

PRELIMINARY OFFICIAL STATEMENT DATED JULY 9, 2018

SERIAL BONDS

Ratings: See "Ratings" herein

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals and, for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations; interest on the Bonds is, however, included in "adjusted current earnings" for purposes of calculating the Federal alternative minimum tax imposed on certain corporations with respect to tax years beginning prior to January 1, 2018. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the. See "TAX MATTERS" herein.

The Bonds will not be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

TOWN OF WEST SENECA ERIE COUNTY, NEW YORK

\$31,997,045
VARIOUS PURPOSE SERIAL BONDS, 2018
(the "Bonds")

Dated Date: July 25, 2018

Maturity Dates: July 15, 2019-2045
(as shown on the inside cover)

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

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for on necessary odd denomination maturing in 2019. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds. See "The BONDS - Book-Entry-Only System" herein.

The Bonds will be dated their date of delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, with interest payable on July 15, 2019 and semi-annually thereafter on each January 15 and July 15 until maturity. The Bonds will mature on July 15, as shown on the inside cover page hereof. Certain of the Bonds will be subject redemption to prior to maturity (see "The BONDS - Optional Redemption" herein).

The Bonds are offered when, as and if issued by the Town subject to the receipt of the respective final approving opinion of Harris Beach PLLC, Buffalo, New York, Bond Counsel, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Town in connection with the issuance of the Bonds. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about the Date of Issue, which is expected to be July 25, 2018.

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

Dated: July 9, 2018

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

The Bonds will mature on July 15 in each year as set forth below. Interest on the Bonds will be payable on July 15, 2019 and semi-annually thereafter on January 15 and July 15 in each year until maturity. Certain maturities of the Bonds will be subject to optional redemption prior to maturity, see “*Optional Redemption for the Bonds*” herein.

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2019	\$1,207,045				2033***	\$1,210,000			
2020	1,160,000				2034***	1,255,000			
2021	1,175,000				2035***	1,295,000			
2022	1,170,000				2036***	1,340,000			
2023	1,190,000				2037***	1,380,000			
2024	1,165,000				2038***	1,425,000			
2025	1,195,000				2039***	1,470,000			
2026	1,220,000				2040***	1,530,000			
2027***	1,250,000				2041***	1,575,000			
2028***	1,290,000				2042***	1,430,000			
2029***	1,330,000				2043***	\$790,000			
2030***	1,095,000				2044***	\$440,000			
2031***	1,150,000				2045***	90,000			
2032***	1,170,000								

* The principal maturities of the Bonds are subject to adjustment following their sale to achieve level debt compliance, pursuant to the terms of the accompanying Notice of Bond Sale.

* CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or uses of these CUSIP numbers and no representation is made to their correctness on the Bonds or as indicated above.

***Certain principal maturities of the Bonds are subject to optional redemption prior to maturity, see “*Optional Redemption for the Bonds*” herein.

**TOWN OF WEST SENECA
ERIE COUNTY, NEW YORK**

**Sheila M. Meegan
Supervisor**

TOWN BOARD

William P. Hanley, Jr. Council Member
Eugene P. Hart Council Member

Jacqueline A. Felser Town Clerk
John Fenz, Esq.Attorney for the Town
Megan Wnek Director of Finance

AUDITORS

**R.A. MERCER & CO., P.C.
Cheektowaga, New York**

BOND COUNSEL

**Harris Beach PLLC
Buffalo, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(716) 662-3910**

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

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**TOWN OF WEST SENECA
ERIE COUNTY, NEW YORK**

relating to

\$31,997,045

VARIOUS PURPOSE SERIAL BONDS, 2018

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of West Seneca, in the County of Erie, in the State of New York (the "Town", "County" and "State," respectively) in connection with the sale of \$31,997,045 Various Purpose Serial Bonds, 2018 (the "Bonds").

The factors affecting the Town's financial condition and the Bonds are described throughout this Official Statement and many of these factors, including economic and demographic factors, are complex and may influence the Town's tax base, revenues, and expenditures. This Official Statement should be read in its entirety.

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

THE BONDS

Description

The Bonds will be dated the date of delivery, which is expected to be July 25, 2018 and will bear interest from such date at the annual rate or rates as specified by the purchaser, payable on July 15, 2019 and semi-annually hereafter on January 15 and July 15 in each year until maturity. The Bonds will mature in each of the years and will bear interest at the rates as shown on the inside cover page hereof.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except one necessary odd denomination maturing in 2019. Purchasers will not receive certificates representing their interest in the Bonds. Principal and interest will be paid by the Town to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein under "*THE BONDS – Book-Entry-Only System.*"

Certain maturities of the Bonds will be subject to redemption prior to maturity, see "*Optional Redemption*" herein.

The record date for the Bonds will be the close of business on the last business day of the month preceding each interest payment date.

The Town will act as Paying Agent for the Bonds. Paying Agent fees, if any, will be paid by the successful purchaser. The Town contact information is as follows: Sheila M. Meegan, Supervisor and Paying Agent, 2001 Union Road, West Seneca, New York, 14224, 716-997-7200, Email: smeegan@twsny.org.

Authorization for the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board as described below.

Purpose of the Bonds

The proceeds received from the sale of the Bonds, together with \$829,125 current funds, will be applied to redeem the Town's \$30,626,170 bond anticipation notes maturing on July 26, 2018 and provide \$2,200,000 of new money to finance capital improvements of the Town pursuant to the bond resolutions adopted by the Town Board as detailed below:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Original Issue Date</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>The Bonds</u>
Sanitary and Sewer Facilities for Sewer Districts 1a	4/30/2012	4,600,000	8/2/2012	\$ 120,000	-	\$ 4,480,000
Sanitary and Sewer Facilities for Sewer Districts 1b	4/30/2012	6,520,000	8/2/2012	160,000	-	6,360,000
Sanitary and Sewer Facilities for Sewer Districts 1c	4/30/2012	6,465,000	8/2/2012	150,000	-	6,315,000
Stephenson Ave., N America Dr./Commerce Pkwy	4/7/2014	2,675,000	7/30/2014	185,000	-	2,490,000
2015 Water Improvements	5/11/2015	1,740,000	7/29/2015	40,000	-	1,700,000
Waterway and Drainage Improvements to Cazenovia Creek	3/14/2016	114,125	7/27/2016	24,125	-	90,000
Acquisition of Vehicles for the Town Motor Pool	2/8/2016	80,000	7/27/2016	40,000	-	40,000
Library and Community Center Expansion 2016a	5/23/2016	1,500,000	7/27/2016	50,000	-	1,450,000
Library and Community Center Expansion 2016b	5/23/2016	1,900,000	7/27/2016	60,000	-	1,840,000
Library and Community Center Expansion 2016c	5/23/2016	5,032,045	7/27/2016	-	-	5,032,045
Library Expansion - 2018	3/12/2018	-	7/24/2018	-	1,900,000	1,900,000
Accounting Software	06/26/17	=	7/24/2018	=	300,000	300,000
		<u>\$30,626,170</u>		<u>\$829,125</u>	<u>\$2,200,000</u>	<u>\$31,997,045</u>

Nature of the Obligations

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by the Tax Levy Limitation Law. (See "REAL PROPERTY TAXES - Tax Levy Limitation Law" herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The State Constitution requires the Town to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the Town to provide in each year by appropriation for the payment of all installments of principal of the Bonds which will become due and payable in such year.

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

Optional Redemption

The Bonds maturing in the years 2019 to 2026, inclusive, are not subject to redemption prior to maturity.

The Bonds maturing on or after July 15, 2027 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after July 15, 2026, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Selection of Bonds to be Redeemed

So long as DTC or a successor securities depository is the sole registered owner of the Bonds, the Town will cause notice of redemption to be given only to DTC as registered owner. The selection of the book-entry interests within each Bond maturity to be redeemed will be done in accordance with DTC procedures. See “*THE BONDS – Book-Entry-Only System*” herein regarding DTC’s practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

If the Bonds are not registered in book-entry form, any redemption of less than all of a maturity of the Bonds shall be allocated (in the amounts of \$5,000 or any whole multiple) among the registered owners of such maturity of the Bonds then outstanding as nearly as practicable in proportion to the principal amounts of such maturity of the Bonds owned by each registered owner. This will be calculated based on the following formula:

$$\frac{(\text{principal to be redeemed}) \times (\text{principal amount owned by owner})}{(\text{principal amount outstanding})}$$

Notice of Redemption

Notice of redemption shall be given by mailing such notice to the registered holders of Bonds to be redeemed at their respective addresses as shown upon the registration books of the Town as Paying Agent at least 30 days prior to the date set for any such redemption. If notice of redemption shall have been given as aforesaid, the Bonds so called for redemption shall become due and payable at the applicable redemption price on the redemption date designated in such notice, and interest on such Bonds shall cease to accrue from and after such redemption date.

Book-Entry-Only System

The Depository Trust Company (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the

Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, 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 City, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest payments and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity, except for one necessary odd denomination maturing in 2019. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the state of New York to be named by the Town. Interest on the Bonds will remain payable on July 15, 2019 and semiannually thereafter on January 15 and July 15 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Bonds of the same if any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate executed by the Town Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of the Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

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

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

The Town is dependent in part on financial assistance from the State in the form of State aid. In some recent years, including the current fiscal year, the Town's receipt of State aid was delayed as a result of the State's delay in adopting its budget and appropriating State aid to municipalities and school districts. If the State should experience difficulty in borrowing funds in anticipation of the receipt of the State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in this year or future years, the Town may be affected by a delay until sufficient State taxes have been received by the State to make State aid payments to the Town.

Should the Town fail to receive monies expected from the State in the amounts expected on a timely basis, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In addition, the Town may borrow to finance revenue shortfalls arising from, among other things, mid-year reductions in State aid.

TAX MATTERS

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming continuing compliance by the Town with certain covenants, and the accuracy of certain representations, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds in order that interest on the Bonds will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Bonds. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Bonds, the Town will covenant to comply with certain procedures and it has made certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Bonds, as applicable. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates

Bond Counsel is of the further opinion that interest on the Bonds is not an “item of tax preference” for purposes of federal alternative minimum tax on individuals, and for tax years beginning prior to January 1, 2018, the federal alternative minimum tax imposed on corporations. Interest on the Bonds is, however, included in “adjusted current earnings” for purposes of calculating the federal alternative minimum tax imposed on certain corporations, with respect to tax years beginning prior to January 1, 2018. Corporate purchasers of the Bonds should consult with their tax advisors concerning the computation of any alternative minimum tax.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Bonds will NOT be designated as “qualified tax exempt obligations” within the meaning of, and pursuant of Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, (including The City of New York).

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 respective dates of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to federal, State or local income taxation, or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service examination of the Bonds or of obligations which present similar tax issues, will not affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinions of Harris Beach PLLC, Buffalo, New York. Such legal opinions will state that in the opinion of Bond Counsel (i) the Bonds 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 Town, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to the statutory limits of Chapter 97 of the Laws of 2011 of the State of New York (See "*REAL PROPERTY TAXES - Tax Levy Limitation Law*" herein); provided, however, that the enforceability (but not the validity) of such Bonds may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights.

Such legal opinions will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein 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 Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Bonds as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of such Bonds, 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.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the Town will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (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 Bonds, 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 or to the functions of such Board contemplated by the Undertaking:

- (1) On or prior to the 270th day following the end of each fiscal year, commencing with the fiscal year ending December 31, 2018 (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "LITIGATION" and in Appendix A under the headings: "THE TOWN", "FINANCIAL FACTORS", "TAX INFORMATION", "TOWN INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA"; and in Appendix B, and (ii) the audited financial statement (prepared in accordance with generally accepted accounting principles in effect at the time of audit), if any, of the Town for each fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than 360 days after the end of each fiscal year;
- (2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

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

With respect to the Undertaking, the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

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

- (3) in a timely manner not in excess of ten (10) business days, notice of a failure to provide the annual financial information by the date specified.

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premium, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

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

Prior Disclosure History

The Town filed late certain annual financial information and operating data for the fiscal years ending December 31, 2011, and 2013 on July 31, 2012, and August 13, 2014, respectively. For the Town's fiscal years ending December 31, 2010 and 2013, the Town filed late its audited financial statements on October 19, 2011 and November 3, 2014. The late filing notification was filed on EMMA on July 13, 2015.

Additionally, certain municipal bond insurance companies have had a variety of ratings changes over the past five years. The Town filed event notices for these changes on EMMA on July 8, 2014.

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

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "A1" to the Bonds and to the uninsured outstanding bonded indebtedness of the Town including the Bonds.

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

MUNICIPAL ADVISOR

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

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

ADDITIONAL INFORMATION

Additional information may be obtained from the Town's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910. The Paying Agent contact for the Town is Sheila M. Meegan, Supervisor and Paying Agent, 2001 Union Road, West Seneca, New York, 14224, 716-997-7200, Email: smeegan@twyny.org. The Town Contact is also the paying agent for the Bonds.

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

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain

that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Harris Beach PLLC expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer or sale of the Bonds, including this Official Statement. This Official Statement has been prepared only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or in part for any other purpose.

**TOWN OF WEST SENECA
ERIE COUNTY, NEW YORK**

By: /s/ _____
Sheila M. Meegan
Town Supervisor

DATED: July 9, 2018

APPENDIX A

THE TOWN

General Information

The Town, incorporated in 1851, consists of approximately 21 square miles located on the South side of the City of Buffalo. The Town is situated in the center of the Western New York region with convenient access to the Niagara Falls, Ontario area, which serves as a gate-way to several Canadian communities including St. Catherines, Hamilton and Toronto. The Town is suburban-residential in nature, with some light manufacturing and commercial development; residents find employment within the Town as well as in the City of Buffalo and in the surrounding area. The population is 44,711 according to the 2010 U.S. Census.

The Town encompasses a wide assortment of parks, playgrounds, an ice rink, recreation center, swimming pools, a public library and a senior citizen center. There are several organized sports leagues, a youth theater program and the Charles E. Burchfield Nature and Art Center. The Town is the location of the \$7.2 million state of the art Southtowns Family YMCA, which opened in 2003.

Transportation to and from the Town is provided by the New York State Thruway, the Aurora Expressway (U.S. 400) and U.S. Route 20. Bus service is provided by the Niagara Frontier Transportation Authority (Metro) on a regular, commuter basis. Air transportation is available at the Buffalo Niagara International Airport. Rail transportation is provided by Conrail and Amtrak

Police protection is provided by the Town, Erie County Sheriff's Department and the New York State Police. The Town has six independent volunteer fire districts.

The following banks have one or more offices within the Town: Bank of America, KeyBank, Citizens Bank, Northwest Savings Bank, Evans National Bank and M&T Bank.

The Government

There are three independently governed school districts, West Seneca Central, Orchard Park Central and Cheektowaga-Sloan UFSD, located in whole or in part within the Town, which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as a basis for taxation of property located within the Town.

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

The legislative power of the Town is vested in the Town Board, which consists of three members, including the Supervisor, who is the chief fiscal officer of the Town, elected for a term of four years. The two other members of the Town board are elected to four-year terms, which terms are staggered such that one or two councilmember's are elected every two years. In 2015 (for terms beginning in 2016), one councilmember will be elected to a four-year term and the other elected to a two year term. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

Town Services

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

The Erie County Water Authority supplies water for the Town and is responsible for the maintenance of the necessary facilities. The Authority charges the cost for the water service, including maintenance costs,

against the property or property owners served. The Town has a number of special assessment water districts that are responsible for the financing and construction of the water transmission lines within their respective boundaries.

Employees

The Town employs approximately 209 full time and 114 part time employees, many of whom are represented by the bargaining units listed below. Town employees are represented by several labor organizations, which include:

<u>Bargaining Unit</u>	<u># of Members</u>	<u>Contract Expiration</u>
Civil Service Employees Association, Inc. Blue Collar Unit	100	12/31/20
Civil Service Employees Association, Inc. White Collar Unit	34	12/31/21
West Seneca Police Benevolent Association, Inc.	65	12/31/20

Source: Town Officials

Employee Pension 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"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. 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 Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each 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 Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of their gross annual salary toward the costs of retirement programs. The 3% contribution is waived when the employee completes ten (10) years of service.

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

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

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 ("Chapter 49"). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The Town has elected to make such payments in December of each year.

The following schedule reflects the Town's contribution to ERS and PFRS for the last three audited fiscal years and the budgeted contributions for the prior and current fiscal years:

Fiscal Year	ERS	PFRS
<u>Ending December 31:</u>	<u>Contribution</u>	<u>Contribution</u>
2018 <i>Budgeted</i>	\$1,480,000	\$1,675,000
2017	1,327,298	1,585,804
2016	1,426,037	1,572,569
2015	1,666,916	1,482,515

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State's Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and schools districts to amortize a portion of their required ERS pension contribution payments with the State Retirement System. The new legislation also requires that those local governments and school districts choosing to amortize their ERS pension contribution payments with the State Retirement System to reserve funds for future payment increases that are a result of fluctuations in pension plan performance.

On September 4, 2015 State Comptroller Thomas DiNapoli announced that employer contribution rates for the ERS will decline slightly in Fiscal Year 2016-17. The average contribution rate for the ERS will decrease from 18.2% percent to 15.5%. The average contribution rate for PFRS will decrease from 24.7% to 24.3%.

As part of the 2013-14 State budget a pension smoothing option was introduced that would let municipalities amortize over seven years some of the upcoming pension cost spikes precipitated by the 2008 financial crash and high pension costs in general for teachers across the state. The plan, which was approved in Governor Cuomo's 2013-14 budget would let municipalities next year contribute 14.13% of employee costs toward pensions. The Town has not opted into the pension smoothing plan.

Other Post-Employment Benefits

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

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

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

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

Although GASB 45 encouraged earlier adoption, implementation was required by the Town for the fiscal year commencing January 1, 2008. The Town was in compliance with the requirements of GASB 45. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Year ended <u>12/31/2016</u>	Year ended <u>12/31/2017</u>
Annual Required Contribution (ARC)	\$7,404,522	\$7,843,178
Interest on net OPEB Obligation	1,000,393	1,239,605
Adjustment to annual ARC	<u>(801,753)</u>	<u>(993,467)</u>
Annual OPEB costs (expense)	7,603,162	8,089,316
Net OPEB contributions made during the fiscal year	<u>(2,818,925)</u>	<u>(2,853,810)</u>
Net OPEB obligation for the current fiscal year	4,784,237	5,235,506
Net OPEB obligation at beginning of year	<u>20,007,866</u>	<u>24,792,103</u>
Net OPEB obligation of end of year	<u>\$24,792,103</u>	<u>\$30,027,609</u>

The plan was unfunded as of December 31, 2017, and the actuarial accrued liability for benefits for governmental activities was \$109,870,145.

Funded Status and Funding Progress

As of the December 31, 2017 actuarial valuation date, the following represents the schedule of funding progress:

<u>Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability ("AAL")</u>	<u>Unfunded AAL ("UAAL")</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Ratio of UAAL to Budget Covered Payroll</u>
2017	12/31/17	109,870,145	109,870,145	0%	17,425,846	630.50%
2016	12/31/16	117,419,145	117,419,145	0%	16,738,030	701.51%
2015	12/31/15	\$98,864,465	98,864,465	0%	16,826,168	587.56%

The following table provides the schedule of the Town’s contributions:

<u>FYE 12/31</u>	<u>Annual Required Contribution</u>	<u>Contributions Made</u>	<u>% of Annual OPEB Contributed</u>
2017	7,843,178	2,853,810	36.4%
2016	7,404,522	2,818,925	38.1%
2015	5,919,849	2,071,294	34.0%

FINANCIAL FACTORS

Independent Audit

The annual financial statements of the Town are audited by R.A. Mercer & Co., P.C., independent certified public accountants. The Town is also subject to periodic audit by the State Comptroller's Office. Appendix B to this Official Statement presents a summary of the financial operating results of the General and Special Revenue Funds for each of the last five fiscal years ended, and budget summaries for the current and ensuing fiscal years.

Fund Structure and Accounts

The accounting practices of the Town conform to those prescribed by generally accepted accounting principles and by the New York State Department of Audit and Control "Uniform System of Accounts for Towns".

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

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

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

Revenues

The Town derives a major portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes and other property tax items accounted for 50.1% of total general fund revenues for the fiscal year ended December 31, 2017, while sales taxes accounted for 27.1% and State aid accounted for 5.8%.

Real Property Tax. The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the budgeted amounts for the 2018 fiscal years.

TABLE 1
Property Taxes
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2013	\$24,431,752	\$12,463,991	51.0%
2014	24,211,149	12,382,505	51.1%
2015	25,280,742	12,823,193	50.7%
2016	24,405,537	12,507,951	51.2%
2017	25,755,839	12,908,334	50.1%
2018 Budget	25,858,479	13,613,461	52.6%

Source: Town's audited financial statements, and 2018 Budget.

Sales Tax. Section 1210 of the New York Tax Law authorizes the County to levy a sales and compensatory use tax of up to 3% in addition to the 4% tax levied by the State. The County levies the

maximum 3% tax permitted. Pursuant to State enabling legislation, the County imposes an additional sales and compensating use tax of 1.75%. Of this total, 1% has been imposed since March 1, 1985 while 0.25% became effective July 1, 2005 and 0.50% became effective January 15, 2006. Such sales tax collections in New York are administered by the State Tax Commissioner and the proceeds are paid to the County quarterly.

The following table sets forth general fund revenues on sales tax receipts during the last five audited fiscal years and the budgeted amounts for the 2018 fiscal years.

TABLE 2
Sales Taxes
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Sales Taxes</u>	<u>Sales Taxes to Revenues</u>
2013	\$24,431,752	\$6,542,766	26.8%
2014	24,211,149	6,753,541	27.9%
2015	25,280,742	6,751,175	27.6%
2016	24,405,537	6,091,000	25.0%
2017	25,755,839	6,982,096	27.1%
2018 Budget	25,858,479	6,330,000	24.5%

Source: Town's audited financial statements, and 2018 Budget.

State Aid. The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2017, State aid represented approximately 5.8% of the total general fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have 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.

The following table sets forth total general fund revenues and State aid during the last five audited fiscal years and the budgeted amounts for the 2017 fiscal years.

TABLE 3
State Aid
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2013	\$24,431,752	\$1,389,998	5.7%
2014	24,211,149	1,196,906	4.9%
2015	25,280,742	1,206,659	4.8%
2016	24,405,537	1,108,552	4.5%
2017	25,755,839	1,513,186	5.8%
2018 Budget	25,858,479	1,258,552	4.9%

Source: Town's audited financial statements, and 2018 Budget.

Budget Process

The Supervisor, with the assistance of the Town Finance Director, acting as Budget Officer, prepares a "tentative" budget annually and presents same to the full Town Board by October 5th. The full Town Board then reviews and may amend the budget and adopt the "preliminary" budget. Upon adoption of this "preliminary" budget a public hearing is called. Following this hearing final revisions are made by the full Town Board and the final budget is then adopted. The budget is not subject to a referendum and there is no legal limit upon the tax rate or amount required to support the budget.

Investment Policy/Permitted Investments

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

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" (see <http://www.osc.state.ny.us/localgov/fiscalmonitoring/localgovernments/pdf/2017/munis-summary.pdf>.)

New York State Comptroller's Audit

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. The last audit conducted by OSC was released on July 17, 2015. The purpose of the audit was to evaluate the Town's purchasing practices for the period January 1, 2013 through December 18, 2014. The complete report can be obtained from OSC's website (<http://www.osc.state.ny.us/localgov/audits/towns/2015/westseneca.pdf>). No additional audits reports have been released in the past five years.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

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

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

TABLE 4
Tax Levy and Collection Record

<u>Fiscal Year</u> <u>December 31</u>	<u>Total Tax</u> <u>Warrant</u>	<u>Uncollected</u>	
		<u>Amount</u>	<u>Percentage</u>
2014	\$32,169,231	\$1,878,877	5.8%
2015	33,358,969	1,605,667	4.8%
2016	34,975,464	1,477,885	4.2%
2017	35,308,221	N/A	N/A
2018	37,885,614	N/A	N/A

Source: Receiver of Taxes

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

Table 5
Assessed and Full Valuation

<u>Roll Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Tax Year</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxable Assessed Valuation	\$1,174,743,788	\$1,179,419,327	\$1,191,214,361	\$1,202,030,314	\$1,210,279,884
State Equalization Rate	44.50%	42.90%	42.00%	40.00%	40.00%
Full Valuation	\$2,639,873,681	\$2,749,229,200	\$2,836,224,669	\$3,005,075,785	\$3,025,699,710

Source: Town Assessor

Ten of the Largest Assessed Values for the 2018 Tax Year

The following table presents the total 2017 assessed valuations of the Town's largest property owners used for the 2018 tax levy.

TABLE 6
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuations</u>	<u>% of Total Assessed Valuation</u> ⁽¹⁾
National Fuel Gas	Utility	\$18,001,746	1.49%
New York State Electric & Gas	Utility	12,858,383	1.06%
National Grid	Utility	9,458,201	0.78%
Southgate Plaza	Shopping Plaza	8,905,500	0.74%
S & R Co of West Seneca	Shopping Plaza	7,025,200	0.58%
Benderson Development	Shopping Plaza	6,982,660	0.58%
R & P Oak Hill	Storage Facility	6,669,100	0.55%
Slade Potter Group	Hotels	6,607,300	0.55%
Windrose of West Seneca	Medical Complex	5,400,000	0.45%
Wegmans	Wegmans	<u>5,167,199</u>	<u>0.43%</u>
		<u>\$87,075,289</u>	<u>7.19%</u>

(1) Represents 7.19% of the Town's 2018 Assessed Valuation of \$1,210,279,884.

Source: Town Assessor.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law 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, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or 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).

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

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

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

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

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

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

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

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

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective

of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

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

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

Each bond resolution 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 extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "Payment and Maturity" under "Constitutional Requirements").

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven centum of the most recent five-year 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 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 five completed assessment rolls and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

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

Constitutional Debt Limit

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

TABLE 7
Constitutional Debt Limit

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2014	\$1,174,743,788	44.50%	\$2,639,873,681
2015	1,179,419,327	42.90%	2,749,229,200
2016	1,191,214,361	42.00%	2,836,224,669
2017	1,202,030,314	40.00%	3,005,075,785
2018	1,210,279,884	40.00%	<u>3,025,699,710</u>
Total Five-Year Valuation			\$14,256,103,045
Average Five-Year Valuation			\$2,851,220,609
Debt Limit – 7% of Average Full Valuation			\$199,585,442.63

Source: Town Assessor's Office and the New York State Office of Real Property Services.

Statement of Debt Contracting Power

TABLE 8
Statutory Debt Limit and Net Indebtedness

(As of July 9, 2018)

Debt Contracting Limitation	\$199,585,443
Gross Direct Indebtedness	
BANs	30,626,170
Serial Bonds	<u>19,955,000</u>
Total Gross Direct Indebtedness	50,581,170
Exclusions and Deductions	
Water BANs	1,854,025
Water Bonds	<u>270,787</u>
Total Exclusions	<u>2,124,812</u>
Total Net Indebtedness	<u>\$ 48,456,359</u>
Net Debt-Contracting Margin	<u>\$151,129,084</u>
Percentage of Debt-Contracting Margin Exhausted	24.28%

Source: Town Officials

Remedies Upon Default

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

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

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

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

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

Other Indebtedness

Following the issuance of the Bonds, the Town will not have any other outstanding indebtedness .

Authorized but Unissued Indebtedness

Following the issuance of the Bonds, the Town will not have any authorized and unissued indebtedness for road reconstruction and repaving improvements.

Trend of Outstanding Indebtedness

The following table provides information relating to the capital indebtedness outstanding at year end for each of the five prior fiscal years.

**TABLE 9
Outstanding Indebtedness**

Debt Outstanding December 31:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Bonds	\$10,530,000	\$ 8,920,000	\$18,545,669	\$17,925,000	\$20,374,995
Bond Anticipation Notes	<u>26,165,000</u>	<u>38,690,000</u>	<u>43,180,000</u>	<u>41,969,125</u>	<u>30,626,170</u>
Total Outstanding Debt	<u>\$36,695,000</u>	<u>\$47,610,000</u>	<u>\$61,725,669</u>	<u>\$59,896,141</u>	<u>\$50,637,165</u>

Source: Town Officials

Direct and Overlapping Indebtedness

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

**TABLE 10
Statement of Direct and Overlapping Indebtedness**

<u>Direct Debt</u>					
Gross Direct Debt				\$ 50,581,170	
Exclusions & Deductions				<u>2,124,812</u>	
Net Direct Debt				<u>\$ 48,456,359</u>	
<u>Overlapping Debt</u>					
	<u>Issuer</u>	<u>As of:</u>	<u>Net Debt Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable to Town</u>
	Erie County	09/30/17	\$475,089,545	5.58%	\$26,509,997
	West Seneca CSD	11/16/17	25,200,000	81.20%	20,462,400
	Orchard Park CSD	02/28/18	39,312,609	7.14%	2,806,920
	Cheektowaga-Sloan UFSD	11/02/17	22,230,000	6.69%	<u>1,487,187</u>
Net Overlapping Debt					\$ 51,266,504
Net Direct Debt					<u>48,456,359</u>
Total Net Direct & Overlapping Debt					<u>\$ 99,722,863</u>

Source: Data provided by District and County Officials.

Debt Ratios

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

TABLE 11
Debt Ratios

	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Debt	\$ 48,456,359	\$1,083	1.60%
Net Direct & Overlapping Debt	\$99,722,863	\$2,230	3.30%

(1) The population of the Town is 44,711, according to the 2010 US Census Estimate.

(2) The Town's full value of taxable real property for assessment roll 2018 is \$3,025,699,710.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness as of July 9, 2018.

TABLE 12
Bond Principal and Interest Maturity

<u>FYE</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2018	\$1,970,000	\$ 522,804	\$2,492,804
2019	2,290,000	774,588	3,064,588
2020	2,365,000	678,168	3,043,168
2021	2,210,000	589,912	2,799,912
2022	1,865,000	487,450	2,352,450
2023	1,945,000	397,450	2,342,450
2024	1,695,000	305,100	2,000,100
2025	1,770,000	225,150	1,995,150
2026	1,070,000	141,550	1,211,550
2027	900,000	102,550	1,002,550
2028	720,000	68,250	788,250
2029	400,000	42,800	442,800
2030	415,000	26,800	441,800
2031	<u>340,000</u>	10,200	<u>350,200</u>
	<u>\$19,955,000</u>	<u>\$4,372,772</u>	<u>\$24,327,772</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

TABLE 13
Population Trend

	<u>2000</u>	<u>2010</u>	<u>Percentage</u> <u>Change (2000-2010)</u>
Town	45,920	44,711	(2.7%)
County	950,265	919,040	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: U.S. Census Bureau

Employment and Unemployment

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town.

TABLE 14
Ten Largest Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
West Seneca Central School District	Education	1,179
Erie One BOCES	Education	1,076
West Seneca Development Center	State School	495
Wegmans	Supermarket	400
Multisorb Technologies	Manufacturing	360
Time Warner	Communications	285
Certo Brothers Distributing Co.	Manufacturing	250
Lifetime Health Services	Healthcare	225
Seneca Health Care Center	Healthcare	225
US Foodservice	Manufacturing	200

Source: Erie County Library

TABLE 15
Civilian Labor Force
(Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town	23.6	23.3	23.5	23.3	23.3
County	460.3	450.4	451.2	448.1	448.6
State	9,659.3	9,591.3	9,644.6	9,668.7	9,704.7

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

TABLE 16
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2013	6.8%	7.4%	7.7%
2014	5.6%	6.1%	6.3%
2015	4.9%	5.3%	5.3%
2016	4.5%	4.9%	4.8%
2017	4.6%	5.2%	4.7%

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

TABLE 17
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
May 2017	4.2%	4.9%	4.4%
June	4.5%	5.0%	4.6%
July	4.5%	5.3%	4.9%
August	4.5%	5.2%	4.9%
September	4.4%	4.9%	4.7%
October	4.3%	4.8%	4.4%
November	4.6%	5.0%	4.4%
December	4.9%	5.2%	4.4%
January 2017	5.6%	5.8%	5.1%
February	5.8%	6.1%	5.1%
March	5.3%	5.6%	4.8%
April	4.6%	4.9%	4.3%
May	3.8%	4.2%	3.7%

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

Income

TABLE 18
Per Capita Income

	<u>2000</u>	<u>2010</u>
Town	\$20,529	\$24,840
% of State	87.8%	(28.7%)
% of US	95.1%	(6.7%)

Source: U.S. Census Bureau

TABLE 19
Median Family Income

	<u>2000</u>	<u>2010</u>
Town	\$54,179	\$55,979
% of State	104.8%	(20.8%)
% of US	108.3%	2.5%

Source: U.S. Census Bureau

LITIGATION

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

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

TOWN OF WEST SENECA, NEW YORK
Comparative Balance Sheets
Fiscal Years Ended December 31:

	<u>General Fund</u>		<u>Special Revenue Funds</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Assets:				
Cash	\$3,518,848	\$2,520,988	\$6,857,005	\$7,271,348
Accounts Receivable	99,143	124,587	28,695	92,471
Prepaid Items	823,537	817,081	167,559	152,639
Due from Other Governments	2,512,461	2,561,070	758,741	371,007
Due from Other Funds	274,598	512,189	35,929	88,084
			0	0
Total Assets	<u>7,228,587</u>	<u>6,535,915</u>	<u>7,847,929</u>	<u>7,975,549</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	717,294	794,074	3,518,361	3,636,329
Accrued Liabilities	706,136	796,234	195,914	363,647
Due to Other Funds	64,496	66,322	253,740	251,786
Due to Other Governments	475	1,519	0	0
Unearned revenue	80,000	80,000	0	0
Total Liabilities	<u>1,568,401</u>	<u>1,738,149</u>	<u>3,968,015</u>	<u>4,251,762</u>
Deferred Inflows of Resources				
Unavailable Revenue - State Aid	44,483	19,961	0	0
Fund Equity:				
Nonspendable	823,537	817,081	167,559	152,639
Restricted	31,711	92,711	646,432	595,218
Assigned	1,400,000	952,915	3,065,923	3,369,393
Unassigned	3,360,455	2,915,098	0	(393,463)
	5,615,703	4,777,805	3,879,914	3,723,787
Total Liabilities & Fund Balance:	<u>\$7,228,587</u>	<u>\$6,535,915</u>	<u>\$7,847,929</u>	<u>\$7,975,549</u>

* Consists of Highway and Sewer Revenues
Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
GENERAL FUND
Fiscal Years Ended December 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Real Property Taxes and Tax Items	\$12,463,991	\$12,382,505	\$12,823,193	\$12,948,109	\$13,334,053
Non-Property Taxes	6,542,766	6,753,541	6,751,175	6,941,662	6,982,096
Departmental Income	823,787	780,829	807,252	740,465	1,062,723
Use of Money and Property	73,354	70,233	69,746	76,708	77,348
Sale of Property & Comp. for Loss	95,618	41,617	25,278	34,668	51,873
Licenses & Permits	236,966	274,757	360,713	404,357	0
Fines & Forfeitures	707,633	751,571	918,496	911,305	906,053
Miscellaneous	100,863	46,637	139,051	20,656	77,454
Interfund Revenues	1,934,206	1,905,282	1,832,042	1,819,234	1,739,490
State aid	1,389,998	1,196,906	1,206,659	1,263,443	1,513,186
Federal aid	62,571	7,271	347,137	7,552	11,563
Total Revenues	<u>24,431,753</u>	<u>24,211,149</u>	<u>25,280,742</u>	<u>25,168,159</u>	<u>25,755,839</u>
Expenditures and Other Uses					
General Government Support	2,760,948	2,954,530	2,877,201	2,891,654	2,867,146
Public Safety	8,291,461	8,456,777	8,571,019	8,750,544	8,963,648
Health	5,723	5,723	5,723	5,723	5,787
Transportation	557,217	644,933	674,205	426,708	446,196
Economic Assistance	1,800	2,100	16,800	57,965	163,922
Culture & Recreation	2,205,116	2,570,316	2,265,877	2,280,906	2,399,745
Home & Community Service	2,444,868	2,630,272	2,474,667	2,555,468	2,678,533
Employee Benefits	6,689,067	7,126,275	6,987,001	7,473,776	7,730,297
Debt Service	580,683	913,202	617,358	989,846	1,338,463
Total Expenditures	<u>23,536,883</u>	<u>25,304,128</u>	<u>24,489,851</u>	<u>25,432,590</u>	<u>26,593,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>894,870</u>	<u>(1,092,979)</u>	<u>790,891</u>	<u>(264,431)</u>	<u>(837,898)</u>
Other Uses					
Interfund Transfers Out	<u>(82,331)</u>	<u>(678,426)</u>	<u>(360,825)</u>	<u>(400,000)</u>	<u>0</u>
Total Other Uses	<u>(82,331)</u>	<u>(678,426)</u>	<u>(360,825)</u>	<u>(400,000)</u>	<u>0</u>
Net Change in Fund Balance	812,539	(1,771,405)	430,066	(664,431)	(837,898)
Fund Balance - Beginning of Year	<u>6,808,934</u>	<u>7,621,473</u>	<u>5,850,068</u>	<u>6,280,134</u>	<u>5,615,703</u>
Fund Balance - End of Year	<u>\$7,621,473</u>	<u>\$5,850,068</u>	<u>\$6,280,134</u>	<u>\$5,615,703</u>	<u>\$4,777,805</u>

Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
SPECIAL REVENUE FUNDS (HIGHWAY AND SEWER)
Fiscal Years Ended December 31:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues					
Real Property Taxes	\$16,187,365	\$16,152,495	\$16,972,807	\$18,404,293	\$18,436,312
Departmental Income	69,274	68,900	33,300	213,294	191,805
Intergovernmental Charges	314,170	564,488	487,160	369,756	153,687
Use of Money and Property	15,224	5,338	381,786	2,530	4,388
Sale of Property & Compensation for Loss	0	42,220	2,629	21,617	482
Miscellaneous	7,819	21,708	0	1,500	1,450
Interdistrict Revenues	1,719,345	0	1,730,542	2,771,825	3,087,297
Interfund Revenues	1,224,905	3,030,104	1,342,126	1,346,399	1,378,432
State Aid	234,418	233,856	230,785	369,726	359,614
Federal Aid	0	0	582,303	0	100,000
Total Revenues	<u>\$19,772,520</u>	<u>\$20,119,109</u>	<u>\$21,763,438</u>	<u>\$23,500,940</u>	<u>\$23,713,467</u>
Expenditures and Other Uses					
Transportation	6,476,709	6,978,661	6,434,821	6,887,922	6,557,367
Home & Community Service	8,720,267	8,658,980	10,818,585	10,366,035	9,999,002
Employee Benefits	3,047,812	3,031,176	3,176,717	3,563,084	3,581,701
Debt Service	2,432,959	2,111,493	2,051,133	2,882,894	2,820,774
Total Expenditures	<u>20,677,747</u>	<u>20,780,310</u>	<u>22,481,256</u>	<u>23,699,935</u>	<u>22,958,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(905,227)</u>	<u>(661,201)</u>	<u>(717,818)</u>	<u>(198,995)</u>	<u>754,623</u>
Other Uses					
Interfund Transfers In	0	475,000	51,214	400,000	0
Interfund Transfers Out	(482,669)	(771,574)	(713,744)	(695,000)	(910,750)
Total Other Uses	<u>(482,669)</u>	<u>(296,574)</u>	<u>(662,530)</u>	<u>(295,000)</u>	<u>(910,750)</u>
Net Change in Fund Balance	(1,387,896)	(957,775)	(1,380,348)	(493,995)	(156,127)
Fund Balance - Beginning of Year	<u>8,099,928</u>	<u>6,712,032</u>	<u>5,754,257</u>	<u>4,373,909</u>	<u>3,879,914</u>
Fund Balance - End of Year	<u>\$6,712,032</u>	<u>\$5,754,257</u>	<u>\$4,373,909</u>	<u>\$3,879,914</u>	<u>\$3,723,787</u>

Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
General Fund Budget Summaries

Fiscal Year Ending December 31, 2017:

Fiscal Year Ending December 31, 2018:

Revenues

Real Property Taxes	\$12,908,330
Non-Property Taxes	6,230,000
Departmental Income	2,086,800
Use of Money and Property	76,000
Fines and Forfeitures	775,000
Sales of Assets and Minor Sales	16,000
State aid	1,158,552
Interfund Items	1,739,490
Subtotal Revenues	<u>24,990,172</u>

Appropriated Fund Balance	900,000
Total Revenues	<u>\$ 25,890,172</u>

Expenditures and Other Uses

General Government Support	2,844,005
Public Safety	8,588,815
Health	5,723
Transportation	295,194
Economic Assistance and Opportunity	2,500
Culture and Recreation	2,220,331
Home and Community Services	2,369,667
Employee Benefits	8,087,132
Debt Service	1,426,805
Interfund Transfers	50,000
Total Expenditures	<u>\$ 25,890,172</u>

Revenues

Real Property Taxes	\$13,613,461
Non-Property Taxes	6,330,000
Departmental Income	2,016,800
Use of Money and Property	86,000
Fines and Forfeitures	800,000
Sales of Assets and Minor Sales	16,000
State aid	1,258,552
Interfund Items	1,737,666
Subtotal Revenues	<u>25,858,479</u>

Appropriated Fund Balance	450,000
Total Revenues	<u>\$ 26,308,479</u>

Expenditures and Other Uses

General Government Support	3,067,781
Public Safety	8,428,637
Health	5,723
Transportation	401,861
Economic Assistance and Opportunity	2,500
Culture and Recreation	2,206,918
Home and Community Services	2,497,895
Employee Benefits	8,054,048
Debt Service	1,593,116
Interfund Transfers	50,000
Total Expenditures	<u>\$ 26,258,479</u>

50,000

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

**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/ES1172495-ES916383-ES1317477.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. R.A. MERCER & CO., P.C. 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.**