price and principal value of the Notes 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 or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to the U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the Town. Any such future legislation could have an adverse effect on the market value of the Notes (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, school districts, including the Town, and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Notes. (See “Tax Levy Limitation Law,” herein.)

## **THE STATE COMPTROLLER’S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS**

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 (“OSC”) 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, for 2015 data, of the State Comptroller designates the Town as “No Designation,” with a fiscal score of 0.0% and an environmental score of 17.5%.

See the State Comptroller’s official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

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.

## **LITIGATION**

Various notices of claims have been filed against the Town based on matters involving administrative determinations, property damage, real property tax assessments or other alleged wrongful acts. Many of the claims are seeking money damages or a refund of real property taxes. Claims based on administrative actions generally request injunctive relief from a specific rule or regulation. Except as noted, it is the opinion of the Town Attorney that the settlement of all pending matters of litigation are adequately covered by the Town’s insurance policies and therefore are not expected to have an adverse material effect on the Town’s financial position. Moreover, the Town Attorney indicates that there are no currently existing claims seeking punitive damages which are not covered by insurance.

**Tax Certiorari Claims.** The Town is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. In these actions, taxpayers (including nine taxpayers listed herein) claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a number of years.

It is not possible to provide an estimate of the effect that pending tax certiorari claims could have on the financial position of the Town. Previous settlements of tax certiorari claims have not had a material effect on the Town's finances. For the years ended December 31, 2014 through 2016, tax refunds paid by the Town pursuant to tax certiorari settlements are summarized in the table on the following page:

**Town Tax Refund Expenditures (All Funds)**

<u>Fiscal Year Ended December 31:</u>	<u>Tax Refund</u>
2014	\$224,612
2015	73,189
2016	73,987

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 Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the Town.

**Risk Management.** The Town purchases various conventional insurance policies to limit its exposure to loss. The general liability policy provides coverage of \$1 million per occurrence and \$2 million in the aggregate. The public officials liability policy provides coverage up to \$10 million. In addition, the Town has an excess liability policy which provides coverage up to \$10 million per occurrence and \$20 million in the aggregate. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Effective January 1, 2009, the Town purchased conventional workers' compensation insurance. Previous to that, the Town was self-insured for workers' compensation benefits. The Town is responsible for outstanding claims under the previous self-insured plan. The Town retains the risk for these claims up to \$125,000 per year. Insurance coverage has been secured for losses in excess of \$125,000. The governmental funds are charged premiums by the Internal Service Fund. The Town purchases conventional health insurance for its employees.

See page 56 of the audited financial statements for the fiscal year ended December 31, 2016.

**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 Notes 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 Notes 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 Appendix D 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 Notes. The Town has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. 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 Notes may adversely affect the value of, or the tax status of interest on, the Notes. 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 Notes.

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 Notes) 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 Notes 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 Notes 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 Notes may otherwise affect a Owner's federal or state tax liability. The nature and extent of these other tax consequences 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 Notes 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. For example, certain legislative proposals in recent years have been made that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax 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 Notes 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**

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



(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Securities, 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 Notes.

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 Notes.

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

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

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

### ***Compliance History***

Since 2007, there have been in excess of 50 rating actions reported by Moody’s Investors Service, S& P Global and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the Town. Due to widespread knowledge of these rating actions, material event notices were not filed by the Town in each instance.

Prior to the year ended December 31, 2013, the Town was required to provide annual continuing disclosure only upon request. No requests were received and as such the Town did not provide updated information. During the 2012 fiscal year the Town issued a series of bonds and agreed to provide operating data and audited financial statements commencing with the fiscal year ended December 31, 2013. Although, not officially required, on December 31, 2013 the Town filed operating data for the fiscal year ended December 31, 2012.

### **MUNICIPAL ADVISOR**

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the Town in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. 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 not a law firm and does not provide legal advice with respect to this or any debt offerings of the Town. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

### **RATING**

The Town did not apply for a rating of the Notes.

The Town’s underlying rating by Moody’s Investors Service (“Moody’s”) is “Aa2.”

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody’s at the following address: Moody’s Investor’s Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody’s circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

### **ADDITIONAL INFORMATION**

Additional information may be obtained from Dana Levenberg, Supervisor, 16 Croton Avenue, Ossining, New York 10562, (914) 762-6000, e-mail: [dlevenberg@townofossining.com](mailto:dlevenberg@townofossining.com) or from the Town’s Municipal Advisor, Capital Markets Advisors, LLC, 1075 Route 82 – Suite 4, Hopewell Junction, New York 12533, (845) 227-8678.

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Towns 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's files with the MSRB. When used in Town documents or oral presentations, the words "anticipate," "believe," "intend," "plan," "foresee," "likely," "estimate," "expect," "objective," "projection," "forecast," "goal," "will," or "should," or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the Town, expresses no opinion 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 Notes, 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 Notes, 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 limitation as to information in the Official Statement obtained from sources other than the Town, as to which no representation can be made.

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 Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

TOWN OF OSSINING  
WESTCHESTER COUNTY, NEW YORK

By: \_\_\_\_\_  
Dana Levenberg  
Supervisor and Chief Fiscal Officer

DATED: July 28, 2017

**APPENDIX A**

**THE TOWN**

## **THE TOWN**

The Town encompasses approximately 12 square miles and is located in the west central part of the County. Manhattan is about 35 miles south of the Town. The Hudson River forms the western boundary of the Town. The Village of Ossining is located wholly within the Town; a large portion (91%) of the Village of Briarcliff Manor is located in the Town. The Town is a suburban community and is primarily residential in nature. The Village of Ossining is well developed and contains most of the Town's commercial base.

According to interim 2015 data from the U.S. Census Bureau, the Town's population is 38,136 which represents an increase of 462 persons or 1.2% since the 2010 census. Indicators of wealth based on income and home values generally exceed both County and State averages in the unincorporated and Briarcliff Manor areas of the Town. Income and housing values in the Village of Ossining are higher than State averages but generally are below the overall County averages. The State Correctional Facility at Ossining, which employs approximately 1,000 full and part-time persons, is the largest employer in Town. Many residents commute to jobs in New York City or to other areas within the region. See "Economic and Demographic Data," herein.

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

The Town was established in 1845 by the State as a separate political entity vested with independent taxing and debt authority. There are two incorporated villages situated within the Town's borders. The Town also contains portions of two independently governed school districts which rely on their taxing powers granted by the State to raise revenues for school district purposes. The villages and school districts use the Town's assessment roll as the basis for taxation of property within the Town.

Governmental operations of the Town are subject to the provisions of the State constitution and various statutes affecting local governments including the Town Law, General Municipal Law and the Local Finance Law. Real property assessment and tax collection procedures are determined by the County Tax Code, 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 2 of the Town Law, the Town of Ossining is classified as a first class town and has additionally elected suburban town status provided for in Article 3-A of this statute. The primary effect of these classifications is to give greater flexibility to the way in which town government is organized and managed. A suburban town also enjoys certain advantages with respect to improvement districts and reserve funds.

### ***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 a four-year term, 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 Board; modifications and transfers between budgetary appropriations also must be authorized by the Board on the recommendation of the Supervisor. The original issuance of all town indebtedness is subject to approval by the Town Board.

The Supervisor is the Chief Executive and Chief Financial Officer of the Town and is elected for a two-year term of office with the right of self succession. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include: the administration of the Town's daily functions, budget preparation and control, and debt issuance.

The Town Clerk who is elected to serve a four-year term, with the right of self succession, acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of the Town Clerk include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, and coordinating Town elections.

The Receiver of Taxes is elected to a four-year term. The number of terms is not limited. It is the responsibility of the Receiver of Taxes to receive and collect all county, town, school taxes and assessments levied in the Town.

The Town Comptroller duties are performed by the Village of Ossining pursuant to an intermunicipal agreement. Duties and responsibilities of this position include: maintaining the Town's accounting systems and records, preparing the annual report to be filed with the State Comptroller, cash management and auditing vendor claims for payment.

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 Office of Real Property Tax Services (the "ORPTS"). The ORPTS 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, a judicial review in the State Supreme Court or small claims court for certain tax claim proceedings.

### *Services*

The Town provides its citizens with an extensive list of government services. Residents of the unincorporated areas of the Town benefit from all services; village residents receive some services but are served primarily by their respective village governments. Sewer, street lighting, fire protection and ambulance services are furnished by various special districts which have been formed within the Town. Water service is provided to residents of unincorporated area of the Town by the Village of Ossining. The construction and the maintenance of streets and roads outside the villages is also a Town function. In addition, recreation is provided and parks are maintained by the Town. Other services performed at the Town level include: police protection (through an inter-municipal agreement with Village of Ossining, effective as of January 1, 2015), justice courts, zoning, planning and refuse collection.

The Town is a member of the County Refuse District No. 1 (the "District") and according to an agreement between the District and the Westchester Industrial Development Agency, participating District members are committed to deliver municipally generated refuse to a solid waste disposal/resource recovery plant located in the City of Peekskill. The plant is operated by Wheelabrator Technologies, Inc. Residential solid waste is collected by the various municipalities (Town and villages) for delivery to a district operated transfer station and the ultimate removal to the recovery plant. For 2016, each member municipality paid a tipping fee of \$27.45 per ton for solid, non-organic refuse which is an increase from \$27.36 in 2015. A charge of \$25.00 per ton was imposed for organic waste through an inter-municipal agreement with the Village of Ossining. The District taxpayers are subject to an ad valorem tax if such fee is not sufficient to meet the District's obligations to the County Industrial Development Agency. For 2016, the tax rate for the District was \$5.44 for each \$1,000 of assessed valuation, which represented a decrease of 2.3% compared to 2015.

Public primary and secondary education is provided by the Ossining and Briarcliff School Districts which are independent of the Town and have separate taxing and debt issuance authority.

Pursuant to State law, the County funds and provides various social service and health care programs such as Medicaid, aid to the families with dependent children, home relief and mental health programs. The County provides sewage treatment through various County sewer districts. In addition, the County sponsors a two-year college which offers associates' degrees in various fields of study.

*(The remainder of this page has been left intentionally blank.)*

## ***Employees***

The Town currently employs 42 full-time employees including those who are members of the following 2 collective bargaining organizations.

<u>Name</u>	<u>Members</u>	<u>Contract Expiration Date</u>
CSEA	18	December 31, 2017
Teamsters	13	December 31, 2019

Source: Town Officials.

## ***Employee Benefits***

Substantially all employees of the Town are members of the New York State and Local Employees Retirement System (“ERS”) or the New York State and Local Police and Fire Retirement System (“PFRS”) (ERS and PFRS are referred to collectively hereinafter as the “Retirement System” where appropriate). 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 five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the 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 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides, among other things, 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 pension contributions throughout employment.

Police services were outsourced to Westchester County in 2011. Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn \$75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Town generally makes its pension payments in December in order to take advantage of the discounted rate. However, in 2011 and 2012 the Town did not take advantage of the discounted rate.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contributions for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town has not and does plan to amortize pension payments in the foreseeable future.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The Town pays its ERS contributions on a pay as you go basis and does not expect to participate in the SCO in the foreseeable future.

For State Fiscal Year 2016-17, the average contribution rates decreased for the third year in a row. ERS decreased by 2.7% of payroll, from 18.2% to 15.5%. For the State Fiscal Year 2017-18 the contribution rates for ERS remain unchanged at the 2016-17 levels. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers.

**ERS and PFRS<sup>(1)</sup> Contributions.** The current retirement expenditures presented in the Town's financial statements for all funds for each of the last five years and the amount budgeted for the most recent fiscal year are shown in the following table:

Fiscal Year Ended December 31:	ERS	PFRS <sup>(1)</sup>
2012	\$398,864	19,614
2013	576,558	7,292
2014	471,438	-0-
2015	501,712	-0-
2016	615,148	-0-
2017 (Budget) <sup>(2)</sup>	483,826	-0-

(1) The decrease in PFRS contributions reflects the outsourcing of police services to Westchester County in 2011 and Village of Ossining in 2015.

(2) Inclusive of ERS contributions in the General Fund (\$297,062), Town Outside Villages Fund (\$22,179), Highway Fund (\$147,489), Dale Cemetery Trust Fund (\$13,519), and the Consolidated Sewer District Fund (\$3,577).

See "Notes to Financial Statements- Note 3" in the audited financial statements of the Town.

### ***Other Postemployment Benefits***

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



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

Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) is 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 is required every three years for the Town. The Town’s funding policy is to contribute the current annual premium (net of employee contributions) for retired participants (i.e. pay-as-you-go). Current New York State law does not permit municipalities to pre-fund medical benefit obligations. For the 2016 fiscal year the Town contributed \$465,378.

The Town is in compliance with the requirements of GASB 45. The Town has determined that its unfunded actuarial accrued liability (“UAAL”) for OPEB as of January 1, 2016 was \$15,241,090. For the year ended December 31, 2016, the Town's ARC was \$1,290,606. The Town’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both.

Proposed legislation was reintroduced in the State Legislature (A.05525, S.0511) to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. This legislation would authorize the establishment of a trust by resolution of the local government’s governing body which would serve as the trustee (unless trustee authority is delegated to the local government’s chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with the written investment policy developed by the trustee and the written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust. The Legislation was not adopted. The Town cannot predict at this time whether such proposed legislation will be introduced and enacted into law in a future legislative session.

See “Notes to Financial Statements, Note 3” in the Audited Financial Statements for the year ended December 31, 2016.

## **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 Town Supervisor on or before September 20th. After reviewing these estimates, the Town Supervisor prepares a tentative budget which may include the Budget Officer’s 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 30th of October. Subsequently, the Town Clerk presents the tentative budget to the Town Board at the regular or special hearing which must be held on or before November 10th. The Town Board reviews the tentative budget and makes such changes as it deems necessary and that are not inconsistent with the provisions of the law. Following this review process, the tentative budget and such modifications, if any, as approved by the Board become the preliminary budget. A public hearing, a notice of which must be duly published in the Town's official newspaper, for the preliminary budget is required to be held no later than the 10th 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 no later than December 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Budgetary control during the year is the responsibility of the Budget Officer. However, any changes or modifications to the annual budget, including the transfer of appropriations among line items must be approved by resolution of the Town Board.

A summary of the Town's adopted budget for the 2017 fiscal year is presented in Appendix B of this Official Statement. Additional years of budgets can be obtained by request of the Town Comptroller or from the Town's Municipal Advisor.

### ***Independent Audits***

The Town retained the firm of PKF O'Connor Davies, LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended December 31, 2016. Appendix B, attached hereto, presents excerpts from the Town's most recent audited reports covering the last five fiscal years. The summary itself in Appendix B has not been audited. Appendix C contains a link to the last fiscal year audit.

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. See "The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews," herein.

### ***Investment Policy***

Although the accumulative of funds for investment is not a Town purpose, the Town temporarily invests funds on-hand pending their expenditures for Town operating and capital purposes.

Pursuant to Section 39 of the State's General Municipal Law, the Town has adopted an investment policy applicable to the investment of all moneys and financial resources of the Town. The responsibility for the investment program has been delegated by the Town Board to the Supervisor and the Town Comptroller who was required to establish written operating procedures consistent with the Town's investment policy guidelines. According to the investment policy of the Town, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return. The Town reviews its investment policy on an annual basis.

**Authorized Investments.** The Town has designated five banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money, including certificates of deposits, from the Town.

In addition to bank deposits, the Town is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the Town include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the Town (investment subject to approval of the State Comptroller), obligations of certain public authorities or agencies, obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the Town but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The Town may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York, securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not allowed under State law.

**Collateral Requirements.** All Town deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured by a pledge of collateral of the type authorized by Section 10 (1)(f) of the General Municipal Law of the State. Such collateral may consist of the “eligible securities,” “eligible surety bonds” or “eligible letter of credit” as described in the Law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The Town's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the Town must be delivered, in a form suitable for transfer or with an assignment in blank, to the Town or its designated custodial bank. The custodial agreements used by the Town provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter or credit may be issued, in favor of the Town, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the Town in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

**Revenues**

The Town derives its General Fund (the primary operating fund to account for services provided to all residents) revenues primarily from real property taxes (including interest and penalties thereon), State aid and interest income. The primary revenue sources for the Special Revenue Fund – Town Outside Villages are real property taxes and the County sales tax. See “Real Property Taxes” herein.

**Property Taxes.** Real Property taxes accounted for approximately 60.9% of total General Fund revenue, including other financing sources, for the fiscal year ended December 31, 2016.

The following table sets forth total General Fund revenue and real property taxes received for each of the past five audited fiscal years and the amount budgeted for the most recent fiscal year.

**Total General Fund Revenue & Real Property Taxes**

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue <sup>(1)</sup></u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2012	\$5,264,646	\$2,652,602	50.4%
2013	5,895,590	3,394,925	57.6
2014	5,371,281	3,072,903	57.2
2015	5,524,574	3,469,254	62.8
2016	5,717,611	3,480,984	60.9
2017 (Budget)	5,447,710	3,499,887	64.2

(1) Inclusive of other financing sources. The 2017 General Fund budget was balanced with \$75,000 in appropriated fund balance.

Source: The Audited Financial Statements and the 2017 Adopted Budget of the Town. The Summary itself is not audited.

**State Aid.** The Town receives financial assistance from the State. State Aid accounted for approximately 14.0% of the total General Fund revenue during the 2016 fiscal year. A substantial portion of the State aid received is attributable to mortgage tax collections. 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,” herein.)

The following table sets forth total General Fund revenue and State aid received for each of the past five audited fiscal years and the amount budgeted for the most recent fiscal year.

**Total General Fund Revenue & State Aid Revenue**

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue <sup>(1)</sup></u>	<u>State Aid</u>	<u>State Aid to Revenue</u>
2012	5,264,646	728,776	13.8
2013	5,895,590	849,644	14.4
2014	5,371,281	731,071	13.6
2015	5,524,574	689,708	12.5
2016	5,717,611	800,822	14.0
2017 (Budget)	5,447,710	605,468	11.1

(1) Inclusive of other financing sources. The 2017 General Fund budget was balanced with \$75,000 in appropriated fund balance.

Source: The Audited Financial Statements and the 2017 Adopted Budget of the Town. The Summary itself is not audited.

**Sales Tax.** The Town receives a share of the County sales tax. The County presently imposes a 1 ½% County-wide sales and use tax on all retail sales. Additionally, the State, effective May 1, 2005, imposes a 4% State sales tax and a 3/8% sales tax levied in the Metropolitan Transportation Authority District. 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 2½% in the Cities of White Plains, Mount Vernon, New Rochelle, and Yonkers. The Cities of Rye and Peekskill do not impose such a sales tax.

In July 1991, the State Legislature authorized an additional 1% sales tax 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, 2016. 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%)

In February of 2004, the State Legislature authorized an increase of ½% to the additional 1% 1991 sales tax. The County retains 70% of this amount, the municipalities 20% and the school districts 10%. This increase became effective March 1, 2004 and expires on May 31, 2018.

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The following table sets forth total Town Outside Villages Fund revenue, including other financing sources, and sales taxes received for each of the past five fiscal years ended December 31 and the amount budgeted for the most recent fiscal year.

**Town Outside Villages Fund Revenue & Sales Tax**

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue <sup>(1)</sup></u>	<u>Sales Tax</u>	<u>Sales Tax to Revenue</u>
2012	\$4,079,716	\$713,217	17.5%
2013	3,761,029	760,451	20.2
2014	4,025,145	787,162	19.6
2015	3,849,857	779,607	20.3
2016	3,822,259	789,350	20.7
2017 (Budget)	4,126,523	700,000	16.9

(1) Total revenue is inclusive of other financing sources

Source: The Audited Financial Statements of the Town and the 2017 Adopted Budget. The Summary itself is not audited.

***Summary Results of Operations –FY Ended December 31, 2012–2016***

The following tables summarize the results of operations for the Town’s General Fund.

**General Fund - Summary of Results  
Fiscal Year Ended December 31, 2012 - 2016**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues & Transfers In	\$5,068,782	\$5,895,590	\$5,298,599	\$5,524,574	\$5,717,611
Proceeds of Obligations	195,864	-0-	72,682	-0-	-0-
Expenditures & Transfers Out	<u>(5,275,836)</u>	<u>(5,177,357)</u>	<u>(5,187,316)</u>	<u>(5,325,884)</u>	<u>(5,066,124)</u>
Operating Surplus/(Deficit)	(11,190)	718,233	183,965	198,690	651,487
Fund Balance – Beginning of Year	1,261,801	1,250,611	1,968,844	2,152,809	2,351,499
Residual Equity Transfer	-0-	-0-	-0-	-0-	-0-
Prior Year Adjustments	-0-	-0-	-0-	-0-	-0-
Fund Balance – End of Year	<u>\$ 1,250,611</u>	<u>\$ 1,968,844</u>	<u>\$ 2,152,809</u>	<u>\$ 2,351,499</u>	<u>\$ 3,002,986</u>

Source: The Audited Financial Statements of the Town. The Summary itself is not audited.

**General Fund Balance - Fiscal Year Ended December 31, 2012 - 2016  
Composed of:**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Non Spendable	\$ 72,450	\$ 109,280	\$ 86,394	\$ 87,528	\$ 64,949
Restricted	144	-0-	32,701	-0-	-0-
Assigned	114,000	5,500	153,341	56,117	76,312
Unassigned	<u>1,063,927</u>	<u>1,854,064</u>	<u>1,880,373</u>	<u>2,207,854</u>	<u>2,861,725</u>
Fund Balance – End of Year	<u>\$ 1,250,611</u>	<u>\$ 1,968,844</u>	<u>\$ 2,152,809</u>	<u>\$ 2,351,499</u>	<u>\$ 3,002,986</u>

Source: The Audited Financial Statements of the Town. The Summary itself is not audited.

**General Fund (2016 Audited Results).** For the year ended December 31, 2016, the General Fund of the Town recorded a surplus of \$651,487 and ended with a total fund balance of \$3,002,986. Results for the year showed a positive budget variance for revenues of +\$483,914. Expenditures and other financing uses for the year showed a positive budget variance of + \$322,912.

Total fund balance for the General Fund on December 31, 2016 included a non spendable of \$64,949, assigned funds of \$76,312, and unassigned funds of \$2,861,725.

Total General Fund revenue for 2016 was \$5,717,611, including other financing sources. Real property tax revenue for the year accounted for \$3,480,984 or approximately 60.9% of this amount. Other significant revenue sources were: State aid (\$800,822) and other tax items (\$707,894).

General fund expenditures for the year were \$5,066,124 including other financing uses. General government support expenditures for 2016 were \$2,298,207 which represented the largest expenditure category. Expenditures for employee benefits were the second largest expenditure at \$1,137,422.

**Special Revenue Funds (2016 Audited Results).** The following tables summarize the results of operations for the Combined Special Revenue Funds (including the Town Outside Villages, Highway and Special Districts Fund, which includes the following districts: Ambulance, Fire Protection, Lighting, Sewer, Water and Refuse and Garbage).

**Combined Special Revenue Funds <sup>(1)</sup> Summary of Results  
Fiscal Year Ended December 31, 2012 - 2016**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues & Transfers In	\$ 8,387,456	\$8,798,281	\$8,771,846	\$9,051,819	\$8,930,134
Proceeds of Obligations	724,136	-0-	247,318	-0-	-0-
Expenditures & Transfers Out	<u>(8,879,831)</u>	<u>(8,489,835)</u>	<u>(8,610,351)</u>	<u>(8,958,034)</u>	<u>(8,268,833)</u>
Operating Surplus/(Deficit)	231,761	308,446	408,813	93,785	661,301
Fund Balance – Beginning of Year	2,696,350	2,928,111	3,236,557	3,645,370	3,739,155
Residual Equity Transfer	-0-	-0-	-0-	-0-	-0-
Prior Year Adjustments	-0-	-0-	-0-	-0-	-0-
Fund Balance – End of Year	<u><u>\$ 2,928,111</u></u>	<u><u>\$3,236,557</u></u>	<u><u>\$3,645,370</u></u>	<u><u>\$3,739,155</u></u>	<u><u>\$4,400,456</u></u>

(1) Inclusive of the Town Outside Villages, Highway and Special Districts Funds (which includes the following districts: Ambulance, Fire Protection, Lighting, Sewer, Water and Refuse and Garbage).

Source: The Audited Financial Statements of the Town. The Summary itself is not audited.

**Combined Special Revenue Funds <sup>(1)</sup> Fund Balance - Fiscal Year Ended December 31, 2012 - 2016  
Composed of:**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Non Spendable	\$ 38,205	\$ 48,547	\$ 48,292	\$ 43,684	\$ 36,308
Restricted	114,374	0	62,804	88,500	72,813
Assigned	<u>2,775,532</u>	<u>3,188,010</u>	<u>3,534,274</u>	<u>3,606,971</u>	<u>4,291,335</u>
Fund Balance – End of Year	<u><u>\$2,928,111</u></u>	<u><u>\$ 3,236,557</u></u>	<u><u>\$ 3,645,370</u></u>	<u><u>\$ 3,739,155</u></u>	<u><u>\$ 4,400,456</u></u>

Source: The Audited Financial Statements of the Town. The Summary itself is not audited.

**Town Outside Villages Fund (2016 Audited Results).** For the year ended December 31, 2016, the Town Outside Villages Fund recorded a change in total fund balance of positive \$508,595 and ended with a total fund balance of

\$2,630,735. Results for the year showed a positive budget variance for revenues (including other financing sources) of +\$132,852. Expenditures and other financing sources for the year also showed a positive budget variance of +\$426,114.

Total fund balance for the Town Outside Villages Fund on December 31, 2016 included non spendable funds of \$3,577, \$72,813 in restricted funds, and assigned funds of \$2,554,345.

Total Town Outside Villages Fund revenue for 2016 was \$3,822,259, including other financing sources. Real property tax revenue for the year accounted for \$2,781,930 or approximately 72.8% of all revenue. Sales tax was also a significant source of revenue for 2016, accounting for 20.7% of revenue in the Town Outside Villages Fund.

Town Outside Villages fund expenditures for the year were \$3,313,664 including other financing uses. Public safety expenditures for 2016 were the largest expenditure category at \$1,878,358. Other significant expenditures in 2016 included: transfers out (\$439,729), cultural and recreational (\$342,758), employee benefits (\$299,746), and general government support (\$332,430). Transfers out includes \$364,729 to the Debt Service Fund and \$75,000 to the Highway Fund.

**Highway Fund (2016 Audited Results).** For the year ended December 31, 2016, the Highway Fund recorded an operating surplus of \$194,637 and ended with a total fund balance of \$970,910. Total fund balance for the Highway Fund included non spendable funds of \$32,035 and assigned funds of \$938,875.

Total Highway Fund revenue for 2016 was \$2,403,287, including other financing sources. Real property tax revenue for the year accounted for \$2,270,390 or approximately 94.5% of all revenue. Expenditures for 2016 in the Highway Fund were \$2,208,650; including other financing uses.

## **REAL PROPERTY TAXES**

The Town derives its power to levy an ad valorem real property tax from the Constitution of the State. The Town levies, collects and enforces taxes and assessments for Town purposes including debt service. In addition, the Town also collects and enforces County, and school district taxes.

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## Real Property Tax Assessments and Rates

Real Property taxes accounted for approximately 60.9% of total General Fund revenue (including other financing sources) for the fiscal year ended December 31, 2016 (see “Financial Factors – Revenues,” herein). The following table shows the trend during the last five years for real property assessments, real property tax and assessment levies, general purpose tax rates.

### Valuations, Levies and Tax Rates (2012 - 2016)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Taxable Assessed Value	\$ 258,803,364	\$ 258,552,497	\$ 259,944,733	\$ 258,855,052	\$ 4,709,841,908
Equalization Rate (%)	6.10%	6.29%	5.95%	5.65%	100%
Full Value	<u>\$4,242,678,098</u>	<u>\$4,110,532,544</u>	<u>\$4,368,819,042</u>	<u>\$4,581,505,345</u>	<u>\$4,709,841,908</u>
Town Tax Levy:					
General <sup>(1)</sup>	\$7,920,211	\$8,193,481	\$8,305,072	\$8,364,170	\$8,448,361
Special Dist. <sup>(2)</sup>	2,156,552	2,182,710	2,249,504	2,308,050	2,344,311
County Tax Levy:					
General	15,159,643	15,119,670	15,330,711	15,331,668	15,449,350
Special Dist <sup>(3)</sup>	4,724,504	4,755,255	4,908,110	5,004,397	5,392,137
Tax Rate:					
Town <sup>(4)</sup>	\$111.11	\$113.49	\$113.83	\$114.52	\$6.18
County <sup>(5)</sup>	58.81	58.71	59.24	59.49	3.29

(1) Taxes levied for General Fund Town Outside Villages and Highway purposes. Includes unincorporated area.

(2) Special districts include taxes for independent fire protection districts.

(3) Includes assessments for County Sewer Districts and Refuse District No. 1.

(4) Tax rate per \$1,000 assessed value for Town Outside Villages, General and Highway.

(5) County general tax rate.

Source: Town Officials.

### Collections (2011 – 2016)

Years Ended December 31:	Adjusted Tax Levy <sup>(1)</sup>	Amount Collected			% Collections Adjusted Tax Levy
		Current Levy	Prior Years <sup>(1)</sup>	Total Collections	
2011	\$31,044,609	\$30,899,423	\$1,147,352	\$32,046,775	103.23%
2012	30,741,224	30,419,959	1,140,159	31,560,118	102.66
2013	30,055,902	29,892,031	797,631	30,689,662	102.11
2014	30,356,641	30,227,104	1,377,883	31,604,987	104.11
2015	30,873,825	30,790,031	995,686	31,785,717	102.95
2016	<u>31,155,478</u>	<u>29,893,092</u>	<u>2,120,567</u>	<u>32,013,659</u>	<u>102.75</u>

(1) Prior years tax collections include town and county tax liens, unpaid school taxes and interest, penalties and fees.

Source: Town Officials.



**School Tax Collections (2011 – 2016)**

<u>Fiscal Year Ended June 30:</u>	<u>Amount of Tax Levy</u>	<u>Tax Collections</u>	<u>Unpaid Taxes <sup>(1)</sup></u>	<u>Current Collections To Tax Levy (%)</u>
2011	\$87,739,658	\$87,031,258	\$708,400	99.19%
2012	87,707,285	86,836,767	870,518	99.01
2013	90,299,293	89,569,968	729,325	99.19
2014	92,913,883	92,360,166	553,717	99.40
2015	95,742,892	94,767,678	975,214	99.00
2016	98,774,206	97,842,970	626,972	99.06

(1) Unpaid school taxes as of the lien date.

Source: Town Officials.

***Tax Collection Procedures***

The assessment and collection of real property taxes is governed by the Real Property Tax Law of the State and the County Tax Code. Towns and cities in the County assess all real property within their boundaries and collect and enforce all real property taxes and assessments. The Town receives tax warrants for the collection of taxes from the County as well as the school districts within its boundaries. The Town remits the full amount of the County and school district taxes according to the times prescribed by the County Tax Law. The Town is required to pay the full amount of each warrant presented by these various entities, whether or not these amounts are actually collected by the Town. The Town enforces delinquent taxes through in-rem foreclosure proceedings.

Town, County, and special district taxes or assessments for the period from January 1st to December 31st are due in a single payment on April 1st. Payment may be made without penalty until April 30th, 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% for January through April of the following year. Thereafter the penalty is 12% plus 1% for each additional month or fraction thereof until the tax liens are filed with the County.

School taxes for the school year July 1st may be paid in two installments. The first such installment is due on September 1st and may be paid without penalty until September 30th, after which the penalty is 2% during October, 5% during November, 7% during December and January, 10% during February and March and 12% during April after which the penalty is 12% plus 1% for each month or fraction thereof until the filing of the tax liens with the County. The second installment of school taxes is payable on January 1 and may be paid without penalty until January 31st. Payments thereafter must pay a penalty in accordance with the schedule set forth herein for the first installment.

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## Ten of the Largest Taxpayers

The following table presents the taxable assessments of the Town's larger taxpayers.

<b><u>Larger Taxpayers in the Town</u></b>			
<u>Taxpayer's Name</u>	<u>Nature Of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Assessed Valuation <sup>(1)</sup></u>
Con Edison	Electric & Gas Utility	\$ 8,353,205	3.21%
General Electric	Conference Center	4,111,630	1.58
Urstadt Biddle Properties, Inc. <sup>(2)</sup>	Shopping Center	2,261,597	0.87
Avalon Ossining LLC	Rental Apartments	1,794,000	0.69
Scarborough Manor Owners	Co-Op Apartments	1,679,100	0.65
No. American Philips <sup>(2)</sup>	Electronics	1,408,900	0.54
OLSL Hudson LLC <sup>(2)</sup>	Adult Care Facility	1,189,500	0.46
Verizon New York Inc.	Communications	1,110,312	0.43
Parkview Apartments Corp	Apartments	1,088,923	0.42
Jefferson House Assoc. LLC	Apartments	1,080,000	0.42
		<u>\$24,077,167</u>	<u>9.27%</u>

(1) Total taxable assessments for Town purposes in 2015 are \$259,944,733.

(2) Taxpayer has one or more pending tax certiorari claims (See "Litigation and Contingencies" herein for a general discussion of such matters).

Source: Town Officials.

## **TOWN INDEBTEDNESS**

### ***Constitutional Requirements***

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

**Purpose and Pledge.** Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation 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 or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven 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 constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the “ORPTS”). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations 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 authorized the power and procedure for the Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

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

The Local Finance Law also provides for a twenty-day statute of limitations after publication of a bond resolution (in summary or in full), together with a statutory notice which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. The Town has complied with such procedure for the validation of the bond resolution adopted in connection with this issuance.

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

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

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

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

### ***Constitutional Debt-Contracting Limitation***

ORPTS annually establishes State equalization rates for all assessing units in the State, including the Town, which are determined by statistical sampling of market/assessment studies. The equalization rates are used in the calculation and distribution of certain state aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The Town is not subject to a constitutional real property taxing limitation but has a debt contracting limitation equal to seven percent (7%) of average full valuation (See “Constitutional Requirements, Debt Limit,” herein). See “Tax Levy Limitation Law” herein.

The Town determines the assessed valuation for taxable real properties. The ORPTS determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Certain properties are taxable for special district purposes but exempt for Town purposes.

The following table sets forth the Town's debt-contracting limitation.

**Computation of Debt Contracting Limitation - As of July 16, 2017**

For Fiscal Year Ended December 31:	Assessed Valuations	Equalization Rate <sup>(1)</sup>	Full Valuations
2013	\$258,803,364	6.10%	\$4,242,678,098
2014	258,552,497	6.29	4,110,532,544
2015	259,944,733	5.95	4,368,819,042
2016	258,855,052	5.65	4,581,505,345
2017	4,709,841,908	100.00	4,709,841,908
Total Five-Year Full Valuation			<u>\$22,013,376,937</u>
Five-Year Average Full Valuation			<u>4,402,675,387</u>
Debt Contracting Limitations: 7% of Five-Year Average Full Valuation			<u><u>\$ 308,187,277</u></u>

(1) Final rates as reported by the ORPTS.

***Statutory Debt Limit and Net Indebtedness***

**Statement of Debt Limit and Net Indebtedness - As of July 16, 2017**

	<u>Amount</u>	<u>Percentage</u>
Debt Contracting Limitation	<u>\$308,187,277</u>	<u>100.00%</u>
Gross Indebtedness:		
Serial Bonds <sup>(1)</sup>	4,075,000	1.32
Bond Anticipation Notes	<u>2,469,396</u>	<u>0.80</u>
	<u>6,544,396</u>	<u>2.12</u>
Less Exclusions and Deductions:		
Water Indebtedness <sup>(2)</sup>	668,897	0.22
Appropriations for Non-Exempt Principal Debt	<u>104,371</u>	<u>0.03</u>
	<u>773,268</u>	<u>0.25</u>
Net Indebtedness <sup>(1)</sup>	<u>5,771,128</u>	<u>1.87</u>
Debt Contracting Margin	<u><u>\$302,416,149</u></u>	<u><u>98.13%</u></u>

(1) On June 23, 2014 the Town elected to call in and redeem \$1,710,000 in principal amount of bonds originally issued in 2003 with proceeds from the sale of a public safety building. In addition, on May 15, 2017 the Town elected to call in and redeem \$430,000 in principal amount of bonds originally issued in 2007. The effect of the called debt is reflected in the above calculation. The 2018 maturity for the 2003 bonds will remain unredeemed. The 2019, 2021, 2023, 2025 and 2027 maturities for the 2007 bonds will remain unredeemed.

(2) Water debt is paid primarily from water assessments and rents, however, the Town is required by the State Constitution to pledge its faith and credit to pay debt service on the water obligations, if water assessments or rents prove to be insufficient for this purpose.

***Short-Term Indebtedness***

The Town is authorized under Local Finance Law to issue short-term notes for various purposes including temporary financing of capital projects, the anticipation of certain operating revenues and emergency funds for budgetary expenditures. Subject to the provisions of the law, notes generally may be renewed from time to time but must be retired within specific time limits which vary, according to the type of note, generally up to five years in the case of bond anticipation notes.

The following table presents a five-year history of the Town’s short-term indebtedness outstanding at the end of the last five years.

**Short-Term Indebtedness Outstanding December 31:**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bond Anticipation Notes	<u>\$693,983</u>	<u>\$1,009,656</u>	<u>\$1,741,666</u>	<u>\$2,301,062</u>	<u>\$2,469,396</u>

***Bond Anticipation Notes***

**Bond Anticipation Notes - As of July 16, 2017**

<u>Purpose</u>	<u>Authorization Date</u>	<u>Original Issue date</u>	<u>Current Maturity Date</u>	<u>Notes Outstanding</u>
Old Albany Post Road Dead-End	03-12-13	09-26-13	08-18-17	\$ 192,729
Old Albany Post Road	01-14-14	08-22-14	08-18-17	746,667
Old Albany Post Road Improvements	09-09-14	12-05-14	08-18-17	443,333
Tax Reassessment – Phase II	02-25-14	08-20-15	08-18-17	320,000
Spray Park Recirculation Pump	03-24-15	08-20-15	08-18-17	186,667
LED Street Lighting	03-24-15	08-20-15	08-18-17	180,000
Tax Reassessment – Phase III	02-25-14	08-18-16	08-18-17	400,000
Totals				<u>\$2,469,396</u>

The outstanding bond anticipation notes will be renewed from proceeds of the Notes. See “Authority for and Purpose of the Notes”, herein.

***Trend of Capital Debt***

The Town last issued public improvement serial bonds in August 2014 in the amount of \$1,693,947. The Bonds bear a true interest rate of 2.108% and serially mature on September 1st of each year through the year 2026.

On June 23, 2014 the Town elected to call in and redeem \$1,710,000 in principal amount of bonds originally issued in 2003 with proceeds from the sale of a public safety building. The bonds were originally issued for various purposes, including to fund the public safety building. The bond payment that matures on May 15, 2018 will remain unredeemed. In addition, on May 15, 2017 the Town elected to call in and redeem \$430,000 in principal amount of bonds originally issued in 2007. The 2019, 2021, 2023, 2025 and 2027 maturities for the 2007 bonds will remain unredeemed.

***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 and portions of two school districts situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the Town's share of this debt as of the dates indicated; authorized but unissued debt has not been included.

**Statement of Net Direct and Overlapping Indebtedness - As of July 16, 2017**

Gross Direct Indebtedness	\$ 6,544,396
Exclusions and Deductions	<u>(773,268)</u>
Net Direct Indebtedness	<u>\$ 5,771,128</u>

<u>Issuer</u>	<u>Date Of Report</u>	<u>Total Net Indebtedness</u>	<u>Percentage Applicable</u>	<u>Applicable Net Indebtedness</u>
County	10-31-16	\$587,520,537	2.89%	\$ 16,270,373
Villages:				
Ossining	09-02-16	19,020,605	100.00	19,773,047
Briarcliff Manor	11-16-16	25,989,703	43.76	12,601,029
School Districts:				
Ossining	10-05-16	48,695,000	87.80	41,968,400
Briarcliff	12-08-16	21,305,000	70.29	<u>16,904,745</u>
Overlapping Debt				<u><u>\$ 144,704,887</u></u>

Source County, Village, School District officials and the Municipal Securities Rulemaking Board.

***Debt Ratios***

The following table presents certain ratios relative to the Town's capital indebtedness as of July 16, 2017.

**Direct and Overlapping Debt Ratios**

	<u>Amount</u>	<u>Debt Per Capita <sup>(1)</sup></u>	<u>Debt to Estimated Full Value <sup>(2)</sup></u>	<u>Per Capita Debt To Per Capital Income <sup>(3)</sup></u>
Net Direct Debt	\$ 5,771,128	\$ 151	0.13%	0.37%
Net Direct and Overlapping Debt	150,476,015	3,946	3.28	9.69

(1) The population of the Town, according to 2015 interim Census information is 38,136.

(2) Full real property valuation for 2016 is \$4,581,505,345.

(3) The per capita income for Town residents was \$40,732 according to 2015 estimated Census data. See "Economic and Demographic Data" herein.

***Authorized but Unissued Debt***

The Town has approximately \$1.8 million in authorized but unissued debt for (\$1.3 million) sewer district projects and (\$48,000) for passenger vehicles. The Town presently does not anticipate issuing for the passenger vehicles.

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## ***Debt Service Schedule***

The following table sets forth the debt service requirements on the Town's outstanding bonds and the percentage of all bonds to be paid. The table includes the effect of debt defeased by the Town on June 23, 2014 and May 15, 2017.

### **Schedule of Debt Service Requirements**

<u>Years Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Cumulative % Principal Paid</u>
2017 <sup>(1)</sup>	\$ 465,000	\$ 141,056	\$ 606,056	10.54%
2018	585,000	105,994	690,994	23.81
2019	460,000	89,081	549,081	34.24
2020	365,000	76,669	441,669	42.52
2021	330,000	66,969	396,969	50.00
2022	255,000	59,719	314,719	55.78
2023	335,000	52,369	387,369	63.38
2024	260,000	44,838	304,838	69.27
2025	350,000	36,769	386,769	77.21
2026	270,000	28,063	298,063	83.33
2027	195,000	19,231	214,231	87.76
2028	115,000	14,259	129,259	90.36
2029	115,000	10,953	125,953	92.97
2030	115,000	7,575	122,575	95.58
2031	115,000	4,125	119,125	98.19
2032	80,000	1,200	81,200	100.00
<b>Total</b>	<b>\$4,410,000</b>	<b>\$ 758,870</b>	<b>\$5,168,870</b>	

(1) As of July 16, 2017 the Town has paid \$335,000 in principal and \$80,328 in interest on serial bonds for the fiscal year ending December 31, 2017.

## **ECONOMIC AND DEMOGRAPHIC DATA**

The Town is situated in the west central portion of the County, a section of the country which continues to rank among the most affluent areas in the United States. The Town encompasses approximately 12 square miles and is primarily suburban residential in nature – particularly in the unincorporated portion of the Town. Population, according to interim 2015 Census data, is 38,136.

### ***Population***

#### **Population**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
1970	32,397	894,406	18,244,381
1980	30,680	866,599	17,558,072
1990	34,135	874,866	17,990,455
2000	36,534	923,459	18,976,457
2010	37,674	949,113	19,378,102
2015 <sup>(1)</sup>	38,136	967,315	19,673,174

(1) 2015 estimated data.  
Source: U.S. Department of Commerce, Bureau of the Census.

## Income

The following tables provide comparative per-capita income and median family income statistics, respectively, for the Town (including the villages therein), County and State.

### Per Capita Money Income

	<u>2010</u>	<u>2015</u>	<u>% Change</u>
Villages:			
Briarcliff Manor	\$79,359	\$76,256	(3.9) %
Ossining	31,192	28,075	(10.0)
Town (Unincorporated)	43,721	40,732	(6.8)
County	47,814	48,885	2.2
State	30,948	33,236	7.4

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

### Median Income of Families 2015

	<u>Median Income</u>	<u>Income Groups - % of Families</u>				
		<u>Under \$25,000</u>	<u>\$25,000 -49,999</u>	<u>\$50,000 -74,999</u>	<u>\$75,000 -99,999</u>	<u>\$100,000 Or More</u>
Villages:						
Briarcliff Manor	\$183,047	2.9%	3.2%	7.2%	7.3%	79.4%
Ossining	61,603	15.0	23.1	20.1	7.6	34.2
Town	98,070	11.1	16.1	15.9	7.5	49.4
County	108,108	9.7	14.0	12.3	10.4	53.6
State	71,913	16.0	19.1	16.8	13.2	34.9

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey – 5 Year Estimate).

## Employment

The following tables provide certain information about the types of jobs in which employees in the County are engaged, employment information for Town residents (inclusive of comparative information at the County and State level) and unemployment rate information.

### Average Employed Civilian Labor Force 2000 - 2016

	<u>2000</u>	<u>2010</u>	<u>2016</u>	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2016</u>
Town	17,600	18,100	18,600	2.8%	2.8%
County	445,400	443,500	459,000	(0.4)	3.5
State	8,718,700	8,769,700	9,121,300	0.6	4.0

Source: New York State Department of Labor.



**Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2012	7.0%	7.3%	8.5%	8.1%
2013	5.7	6.2	7.7	7.4
2014	4.6	5.1	6.3	6.2
2015	4.0	4.5	5.3	5.3
2016	3.9	4.2	4.8	4.9
2017 <sup>(1)</sup>				
Jan	4.2	4.5	4.9	5.1
Feb	4.5	4.8	5.0	4.9
Mar	3.9	4.1	4.4	4.6
Apr	3.8	4.1	4.2	4.1
May	3.9	4.1	4.3	4.1

(1) Monthly Rates.  
Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

The following table presents a listing of certain major employers located in the County.

**Major Private Sector Employers in the County**

<u>Name of Business</u>	<u>Nature of The Business</u>
* Consolidated Edison	Utility services
Entergy Nuclear Northeast	Energy Provider
* IBM Corporation	Computer products and research services
ITT Corp	Water and fluid management
* MasterCard	Financial services
Pace University	Private university
* Pepsico, Inc.	Soft drinks and snack foods
Regeneron Pharmaceuticals Inc.	Pharmaceuticals
St. John’s Riverside Hospital	Hospital and health care services
Westchester Medical Center	Hospital and health care services
White Plains Hospital	Hospital and health care services

\* Headquarters or major branch operations in Westchester.  
Source: Official Statement of Westchester County, dated April 1, 2016. Compiled by the Westchester Business Journal as of February 2016.

***Education***

Public schools in the Town are under the administration of two independent school districts which levy taxes for their operations. Additionally, Northern Westchester-Putnam BOCES is available to students in the Town. Several private schools also provide primary and secondary education. Higher education facilities include Fordham University in Tarrytown, Mercy College in Dobbs Ferry and Pace University in Pleasantville and White Plains.

***Financial Institutions***

Numerous banking facilities are available to residents of the Town. Many of the State’s major banks have branch offices located in the Town. Citibank, Emigrant Bank,, JPMorgan Chase, Key Bank, N.A., Mahopac National Bank, Manufacturers & Trader Trust, People’s United Bank, TD Bank, N.A., Tompkins, and Wells Fargo Bank N.A. have branches in the Town. According to the Federal Deposit Insurance Corporation, total bank deposits in the Town as of June 30, 2015 were approximately \$4.4 billion.

## ***Transportation***

The Town is served by all major forms of transportation. Highway facilities include U.S. routes 9 and 9A and State routes 133 and 134. The Taconic State Parkway runs just east of the Town and Interstate 287 lies just south of the Town. Rail service is provided by the Metro-North Hudson Railroad that travels north-south through the Town along the Hudson River. The County Department of Transportation provides bus service to residents of the Town. The County Airport, the New York airports (LaGuardia, Kennedy and Newark Airports) and Stewart International Airport in Newburgh are easily accessible to residents of the Town and provide domestic and international air service on a regular basis.

## ***Utilities***

Verizon provides various communication services in the Town. Consolidated Edison Company provides electricity and natural gas service to residents of the Town. The Town has entered into an agreement with the Power Authority of the State of New York (PASNY) for the supply of electricity to its municipal facilities.

Residents in the unincorporated area of the Town purchase water from the Village of Ossining which maintains the water lines. The Town maintains a sewer collection which discharges into several sewage treatment plants operated by the County.

## ***Culture and Recreation***

The Town maintains a system of six parks with a total of 130 acres. A variety of organized and self-directed activities are available at these parks. The Town operates a Senior Services Program providing nutrition, fitness, transportation, and social services to the Town's elderly population. The Village of Ossining operates a community center whose pool and recreation facilities are available to Town residents. Programs are offered throughout the year at the center for pre-school age children, youths and senior citizens. The County operates an extensive system of parks and golf courses which are available to Town residents. In addition, the State operates a large park in the Town at Cortlandt just north of the Town.

## ***Housing Data***

	<b>Housing Stock</b>					
	<b><u>2000 - 2015</u></b>					
	Number of Units			% Change		
	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2000-2010</u>	<u>2010-2015</u>	
Villages:						
Briarcliff Manor	2,501	2,753	2,737	10.1%	(0.6)%	
Ossining	8,515	8,862	8,406	4.1	(5.1)	
Town	12,733	13,386	13,015	5.1	(2.8)	
County	349,445	370,821	370,032	6.1	(0.2)	
State	7,679,307	8,108,103	8,171,725	5.6	0.8	

Source: U.S. Department of Commerce, Bureau of the Census.

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**Median Housing Values and Rents  
2015**

	%	Median Value Owner Occupied Units	Median Rents Renter Occupied Units	Occupancy Status		
				Constructed 2010-2015	Owner Occupied	Renter Occupied
Villages:						
Briarcliff Manor	0.0%	\$666,700	\$1,384	80.0%	16.3%	3.7%
Ossining	0.0	377,800	1,418	43.1	50.0	6.9
Town	0.4	447,200	1,422	56.5	37.5	6.0
County	0.5	506,900	1,364	56.8	35.6	7.6
State	0.6	283,400	1,132	47.7	41.2	11.1

Source: U.S. Department of Commerce, Bureau of the Census.

**Construction Activity**

The following tables provide certain information about construction activity in the Town.

**Major Construction Projects – Town Outside Villages  
2003 - 2016**

Developer's Name	Street Address	Size of Project	# of Units	Square Footage	Stage of Project	Est. Cost of Construction
Mystic Point	Mystic Drive	46 Ac. T & V	34 Condos 134 Town Village	75,000	34 Complete	\$ 3,800,000
Waterview Est.	Waterview Drive Applegate Way Kelly Ct.	52 Ac.	61 Single Family Homes	80,000	58 Complete	5,500,000
Perryco Const	Wyche Way	9 Ac.	10 Single Family Homes	30,000	10 Complete	2,000,000
Antonio Velardo	Gualitiere Lane	3.5 Ac.	5 Single Family Homes	21,000	5 Complete	1,500,000
Luciano Velardo	Roosa Lane	5.73 Ac.	10 Single Family Homes	32,000	9 Complete	2,000,000
Briar Oaks, LLC.	Chappaqua Road	2.0 Ac.	12 Condo Units	15,660	12 Complete	2,000,000
Valhalla Views LLC	Hawkes Ave.	4.48 Ac.	16 Single Family Homes Cluster	48,000	6 Complete	2,880,000
General Electric	Shady Lane Farm Road	25 Ac.	Site Plan Amendment		Phase I & II Complete	34,452,230
Zappico Construction	North State Road	1 Ac.	12 Condo Units	20,000	1 thru 8 complete	2,000,000
OPA Homes, LLC	Old Albany Post Road	.39 Ac.	2 Single Family Homes	3,600	2 New Lots Not Built	600,000
Zappico Construction	Morningside Dr.	28.33 Ac.	24 Single Family Homes Cluster	60,000	Current on Planning Board	3,600,000
Butler Subdivision	Hillcrest Dr.	2.72 Ac.	2 New	5,000	Current on Planning Board	300,000
Artis Senior Living	North State Rd.	1.50 Ac.	Site Plan Amendment	35,500	Current on Planning Board	5,325,000
TOTAL						<u>\$65,957,230</u>

Source: The Town Building Department

**END OF APPENDIX A**

**APPENDIX B**

**UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS**

TOWN OF OSSINING  
GENERAL FUND  
BALANCE SHEET  
AS OF DECEMBER 31:  
UNAUDITED PRESENTATION

	AS OF DECEMBER 31:				
	2012	2013	2014	2015	2016
<b>ASSETS</b>					
Cash	\$ 11,716,905	\$ 14,308,968	\$ 13,650,651	\$ 13,624,933	\$ 15,863,681
Taxes Receivables (Net)	34,729,400	33,424,814	35,932,135	36,809,748	38,180,677
Other Receivables:					
Accounts	162,970	84,953	89,935	81,299	64,175
State and Federal Aid	41,744	16,893	10,347	12,702	31,220
Due From Other Governments	49,894	168,336	63,837	68,053	73,014
Due From Other Funds	0	1,304	10,228	0	0
Prepaid Expenditures	72,540	109,280	86,394	87,528	64,949
Total Assets	\$ 46,773,453	\$ 48,114,548	\$ 49,843,527	\$ 50,684,263	\$ 54,277,716
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 128,703	\$ 103,213	\$ 139,749	\$ 94,622	\$ 95,367
Accrued Liabilities	124,139	131,516	180,667	173,962	235,604
Due To School Districts	44,132,333	45,190,007	46,518,401	47,451,729	48,456,610
Due To Other Funds	3,765	13,873	5,486	188	0
Unearned Revenues	37,400	0	0	0	0
Total Liabilities	44,426,340	45,438,609	46,844,303	47,720,501	48,787,581
Deferred Inflows of Resources:					
Deferred Tax Revenues	1,096,502	707,095	846,415	612,263	487,149
Total Liabilities And Deferred Inflows of Resources	45,522,842	46,145,704	47,690,718	48,332,764	49,274,730
Fund Balance:					
Nonspendable	72,540	109,280	86,394	87,528	64,949
Restricted	144	0	32,701	0	0
Assigned	114,000	5,500	153,341	56,117	76,312
Unassigned	1,063,927	1,854,064	1,880,373	2,207,854	2,861,725
Total Fund Balance	1,250,611	1,968,844	2,152,809	2,351,499	3,002,986
<b>Total Liabilities Deferred Inflows of Resources And Fund Balance</b>	<b>\$ 46,773,453</b>	<b>\$ 48,114,548</b>	<b>\$ 49,843,527</b>	<b>\$ 50,684,263</b>	<b>\$ 52,277,716</b>

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TOWN OF OSSINING  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31:  
UNAUDITED PRESENTATION

	YEARS ENDING DECEMBER 31:				
	2012	2013	2014	2015	2016
<b>REVENUES:</b>					
Real Property Taxes	\$ 2,652,602	\$ 3,394,925	\$ 3,072,903	\$ 3,469,254	\$ 3,480,984
Other Tax Items	653,172	503,833	642,362	591,125	707,894
Departmental Income	42,074	39,953	52,941	41,031	51,822
Intergovernmental Charges	419,530	420,387	338,521	343,111	326,073
Licenses and permits	3,071	3,438	4,184	4,720	4,275
Use Of Money and Property	55,671	43,284	49,323	48,779	47,263
Fines and Forfeitures	245,457	226,274	200,891	141,319	73,238
Sale Of Property and Compensation For Loss	33,116	67,474	9,416	10,132	37,401
State Aid	728,776	849,644	731,071	689,708	800,822
Federal Aid	76,474	140,895	95,120	88,994	74,585
Miscellaneous	106,148	90,029	62,951	60,704	113,254
<b>Total Revenues</b>	<b><u>5,016,091</u></b>	<b><u>5,780,136</u></b>	<b><u>5,259,683</u></b>	<b><u>5,488,877</u></b>	<b><u>5,717,611</u></b>
<b>EXPENDITURES:</b>					
Current:					
General Government Support	2,373,930	2,230,325	2,332,687	2,400,654	2,298,207
Economic Assistance And Opportunity	556,860	533,534	543,571	625,684	555,649
Culture And Recreation	912,470	985,781	1,008,418	616,668	575,570
Home And Community Services	6,729	0	0	0	0
Employee Benefits	1,071,210	1,201,989	1,158,585	1,212,894	1,137,422
Debt Service	220,622	0	0	0	4,188
<b>Total Expenditures</b>	<b><u>5,141,821</u></b>	<b><u>4,951,629</u></b>	<b><u>5,043,261</u></b>	<b><u>4,855,900</u></b>	<b><u>4,571,036</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(125,730)</u>	<u>828,507</u>	<u>216,422</u>	<u>632,977</u>	<u>1,146,575</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bonds Issued	195,864	0	72,682	0	0
Transfers - In	52,691	115,454	38,916	35,697	0
Transfers - Out	<u>(134,015)</u>	<u>(225,728)</u>	<u>(144,055)</u>	<u>(469,984)</u>	<u>(495,088)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>114,540</u></b>	<b><u>(110,274)</u></b>	<b><u>(32,457)</u></b>	<b><u>(434,287)</u></b>	<b><u>(495,088)</u></b>
<b>Net Change in Fund Balance</b>	<b><u>(11,190)</u></b>	<b><u>718,233</u></b>	<b><u>183,965</u></b>	<b><u>198,690</u></b>	<b><u>651,487</u></b>
Fund Balance - Beginning of Year	<u>1,261,801</u>	<u>1,250,611</u>	<u>1,968,844</u>	<u>2,152,809</u>	<u>2,351,499</u>
<b>Fund Balance - End of Year</b>	<b><u>\$ 1,250,611</u></b>	<b><u>\$ 1,968,844</u></b>	<b><u>\$ 2,152,809</u></b>	<b><u>\$ 2,351,499</u></b>	<b><u>\$ 3,002,986</u></b>

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TOWN OF OSSINING  
SPECIAL REVENUE FUND\*  
BALANCE SHEET  
AS OF DECEMBER 31:  
UNAUDITED PRESENTATION

	AS OF DECEMBER 31:				
	2012	2013	2014	2015	2016
<b>ASSETS</b>					
Cash	\$ 4,313,227	\$ 4,337,083	\$ 4,645,302	\$ 3,922,869	\$ 4,324,707
Receivables:					
Accounts	24,628	57,528	58,969	66,104	68,534
Due From Other Governments	207,294	208,556	206,320	213,016	243,522
Due From Other Funds	0	3,463	0	2,500	0
Prepaid Expenditures	38,205	48,547	48,292	43,684	36,308
 Total Assets	 \$ 4,583,354	 \$ 4,655,177	 \$ 4,958,883	 \$ 4,248,173	 \$ 4,673,071
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 1,277,075	\$ 1,231,705	\$ 1,123,069	\$ 177,259	\$ 232,639
Accrued Liabilities	29,287	34,800	45,807	8,371	5,288
Due To Other Funds	348,781	152,115	130,464	323,388	7,643
Unearned Revenues	100	0	14,173	0	27,045
 Total Liabilities	 1,655,243	 1,418,620	 1,313,513	 509,018	 272,615
 Fund Balances:					
Nonspendable	38,205	48,547	48,292	43,684	36,308
Restricted	114,374	0	62,804	88,500	72,813
Assigned	2,775,532	3,188,010	3,534,274	3,606,971	4,291,335
 Total Fund Balances	 2,928,111	 3,236,557	 3,645,370	 3,739,155	 4,400,456
 <b>Total Liabilities and Fund Balanc</b>	 \$ 4,583,354	 \$ 4,655,177	 \$ 4,958,883	 \$ 4,248,173	 \$ 4,673,071

\* Statement includes the following funds: Town Outside Villages, Highway and Special Districts Fund which includes the following districts: Ambulance, Fire Protection, Lighting, Sewer, Water and Refuse and Garbage.

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TOWN OF OSSINING  
SPECIAL REVENUE FUNDS\*  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31:  
UNAUDITED PRESENTATION

	YEARS ENDING DECEMBER 31:				
	2012	2013	2014	2015	2016
<b>REVENUES:</b>					
Real Property Taxes	\$ 6,944,436	\$ 7,067,393	\$ 7,168,574	\$ 7,290,176	\$ 7,355,199
Other Tax Items	0	121,896	132,462	204,148	164,364
Non-Property Taxes	713,844	760,451	787,162	779,607	789,350
Departmental Income	417,910	282,052	294,561	244,435	231,510
Intergovernmental Charges	165,128	234,680	232,530	253,432	259,165
Use Of Money And Property	45,331	10,234	9,865	7,950	12,557
Licenses and Permits	25	22,600	1,400	700	0
Sale Of Property And Compensation For Loss	17,576	5,402	782	19,348	6,835
State Aid	6,380	0	973	18,957	0
Federal Aid	0	159,006	13,078	0	0
Miscellaneous	63,599	13,923	36,635	24,800	30,092
<b>Total Revenues</b>	<b>8,374,229</b>	<b>8,677,637</b>	<b>8,678,022</b>	<b>8,843,553</b>	<b>8,849,072</b>
<b>EXPENDITURES:</b>					
Current:					
General Government Support	459,133	487,733	544,578	453,009	630,032
Public Safety	3,241,925	3,232,750	3,161,042	2,775,746	2,521,564
Health	681,548	799,190	806,742	837,178	852,595
Transportation	1,224,157	1,324,935	1,445,053	1,422,655	1,303,731
Culture and Recreation	0	0	0	342,415	342,758
Home And Community Services	892,640	790,465	776,519	891,083	783,884
Employee Benefits	844,416	822,342	817,557	797,474	880,449
Debt Service	825,629	5,341	7,270	15,570	11,874
<b>Total Expenditures</b>	<b>8,169,448</b>	<b>7,462,756</b>	<b>7,558,761</b>	<b>7,535,130</b>	<b>7,326,887</b>
Excess of Revenues Over Expenditures	204,781	1,214,881	1,119,261	1,308,423	1,522,185
<b>OTHER FINANCING SOURCES (USES):</b>					
Bond anticipation notes issued	0	0	68,078	0	0
Bonds Issued	724,136	0	247,318	0	0
Transfers - In	13,227	120,644	25,746	208,266	81,062
Transfers - Out	(710,383)	(1,027,079)	(1,051,590)	(1,422,904)	(941,946)
<b>Total Other Financing Sources (Uses)</b>	<b>26,980</b>	<b>(906,435)</b>	<b>(710,448)</b>	<b>(1,214,638)</b>	<b>(860,884)</b>
<b>Net Change in Fund Balance</b>	<b>231,761</b>	<b>308,446</b>	<b>408,813</b>	<b>93,785</b>	<b>661,301</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,696,350</b>	<b>2,928,111</b>	<b>3,236,557</b>	<b>3,645,370</b>	<b>3,739,155</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,928,111</b>	<b>\$ 3,236,557</b>	<b>\$ 3,645,370</b>	<b>\$ 3,739,155</b>	<b>\$ 4,400,456</b>

\* Statement includes the following funds: Town Outside Villages, Highway and Special Districts Fund which includes the following districts: Ambulance, Fire Protection, Lighting, Sewer, Water and Refuse and Garbage.

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TOWN OF OSSINING  
2017 BUDGET

	General Fund	Town Outside Village Fund	Highway Fund	Cemetery Fund	Water District	Consolidated Sewer District (1)	Lighting Districts	Fire Protection District	Refuse And Garbage District	Ambulance District	Combined Totals
<b>ESTIMATED REVENUES:</b>											
Real Property Taxes	\$ 3,499,887	\$ 2,627,056	\$ 2,321,418	\$ 0	\$ 55,562	\$ 319,497	\$ 84,986	\$ 683,708	\$ 567,220	\$ 633,338	\$ 10,792,672
Real Property Tax Items	497,156	3,705	3,023	0	0	0	0	0	0	0	503,884
Non-Property Tax Items	0	120,000	0	0	0	0	0	0	0	0	120,000
Departmental Income	38,000	87,250	0	146,300	0	102,232	0	0	0	0	373,782
Intergovernmental Services	345,579	1,000	1,000	0	0	65,000	0	0	0	0	412,579
Use Of Money And Property Sale of Property and Compensation for Loss	40,600	5,000	1,000	200	20	1,000	25	25	350	150	48,370
Licenses And Permits	0	0	1,000	0	0	0	0	0	0	0	1,000
Fines And Forfeitures	3,000	0	5,000	0	0	0	0	0	0	0	8,000
Federal Aid	200,000	0	0	0	0	0	0	0	0	0	200,000
State Aid	80,000	0	0	0	0	0	0	0	0	0	80,000
Miscellaneous	605,488	778,512	0	0	0	0	0	0	0	0	1,384,000
	63,000	0	0	0	0	0	0	0	0	0	63,000
<b>Total Estimated Revenues</b>	<b>5,372,710</b>	<b>3,622,523</b>	<b>2,332,441</b>	<b>146,500</b>	<b>55,582</b>	<b>487,729</b>	<b>85,011</b>	<b>683,733</b>	<b>567,570</b>	<b>633,488</b>	<b>13,987,287</b>
<b>APPROPRIATIONS:</b>											
Current:											
General Government Support	0	356,133	159,102	15,182	1,763	23,763	2,636	30,855	23,195	31,941	644,570
Public Safety	2,420,781	2,032,358	0	0	0	0	0	645,951	0	0	5,099,090
Health	0	0	0	0	0	0	0	0	0	599,186	599,186
Transportation	0	0	1,533,465	0	0	0	57,592	0	0	0	1,591,057
Economic Assistance And Opportunity	611,068	0	0	0	0	0	0	0	0	0	611,068
Culture And Recreation	617,787	345,518	0	0	0	0	0	0	0	0	963,305
Home And Community Services	0	48,250	0	208,309	0	278,288	0	0	537,527	0	1,072,374
Employee Benefits	1,273,661	425,804	692,860	56,166	0	14,953	0	0	0	0	2,463,444
Debt Service	183,949	2,500	149,948	0	5,911	0	24,012	0	0	0	366,320
<b>Total Appropriations</b>	<b>5,107,246</b>	<b>3,210,563</b>	<b>2,535,375</b>	<b>279,657</b>	<b>7,674</b>	<b>317,004</b>	<b>84,240</b>	<b>676,806</b>	<b>560,722</b>	<b>631,127</b>	<b>13,410,414</b>
Excess (Deficiency) Of Estimated Revenues Over Appropriations	265,464	411,960	(202,934)	(133,157)	47,908	170,725	771	6,927	6,848	2,361	576,873
<b>OTHER FINANCING SOURCES (USES):</b>											
Transfers - In	0	504,000	275,000	100,000	0	0	0	0	0	0	879,000
Transfers - Out (2)	(340,464)	(915,960)	(72,066)	0	(47,908)	(170,725)	(771)	(6,927)	(6,848)	(2,361)	(1,564,030)
<b>Total Other Financing Sources (Uses)</b>	<b>(340,464)</b>	<b>(411,960)</b>	<b>202,934</b>	<b>100,000</b>	<b>(47,908)</b>	<b>(170,725)</b>	<b>(771)</b>	<b>(6,927)</b>	<b>(6,848)</b>	<b>(2,361)</b>	<b>(685,030)</b>
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Over Appropriations and Other Financing Uses	(75,000)	0	0	(33,157)	0	0	0	0	0	0	(108,157)
<b>APPROPRIATED FUND BALANC</b>	<b>\$ 75,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,157</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 108,157</b>

(1) Includes North State Road Sewer Fund.  
(2) Includes transfers to Debt Service Fund.

**APPENDIX C**

**LINK TO  
INDEPENDENT AUDITORS' REPORT  
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:**

**<https://emma.msrb.org/ER1067127-ER835870-ER1236760.pdf>**

**The audited financial statements referenced above are hereby incorporated into the  
attached Official Statement.**

**\* 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 OPINION**

FORM OF BOND COUNSEL'S OPINION

August 17, 2017

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

Re: Town of Ossining, Westchester County, New York  
\$2,675,005 Bond Anticipation Notes, 2017 Series A

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a \$2,675,005 Bond Anticipation Notes, 2017 Series A (the "Obligations"), of the Town of Ossining, Westchester County, New York (the "Obligor"), dated August 17, 2017, numbered \_\_\_\_\_, of the denomination of \$[\_\_\_\_\_], bearing interest at the rate of [\_\_\_\_\_] % per annum, payable at maturity, and maturing August 17, 2018.

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 Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) 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, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. 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 we observe that such interest 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