This Preliminary Officials 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 or Notes 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.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 12, 2020

NEW ISSUES **RATING: See "RATING" herein**
BOOK-ENTRY-ONLY BONDS **SERIAL BONDS AND BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series A Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. Interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Bonds and the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters for the Series A Bonds and the Notes" and "Tax Matters for the Series B Bonds" herein.

The City WILL designate the Series A Bonds and the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK

$5,242,851*
PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES A
(the "Series A Bonds")

Delivery Date: Date of Delivery **Maturity Date: February 1, 2021 - 2032**

$800,000
PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES B (FEDERALLY TAXABLE)
(the "Series B Bonds" and, together with the Series A Bonds, the "Bonds")

Delivery Date: Date of Delivery **Maturity Date: July 1, 2021 – 2030**

$1,370,224
BOND ANTICIPATION NOTES – 2020 SERIES B
(the "Notes")

Delivery Date: July 7, 2020 **Maturity Date: July 7, 2021**

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

The Series A Bonds are 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 Series A Bonds, payable on February 1, 2021, August 1, 2021 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Series A Bonds shall mature on February 1 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds will be subject to redemption prior to maturity. (See "*Optional Redemption*" herein).

The Series B Bonds are 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 Series B Bonds, payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until maturity. The Series B Bonds shall mature on July 1 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds will not be subject to redemption prior to maturity. (See "*Optional Redemption*" herein).

The Notes are dated their Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity.

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

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

DTC will act as Securities Depository for the Bonds and for those Notes issued as book-entry notes. Individual purchases of such Bonds and Notes may be made in book-entry form only, in principal amounts of $5,000 or integral multiples thereof, except for necessary odd denominations in the first maturity of the Series A Bonds and in the Notes. Purchasers will not receive certificates representing their ownership interests in the Bonds and said Notes issued as book-entry notes. Principal of and interest on the Bonds and said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Bonds and said Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "*Description of Book-Entry System*" herein.)

Capital Markets Advisors, LLC has served as the Municipal Advisor to the City in connection with the issuance of the Bonds and the Notes.

The Bonds and the Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds and the Notes will be available for delivery through the offices of DTC on or about July 7, 2020.

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

Dated: June __, 2020

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* Preliminary, subject to change.

The Series A Bonds will mature on February 1, subject to optional redemption, in the following years and principal amounts:

Year	Amount*	Interest Rate	Yield	CUSIP***	Year	Amount*	Interest Rate	Yield	CUSIP***
2021	$387,851	%	%		2027	$440,000	%	%	
2022	415,000				2028	445,000			
2023	415,000				2029**	450,000			
2024	420,000				2030**	460,000			
2025	425,000				2031**	470,000			
2026	435,000				2032**	480,000			

* The principal maturities of the Series A Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.

** Subject to optional redemption prior to maturity. (See *"Optional Redemption"* herein).

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

The Series B Bonds will mature on July 1, without the option of prior redemption, in the following years and principal amounts:

Year	Amount*	Interest Rate	Yield	CUSIP**	Year	Amount*	Interest Rate	Yield	CUSIP**
2021	$75,000	%	%		2026	$80,000	%	%	
2022	75,000				2027	80,000			
2023	75,000				2028	85,000			
2024	80,000				2029	85,000			
2025	80,000				2030	85,000			

* The principal maturities of the Series B Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.

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

CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK

MAYOR

TIMOTHY TENKE

CITY COUNCIL MEMBERS

DANIELLE FUGAZY SCAGLIOLA

DR. EVE LUPENKO FERRANTE

JOHN PERRONE

MARSHA SILVERMAN

GAITLEY STEVENSON-MATHEWS

ROCCO A. TOTINO

MICHAEL A. PICCIRILLO ..... CONTROLLER

GASPARE G. TUMMINELLO..... CITY CLERK

GREGORY KALNITSKY, ESQ.....CITY ATTORNEY

BOND COUNSEL
HAWKINS DELAFIELD & WOOD LLP
New York, New York

MUNICIPAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC
Long Island * Hudson Valley * Southern Tier * Western New York
(516) 487-9818

No dealer, broker, salesman or other person has been authorized by the City 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 City. 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 or the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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OFFICIAL STATEMENT

CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK

relating to

$5,242,851*
PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES A

$800,000
PUBLIC IMPROVEMENT SERIAL BONDS – 2020 SERIES B (FEDERALLY TAXABLE)

and

$1,370,224
BOND ANTICIPATION NOTES – 2020 SERIES B

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the City of Glen Cove, in the County of Nassau, in the State of New York (the "City", "County" and "State," respectively) in connection with the sale of $5,242,851* Public Improvement Serial Bonds – 2020 Series A (the "Series A Bonds"), $800,000 Public Improvement Serial Bonds – 2020 Series B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") and $1,370,224 Bond Anticipation Notes – 2020 Series B (the "Notes").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City 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 Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

THE BONDS

Description of the Bonds

The City will act as Paying Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The City's contact information is as follows: Mr. Michael A. Piccirillo, Controller, telephone number: (516) 676-2789, email: mpiccirillo@glencoveny.gov.

The Series A Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on February 1, 2021, August 1, 2021 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Series A Bonds shall mature on February 1 in each year in the principal amounts specified on the inside cover page hereof. The Series A Bonds maturing in the years 2021 to 2028, inclusive, will not be subject to redemption prior to maturity. The Series A Bonds maturing in the years 2029 and thereafter will be subject to redemption prior to maturity as described herein. (See *"Optional Redemption"* herein.)

The Series B Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on July 1, 2021 and semiannually thereafter on January 1 and July 1 in each year until maturity. The Series B Bonds shall mature on July 1 in each year in the principal amounts specified on the inside cover page hereof. The Series B Bonds will not be subject to redemption prior to maturity. (See *"Optional Redemption"* herein.)

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

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* Preliminary, subject to change.

Authority for and Purpose of the Series A Bonds

The Series A Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the City Law, the Local Finance Law and the bond ordinances duly adopted by the City Council on February 11, 2020 and March 10, 2020 authorizing the issuance of bonds for the objects or purposes listed below. Proceeds from the sale of the Series A Bonds will be used to provide original for the following purposes:

Purpose	Authorization Date	New Money	Amount to Bonds
Acquisition of Utility Cart	2/11/2020	$ 14,000	$ 14,000
Acquisition of Various Fire Department Equipment	2/11/2020	206,141	206,141
Replacement of Carpet	2/11/2020	35,000	35,000
Road Improvements, Including Drainage	2/11/2020	520,000	520,000
Tree Planting, Trimming and Removal	2/11/2020	75,000	75,000
Acquisition of Mechanic Lift	2/11/2020	150,000	150,000
Reconstruction of Court Facility Roof	2/11/2020	50,000	50,000
Acquisition of New Dispenser and Manhole Replacement	2/11/2020	18,669	18,669
Road Improvements, Including Design	2/11/2020	1,800,000	1,800,000
Construct Air Stripper Enclosure at Duck Pond Facility	2/11/2020	150,000	150,000
Plans and Specifications for McLoughlin Street Tank Rehabilitation	2/11/2020	300,000	300,000
Acquisition of a Sanitation Truck	2/11/2020	155,491	155,491
Additional Electric Source	2/11/2020	6,918	6,918
Acquisition of Security Cameras	2/11/2020	4,855	4,855
Plans and Specifications for Parking Lot Improvements	2/11/2020	41,500	41,500
Replacement of Van	2/11/2020	38,000	38,000
Acquisition of Computer Hardware and Software	2/11/2020	6,800	6,800
Acquisition of Computer Hardware and Software	2/11/2020	76,180	76,180
Acquisition of a Vehicle	2/11/2020	25,000	25,000
Acquisition of Mobile Communication/Computer Upgrade for Vehicles	2/11/2020	26,365	26,365
Acquisition of New Duty Holsters	2/11/2020	12,543	12,543
Acquisition of Double Wall Fuel Tank Generator	2/11/2020	8,000	8,000
Acquisition of 2 Vehicles and Related Markings and Equipment	2/11/2020	126,830	126,830
Acquisition of Mobile Communication Devices	2/11/2020	30,090	30,090
Acquisition and Installation of an Office Trailer	2/11/2020	38,500	38,500
Improvements to Morgan Park Restrooms	2/11/2020	360,000	360,000
Website Redesign	2/11/2020	10,000	10,000
Purchase of a Loop Bus	2/11/2020	10,500	10,500
Rehabilitation of the East Island Tidal Gates – Engineering	2/11/2020	35,000	35,000
Rehabilitation of the East Island Tidal Gates – Construction	2/11/2020	233,630	233,630
Pedestrian Improvements for Downtown Business Improvement District	2/11/2020	72,839	72,839
Downtown Parking Connections	2/11/2020	30,000	30,000
IT Infrastructure Upgrades	3/10/2020	575,000	575,000
	Totals:	$ 5,242,851	$ 5,242,851

Authority for and Purpose of the Series B Bonds

The Series B Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the City Law, the Local Finance Law and a bond ordinance duly adopted by the City Council on January 28, 2020 authorizing the issuance of bonds for certain amounts due to employees of the City as a result of their separation from employment. Proceeds from the sale of the Series B Bonds will be used to provide original financing for this purpose.

THE NOTES

Description of the Notes

The Notes will be dated and will mature, without option of prior redemption, as stated on the cover page hereof.

The City will act as Paying Agent for any Notes issued in book-entry form. The purchaser(s) will serve as paying agent for the Notes registered in the name of the purchaser(s). Paying agent fees, if any, will be paid by the purchaser(s). The City's contact information is Mr. Michael A. Piccirillo, Controller, telephone number: (516) 676-2789, email: mpiccirillo@glencoveny.gov.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including, among others, the City Law, the Local Finance Law and a bond ordinance duly adopted by the City Council on February 11, 2020 authorizing the issuance of bonds for the objects or purposes listed below. Proceeds from the sale of the Notes will be used to provide original financing for the following purposes:

Purpose	Authorization Date	New Money	Amount to Bonds
Purchase of a Loop Bus	2/11/2020	$ 59,500	$ 59,500
Improvements to the Brewster Street Parking Garage	2/11/2020	293,000	293,000
Rehabilitation of the East Island Tidal Gates – Construction	2/11/2020	521,370	521,370
Improvements to BID Alleyways	2/11/2020	20,000	20,000
Pedestrian Improvements for Downtown Business Improvement District	2/11/2020	291,354	291,354
Western Gateway Strategic Plan	2/11/2020	30,000	30,000
Downtown Parking Connections	2/11/2020	30,000	30,000
Lead Service Line Replacement Program	2/11/2020	125,000	125,000
	Totals:	$ 1,370,224	$ 1,370,224

The City expects to receive grants in connection with the foregoing projects. Such grants will be used to retire the Notes.

THE BONDS AND THE NOTES

Optional Redemption

The Series A Bonds maturing on or before February 1, 2028 are not subject to redemption prior to maturity. The Series A Bonds maturing on or after February 1, 2029 will be subject to redemption prior to maturity, at the option of the City, on any date on or after February 1, 2028, 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 equal to the principal amount of the Series A Bonds to be redeemed, plus accrued interest to the date of redemption.

The City may select the maturities of the Series A Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the City shall determine to be in the best interest of the City at the time of such redemption. If less than all the Series A Bonds of any maturity are to be redeemed prior to maturity, the particular Series A Bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the City Controller. Notice of such call for redemption shall be given by mailing such notice to the registered owner not less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Series A Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

The Series B Bonds and the Notes will not be subject to redemption prior to maturity.

Nature of Obligation

The Bonds and the Notes when duly issued and paid for will constitute a contract between the City and the holder thereof.

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

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

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC") will act as securities depository for the Bonds and for the Notes issued in book-entry form. Said Bonds and Notes will be issued as fully-registered bonds and notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each series of Bonds, and will be deposited with DTC. One fully-registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

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

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes 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 and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, 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 redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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 and the Notes 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

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AND THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS; (IV) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS AND THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDOWNER AND NOTEOWNER.

REMEDIES UPON DEFAULT

Neither the Bonds, the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds or the Notes should the City default in the payment of principal of or interest on the Bonds or the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds or the Notes upon the occurrence of any such default. The Bonds and the Notes are general obligation contracts between the City and the owners for which the faith and credit of the City are pledged and while remedies for enforcement of payment are not expressly included in the City's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Bonds or the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the City. The present statute limits interest on the amount adjudged due to contract 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. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds or the Notes, the owners of such Bonds or Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the City to assess, levy and collect an ad valorem tax, upon all taxable property of the City subject to taxation by the City sufficient to pay the principal of and interest on the Bonds or the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds or the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds or the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds or the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Bondholders and Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank* v. *Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

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

Pursuant to Article VIII, Section 2 of the State Constitution, the City is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk* v. *Municipal Assistance Corp*., 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

NO PAST DUE DEBT

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

MUNICIPAL BANKRUPTCY

The undertakings of the City should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the City could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds or the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Bonds or the Notes, and the obligations incurred by the City, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds or the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) 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. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has enacted legislation establishing financial control boards and fiscal stability authorities to monitor finance matters and restructure outstanding indebtedness for the cities of Yonkers, Troy and Buffalo and for the counties of Nassau and Erie.

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

The above references to the Bankruptcy Act are not to be construed as an indication that the City is currently considering or expects to resort to the provisions of the Bankruptcy Act.

FINANCIAL CONTROL BOARDS

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

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

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

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

Several municipalities in the State are presently working with the FRB. The City has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

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

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

The City's credit rating could be affected by circumstances beyond the City's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and

employers, as well as natural catastrophes, could adversely affect the assessed valuation of City property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the City's credit rating could adversely affect the market value of the Bonds and/or the Notes.

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

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

The City is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the City can be paid only if the State has such monies available therefore. Should the City fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the City is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the City will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

In addition, in some recent years, the City's receipt of State aid was delayed as a result of the County's delay in disseminating State aid to towns within its borders, including the City. If the County should further delay payments to the municipalities within its borders, including the City, in this year or future years, the City may be affected by such a delay.

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic

growth worldwide. The current outbreak has caused the Federal government to declare a national state of emergency. The State has also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the City's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the State and municipalities and school districts located in the State, including the City. The City is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" herein).

CYBERSECURITY

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

LITIGATION

Various notices of claim have been filed with the City. The allegations set forth in the claims relate to various circumstances including personal injury, condemnation proceedings, civil rights violations and administrative determinations by City officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the City.

In the opinion of the City Attorney, the resolution of such various other claims presently pending against the City will not have an adverse material effect on the City's financial position. Many of the matters are immaterial. Regardless, pursuant to the Local Finance Law, the City is authorized to issue debt to finance judgments and claims, if necessary, for matters of a material nature which are not covered by budgetary appropriations.

TAX MATTERS FOR THE SERIES A BONDS AND THE NOTES

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds and the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series A Bonds and the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the City (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Series A Bonds and the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Series A Bonds and the Notes, and Bond Counsel has assumed compliance by the City with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Series A Bonds and the Notes from gross income under Section 103 of the Code.

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

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series A Bonds and the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series A Bonds and the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

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

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series A Bond or Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series A Bonds and the Notes. In general, the issue price for each maturity of

Series A Bonds and Notes is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series A Bonds or Notes having OID (a "Tax-Exempt Discount Bond"), OID that has accrued and is properly allocable to the owners of the Tax-Exempt Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series A Bonds and the Notes.

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

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

Bond Premium

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

Information Reporting and Backup Withholding

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

If an owner purchasing a Series A Bond or Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series A Bonds and

the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Series A Bonds and the Notes under federal or state law or otherwise prevent beneficial owners of the Series A Bonds and the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Series A Bonds and the Notes.

Prospective purchasers of the Series A Bonds and the Notes should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS FOR THE SERIES B BONDS

Opinion of Bond Counsel

In the opinion of Bond Counsel to the City, interest on the Series B Bonds (i) is included in gross income for federal income tax purposes, and (ii) is exempt, under existing statutes, from personal income taxes of New York State and its political subdivisions, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Series B Bonds by original purchasers of the Series B Bonds who are "U.S. Holders", as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Series B Bonds will be held as "capital assets"; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series B Bonds as a position in a "hedge" or "straddle", holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Series B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series B Bonds at the time that such income, gain or loss is set forth on such financial statements instead of under the rules described below.

Holders of Series B Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Series B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount ("OID") is greater than a statutorily defined de minimis amount, a holder of a Series B Bonds must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Series B Bond) the daily portion of OID, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. "OID" is the excess of (i) the "stated redemption price at maturity" over (ii) the "issue price". For purposes of the foregoing: "issue price" means the first price at which a substantial amount of the Series B Bond is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); "stated

redemption price at maturity" means the sum of all payments, other than "qualified stated interest", provided by such Series B Bond; "qualified stated interest" is stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate; and "de minimis amount" is an amount equal to 0.25 percent of the Series B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity. A holder may irrevocably elect to include in gross income all interest that accrues on a Series B Bond using the constant-yield method, subject to certain modifications.

Bond Premium

In general, if a taxable obligation is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the taxable obligation other than "qualified stated interest" (a "Taxable Premium Bond"), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the holder will make a corresponding adjustment to the holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series B Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Series B Bond.

The City may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Series B Bonds to be deemed to be no longer outstanding. For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Series B Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders of the Series B Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Series B Bond and the proceeds of the sale of a Series B Bond before maturity within the United States. Backup withholding may apply to holders of Series B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Series B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series B Bonds under state law and could affect the market price or marketability of the Series B Bonds.

Prospective purchasers of the Series B Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The respective opinions of Bond Counsel will be in substantially the forms attached hereto in Appendix D.

DISCLOSURE UNDERTAKINGS

Disclosure Undertaking for the Bonds

In order to assist the purchaser in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Bonds, the City will execute an Undertaking to Provide Continuing Disclosure, the form of which is attached hereto as Appendix E.

Disclosure Undertaking for the Notes

In order to assist the purchasers in complying with Rule 15c2-12 with respect to the Notes, the City will execute a Certificate to Provide Notices of Events, the form of which is attached hereto as Appendix F.

Continuing Disclosure History

The City failed to timely pay $32,031.88 of total interest due on October 15, 2017. Although sufficient funds were available on October 15, 2017 in an account established by the City, the City paid said interest on October 18, 2017, immediately after becoming aware of the missed payment. The City also filed a material event notice related to the late payment with the Electronic Municipal Market Access System implemented by the Municipal Securities Rulemaking Board on October 18, 2017. To mitigate a late payment from recurring, the City has established wire instructions with its bank for all debt service payments for the entire fiscal year. In addition, the City has established redundancy in personnel assigned to debt service payments.

The City has reviewed and modified its continuing disclosure practices to ensure future compliance.

RATING

The City has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Such application is pending at this time. The City did not apply for a rating on the Notes.

On March 20, 2018, Moody's affirmed its credit rating of "Baa2" with a stable outlook to the outstanding uninsured general obligation limited tax debt of the City.

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, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of

Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of such bonds or the availability of a secondary market for those bonds and notes.

MUNICIPAL ADVISOR

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the City. 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 and the Notes.

ADDITIONAL INFORMATION

Additional information, including the City's most recent audited financial statements, may be obtained from Mr. Michael Piccirillo, City Controller, 9 Glen Street, Glen Cove, New York, (516) 676-2789 or from the City's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9818.

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 City and the original purchasers or holders of any of the Bonds and the Notes.

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 City nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the City 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 City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forwardlooking statements. Such forward-looking statements can be identified, in some cases, by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "illustrate," "example," and "continue," or the singular, plural, negative or other derivations of these or

other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the City assumes no obligation to update any such forward-looking statements. The forwardlooking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

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

CITY OF GLEN COVE
NASSAU COUNTY, NEW YORK

By:_____
Michael Piccirillo
City Controller & Chief Fiscal Officer

DATED: June __, 2020

APPENDIX A

THE CITY

THE CITY

The projections included in this Official Statement are based on the estimates included in the City's 2020 Adopted Budget. Such projections do not make any predictions as to the impact of COVID-19 on the City's financial position due to the COVID-19 pandemic. (See "MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE" herein.)

General Information

The City, which was founded in 1668 and served for decades as a lumber, flour and starch milling center, was incorporated in 1918. Due to its location on the north shore of Long Island, the City's history has been closely linked to its waterfront. Located in Nassau County only 30 miles from New York City, the area became a popular summer resort before the Civil War, catering to affluent New Yorkers who could commute to New York by steamboat. By the end of the 19th century, many of the prominent New York financiers and industrialists decided to build permanent summer homes in Glen Cove, which was one of the premier "Gold Coast" addresses.

The City has powers and responsibilities inherent in the operation of a municipal government including independent taxing and debt issuance authority. Subject to the provisions of the State Constitution, the City operates under a charter, which was adopted on September 18, 1981, and in accordance with other statutes including the General City Law, the General Municipal Law, the Local Finance Law and the Real Property Tax Law, to the extent that these statutes apply to a city operating pursuant to a charter.

Today, the City derives much of its vitality from its extremely diverse population, which according to the 2010 U.S. Census, includes over 30 ethnic groups. As of 2019, the City's population was estimated to be 27,166 (according to the American Community Survey 2011-2019 Population Estimate). The City also has a diverse economic base. While land use is predominantly residential, (including numerous surviving Gold Coast estates, upper-to-middle income homes, and a variety of multi-family structures and affordable homes), there is also manufacturing and commercial activity within the City

The City has long been a center of electrical assembly, chemical manufacturing and other industrial activity. The City's retail trade includes many specialty shops and an established downtown commercial district that is undergoing a major revitalization with the development and redevelopment of retail and office space. (See "*Downtown Revitalization*" herein).

The City has renewed its interest in its historic waterfront and developed plans for the revitalization of the 214-acre waterfront district, including both recreational and commercial marine activities. *(See "Waterfront Development"* herein). The New York State Department of State designated the City as one of only three communities on Long Island Sound suitable for concentrated waterfront development; one of seventeen Historic Maritime Centers; and one of ten Maritime Centers on Long Island Sound. In September 2003, the City was given the prestigious *Coastal America Award* by Assistant Secretary of Housing and Urban Development on behalf of President George W. Bush and New York Secretary of State Randy Daniels on behalf of Governor George Pataki in recognition of the City's partnerships with Federal and State Agencies in developing the waterfront project.

After nearly twenty years of working with Federal and State and local agencies, the sale of the 52-acre City agency-controlled waterfront property was completed in November of 2016. Construction and development of the property began in April 2017. The project will benefit the City, its residents and the County by reclaiming blighted industrial waterfront property for public benefit and create open space, luxury and workforce housing and retail/office space. Three residential buildings are being developed during Phase I of construction. Building H-rentals (177 units) and Building I-rentals (208 units), also known as Harbor Landing, is open for occupancy, with Building H resident move-ins that started during Fall 2019. Over half of the units at Building H have been rented to date. Brendel's Bagels at Building H is expected to open in Summer 2020 and Building I move-ins are slated to begin by late Summer/early Fall 2020. The Building B-condos (167 units) (The Beacon) leasing office opened at the end of 2019, with closings that began in Winter 2020 and move-ins that began in Spring 2020.

Elected and Appointed Officials

The City Council is the legislative body of the City and consists of six members elected at large to serve two-year terms, plus the Mayor. It is the responsibility of the City Council to approve all legislation, including ordinances and local laws, to adopt and modify, as required, operating and capital budgets, to levy real property taxes and to authorize the issuance of all indebtedness.

The Mayor is elected at a general election for a two-year term and there is no restriction on the number of terms that may be served. As a member of the City Council, the Mayor presides over the Council and is eligible to vote on matters before the City Council. The current Mayor, Timothy Tenke, was elected in November 2017 and currently serves as the Chief Executive Officer of the City.

The Department of Finance is the central fiscal control and accounting agency of the City and is responsible for control and administration of its fiscal affairs. The Department of Finance is responsible for accounting for all revenues and disbursements of the City, for preparation and payment of employee payrolls, for custody and investment of all City funds, supervision of tax billing, tax and revenue collections including school tax billing and collection, administration of tax lien sales, management of bank accounts, the preparation and monitoring of the annual operating budget and five-year capital plan, and maintenance of the City's assessment records.

City Services

The City is responsible for and provides the following services: police, fire, sanitation, water, and street maintenance. The City also operates various park and recreational facilities. Pursuant to State law, Nassau County, rather than the City, is responsible for providing health and social services. Public education is provided by the City School District of the City of Glen Cove. The school district has a separately elected governing body and has independent taxing and debt issuance authority.

Employees

The City provides services through 191 full-time and 109 part-time employees, some of whom are represented by one of two unions. The Civil Service Employees Association ("CSEA") represents clerical workers and various labor groups, including certain supervisory personnel. The Patrolmen Benevolent Association ("PBA") is the collective bargaining agent for the City police and superior officers. The CSEA contract expired on December 31, 2019 and negotiations are currently underway. The PBA contract expires on December 31, 2020.

Employee Pension Benefits

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

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

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

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

The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The City has not prepaid its employer contributions in December of recent years but has instead made all of its employer contributions in February.

Due to significant capital market declines in 2008 and 2009, the State's Retirement System portfolio experienced negative investment performance and severe downward trends in market earnings. Employer contribution rates for the State's Retirement System continue to be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation was enacted in 2010 that authorized local governments and school districts to borrow a portion of their required payments from the State pension plan at interest rates which vary each year. The legislation also required those local governments and school districts, who decide to amortize their pension obligations pursuant to the new law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The City amortized a portion of its required ERS and PFRS contributions in the amount of $735,795 for 2011, $833,161 for 2012, $977,090 for 2013 and $687,732 for 2014, with applicable interest rates applied to amortized amounts of pension contributions of 3.75%, 3.00%, 3.67% and 3.15%, respectively. The City did not amortize any portion of the required contributions for the fiscal years ended December 31, 2015 through 2019, inclusive. The City does not intend to amortize any portion of the required contribution for the fiscal year ending December 31, 2020.

In Spring 2013, the State and ERS approved a Stable Contribution Option ("SCO"), which modified its existing SCO adopted in 2010, that gives municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). The plan allows municipalities to pay the SCO amount in lieu of the ARC amount. The City has not and will not be participating in the modified ERS SCO at this time or in the foreseeable future. Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including those markets in which the Retirement System funds are invested. While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. See "MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE" herein for further detail.

On August 29, 2018, the State Comptroller announced for Fiscal Year 2019-20, the average contribution rate for ERS decreasing from 14.9% to 14.6%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among six retirement tiers. The employer contribution rates announced will apply to each employer's salary base during the period of April 1, 2019 through March 31, 2020. Payments based on those rates were due by February 1, 2020, but were permitted to be prepaid by December 15, 2019.

Other Post Employment Benefits

The City implemented GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), which replaces GASB Statement No. 45 as of fiscal year ended December 31, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The City's total OPEB liability as of December 31, 2019 was $108,256,215 using a discount rate of 3.26% and actuarial assumptions and other inputs as described in the City's December 31, 2018 audited financial statements.

Should the City be required to fund the total OPEB liability, it could have a material adverse impact upon the City's finances and could force the City to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the City to partially fund its OPEB liability.

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the City will continue funding this expenditure on a pay-as-you-go basis.

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such legislation would generally authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. In addition, there would be no limits on how much a local government can deposit into the trust. The City cannot predict whether such legislation will be enacted into law in the foreseeable future.

Related Entities

The **Glen Cove Community Development Agency** (the "CDA") is a public benefit corporation created by State legislation to promote sound growth and development of the City. The CDA board consists of the Mayor, who serves as chairman, and six other members appointed by the Mayor, subject to the approval of the City Council. The CDA administers over $3.8 million in Section 8 Housing funds and $600,000 in Community Development Block Grants on behalf of the federal Department of Housing and Urban Development. The contract for Community Development Block Grants is between the City and Nassau County and approved by the City Council.

The CDA is authorized to issue debt. The City is liable for CDA bonds and notes. Prior to the sale of the waterfront properties, the CDA had $4,729,000 in outstanding loans guaranteed by the City, with maturity dates ranging from July 2017 through July 2021. The outstanding loans of the CDA totaling $4,729,000 were paid from the proceeds of the sale of the waterfront properties. See *"Waterfront Redevelopment"* herein.

The **Glen Cove Industrial Development Agency** (the "IDA") is a public benefit corporation created to promote the economic welfare and prosperity of the City's inhabitants. The IDA members have complete responsibility for management of the agency and accountability for its fiscal matters. Prior to the sale of the waterfront properties, the IDA had $2,182,592 in loans outstanding, which were guaranteed by the City. The outstanding loans of the IDA totaling $2,182,592 were paid from the proceeds of the sale of the waterfront property. See *"Waterfront Redevelopment"* herein.

The **Glen Cove Local Economic Assistance Corporation** (the "LDC"), established July 2014, is a not-for-profit corporation created to assist and encourage the development and/or retention of industry in the City. The LDC Board is appointed by the City of Glen Cove City Council and is responsible for the management and accountability of its fiscal affairs. The LDC is the special purpose vehicle selected by the City to issue bonds to finance public improvements required in connection with the redevelopment of the waterfront. (See *"Waterfront Redevelopment"* herein.) The City is not liable for any bonds, notes or other obligations of the LDC.

The **Glen Cove Housing Authority** is a public housing agency whose board has complete responsibility for its management and fiscal matters. The City is not liable for bonds, notes or other obligations of the Glen Cove Housing Authority. The City does not presently guarantee debt of the Glen Cove Housing Authority.

The **City School District of the City of Glen Cove** (the "District") is governed by school board members who are elected by the qualified voters of the District. The District derives its revenues from property taxes, the assessment of which is based on the City's taxing procedures. The City is responsible for billing and collecting District taxes and makes the District whole for any uncollected taxes (see *"Real Property Tax Collection Procedures and History"* herein). The City guarantees collection on any District taxes in arrears. The Board of Education of the District appoints management and exercises complete responsibility for all fiscal matters. The City is not liable for bonds, notes or other obligations of the District issued for District purposes.

The **Glen Cove Library** ("Library") is governed by library trustees who are elected by the qualified voters of the Glen Cove City School District. The Library derives its revenues from property taxes, the assessment of which is based on the City's taxing procedures. The City is responsible for billing and collecting Library taxes; however it is the City School District that makes the Library whole for any uncollected taxes (see *"Real Property Tax Collection Procedures and History"* herein). The City guarantees collection on any Library taxes in arrears. The Library Board appoints management and exercises complete responsibility for all fiscal matters. The City is not liable for bonds, notes or other obligations of the Library.

FINANCIAL FACTORS

Basis of Accounting

The City utilizes the modified accrual basis of accounting for recording transactions in all governmental type funds. Under this method, (1) revenues are recorded when received in cash except for revenues which are material and susceptible to accrual (measurable and available to finance the current year's operations) which are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay, and accrued interest on bond anticipation notes and general long-term debt, are recorded at the time liabilities are incurred.

Independent Audits

The single audits of the City's financial statements were conducted by the independent auditor, PKF O'Connor Davies, LLP. A summary of the City's General Purpose Financial Statements for the fiscal years ended December 31, 2014 through 2018, inclusive, is contained in Appendix B hereto.

Annual Financial Report Update Document (Unaudited)

New York State General Municipal Law Article 3, Section 30 requires every municipal corporation to make an annual report of its financial condition available to the Office of the State Comptroller. This report is not audited or prepared in accordance with GAAP. Filing deadlines for this Annual Financial Report Update Document (unaudited) ("AUD") vary according to the municipal corporation's fiscal year end. The City's filing deadline is May 1 of each year for the prior fiscal year ended December 31. The City expects to file the 2019 AUD in the third quarter of 2020.

Fund Structures and Accounts

The General Fund and the Special Revenue Funds are the principal funds used to account for the City's financial resources except those required to be accounted for in another fund. The General Fund accounts for substantially all of the City's operating and maintenance costs. The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are restricted to expenditures for specified purposes. Special Revenue Funds maintained by the City are the Water fund and the Recreation fund. There is also a Debt Service Fund which is used to account for transfers from all funds for the payment of debt service on the long-term obligations of these funds, and a Capital Projects Fund which is used to account for financial resources such as proceeds from bonds, notes, transfers from government funds, and federal and state grants which are to be applied for permanent or semi-permanent capital improvements. The City also maintains an Internal Service fund to account for its self-insurance program for workers compensation and general liability claims.

Water Fund. The Water Fund is used to account for transactions relating to the operation and maintenance of the City-owned water supply and distribution system. Substantially all of the fund's activities are financed through the sale of water; no tax moneys are contributed for the support of this service.

Recreation Fund. This fund is used to account for revenues and expenditures associated with the operation of the golf course and other recreational activities. Due to the importance of golf and recreation to the community, a Recreation Fund was created with the intention of it being self-sustaining. (*See "Discussion of Recent Financial Operations, Including Operating and Cumulative Deficits"*).

Revenues

Property Taxes. The City 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). Based on audited results, property taxes accounted for approximately 70.4% of total General Fund revenues for the fiscal year ended December 31, 2018 based on unaudited results.

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The following table sets forth total General Fund revenues and real property tax revenues during each of the last five audited fiscal years and budgeted amounts for the two most recent fiscal years.

Property Tax Revenues

Fiscal Year	Total Revenues	Real Property Taxes [3]	Real Property Taxes to Revenues
2014	$41,073,841	$30,436,825	74.1%
2015	42,006,193	30,656,633	73.0
2016 [1]	46,744,078	31,230,832	66.9
2017 [2]	52,989,349	32,648,904	61.6
2018	42,946,743	31,967,938	74.4
2019 (Adopted Budget)	47,762,489	30,496,535	63.9
2020 (Adopted Budget)	46,891,676	31,072,297	66.3

Source: Audited Financial Statements and Adopted Budgets of the City.

(1) Total Revenues for the 2016 Audited Financial Statements included $3.5 million from the sale of City-owned land in connection with waterfront redevelopment. (See "*Waterfront Redevelopment*" and "*2016 Audited Results*" herein.)
(2) Total Revenues for the 2017 Audited Financial Statements include a $3.863 million contribution from the IDA from monies received following the sale of the waterfront property. (See "*Waterfront Redevelopment*" and "*2017 Audited Results*" herein.)
(3) The Tax Levy Limit Law imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the City, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the City. (See *"Tax Levy Limit Law"* herein).

State Aid. The City also receives a significant portion of its revenues in the form of State aid. Based on audited results, for the fiscal year ended December 31, 2018, State aid represented 9.3% of the total General Fund revenues of the City.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future. Currently, due to the outbreak of COVID-19, the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET FACTORS AFFECTING FINANCINGS OF THE STATE AND MUNICIPALITIES OF THE STATE" herein.)

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General

Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

It is anticipated that the State Budget Director's powers discussed herein will be activated and across-the-board and targeted reductions to local aid programs will be taken to close a substantial portion of the State fiscal year 2021 budget gap caused by the receipts shortfall. On April 25, 2020 the New York State Division of the Budget announced that the State fiscal year 2021 Enacted State Budget Financial Plan (the "Financial Plan"), projects a $13.3 billion shortfall as a direct consequence of the COVID-19 pandemic. As a result, in the absence of Federal assistance, initial budget control actions are expected to significantly reduce State spending in several areas, including "aid-to-localities," a broad spending category that includes funding for health care, K-12 schools, and higher education as well as support for local governments, public transit systems, and not-for-profits. Reduced receipts are expected to carry through each subsequent year of the four year Financial Plan through State fiscal year 2024. Reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State.

The following table sets forth total General Fund revenues and State aid during each of the last five audited fiscal years and budgeted amounts for the two most recent fiscal years.

State Aid

Fiscal Year	Total Revenues	State Aid	State Aid to Revenues
2014	$41,073,841	$3,735,287	9.1%
2015	42,006,193	3,952,840	9.4
2016 (1)	46,657,663	4,027,416	8.6
2017 (2)	52,989,349	3,967,209	7.9
2018	42,946,743	3,975,923	9.3
2019 (Adopted Budget)	47,894,489	3,811,797	8.5
2020 (Adopted Budget)	46,891,676	3,928,135	8.4

Source: Audited Financial Statements and Adopted Budgets of the City.

(1) Total Revenues for the 2016 Audited Financial Statements include $3.5 million from the sale of City-owned land in connection with waterfront redevelopment. (See "*Waterfront Redevelopment*" and "*2016 Audited Results*" herein.)

(2) Total Revenues for the 2017 Unaudited Financial Statements include a $3.863 million contribution from the IDA from monies received following the sale of the waterfront property. (See "*Waterfront Redevelopment*" and "*2017 Unaudited Results*" herein.) Unaudited results are subject to change.

The Governor's Executive Budget for the State's 2019-2020 fiscal year included the elimination of State Aid and Incentives for Municipalities ("AIM") for certain municipalities, including the City. However, in the State's final 2019-2020 Executive Budget, additional sales tax revenue from the elimination of the internet tax advantage will be used to keep towns and villages whole. The Governor's Executive Budget for the State's 2020-2021 fiscal year maintains the Aid and Incentives for Municipalities ("AIM") Related Revenue Sharing consistent with the 2019-2020 Enacted Budget.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national

economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Budget continues authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allows the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduces federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduces federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

Should the City fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the City is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Deficit Legislation

On July 18, 2007, Chapter 337 of the Laws of 2007 ("Chapter 337") was enacted authorizing the City to issue serial bonds to fund the City's accumulated deficit as of the fiscal year ended December 31, 2006. The legislation authorized the City to issue serial bonds, and bond anticipation notes in anticipation of such bonds, in an aggregate principal amount not to exceed $12,800,000 for the purpose of liquidating the accumulated deficits in the City's General Fund, Water and Sewer Fund, Debt Service Fund, Recreation Fund and Self Insurance Fund as of the fiscal year ended December 31, 2006. In December 2007, pursuant to Chapter 337 of the Laws of 2007 and a bond ordinance adopted by the City Council, the City issued $12,800,000 Deficit Serial Bonds – 2007 (the "Deficit Bonds"), which had a final maturity of November 1, 2017. The City complied with provisions of the deficit legislation as required and made all payments due on the Deficit Bonds on a timely basis. No Deficit Bonds are currently outstanding.

Discussion of Recent Financial Operations

During the past several years the City has experienced operating and cumulative deficits in one or more of its operating funds. The following is a summary of the City's recent audited financial operations for the fiscal years ended December 31, 2014 through December 31, 2018 as well as the Adopted Budgets for the fiscal years ended December 31, 2019 and December 31, 2020.

2014 Audited Results

For the fiscal year ended December 31, 2014, the City generated an operating deficit of ($350,514) and ended the year with a cumulative deficit of ($1,931,317) in its General Fund. The total of the cumulative deficits in all of the City's operating funds was approximately ($5,436,107) for the fiscal year ended December 31, 2014, consisting of a deficit in the General Fund of ($1,931,317), a deficit in the Water Fund of ($666,925), a deficit in the Recreation Fund of ($567,563), a deficit in the Debt Service Fund of $(7,909) a surplus in the Special Purpose Fund of $13,249 and a deficit in the Insurance Fund of ($2,275,642) The increase in the Insurance Fund deficit of $173,892 over the previous year was the result of worker's compensation settlements that will save the City money in future years.

2015 Audited Results

For the fiscal year ended December 31, 2015, the City generated an operating surplus of $994,103 and ended the year with a cumulative deficit of ($937,214) in its General Fund. The operating surplus of $994,103 in the General Fund is the result of several factors such as positive expenditure variances of $130,054 and a $920,022 positive revenue variance. The total of the cumulative deficits in all of the City's operating funds was approximately ($3,635,191) as of December 31, 2015, consisting of a deficit in the General Fund of ($937,214), a deficit in the Water Fund of ($337,644), a deficit in the Recreation Fund of ($439,296), a deficit in the Debt Service Fund of ($7,284) and a deficit in the Insurance Fund of ($1,926,758). The City's Special Purpose Fund had a surplus of $13,005 for the fiscal year ended December 31, 2015.

2016 Audited Results

For the fiscal year ended December 31, 2016, the City generated an operating deficit of $1,932,513 and after realizing the cumulative effect of changes in accounting principles ended the year with a $3,234,034 fund balance in its General Fund. The operating surplus of $1,932,513 in the General Fund is the result of several factors including revenues received from the $3.5 million sale of City-owned land in connection with waterfront redevelopment *(See "Waterfront Redevelopment").* The total of the cumulative deficits in all of the City's operating funds was approximately ($86,809) as of December 31, 2016, consisting of a positive fund balance of $3,234,034 in the General Fund, a deficit in the Water Fund of ($180,256), a deficit in the Recreation Fund of ($406,400), a deficit in the Debt Service Fund of ($493,305) and a deficit in the Insurance Fund of ($2,257,275). The City's Special Purpose Fund had a surplus of $16,393 for the fiscal year ended December 31, 2016.

2017 Audited Results

For the fiscal year ended December 31, 2017, the City generated an operating surplus of $2,694,448 and after realizing the cumulative effect of changes in accounting principles ended the year with a $6,079,499 fund balance in its General Fund. The operating surplus of $2,694,448 in the General Fund is the result of several factors including revenues received from the $3.863 million contribution from the IDA from monies received following the sale of the waterfront property. (See "*Waterfront Redevelopment*). The total of the cumulative surplus in all of the City's operating funds was approximately $3,724,900 as of December 31, 2017, consisting of a positive fund balance of $6,079,499 in the General Fund, a deficit in the Water Fund of ($165,393), a deficit in the Recreation Fund of ($332,930), a deficit in the Debt Service Fund of ($245,908) and a deficit in the Insurance Fund of ($1,649,693). The City's Special Purpose Fund had a surplus of $39,325 for the fiscal year ended December 31, 2017.

2018 Audited Results

For the fiscal year ended December 31, 2018, the City generated an operating deficit of $2,117,514 and after realizing the cumulative effect of changes in accounting principles ended the year with a $4,019,602 fund balance in its General Fund. The total of the cumulative deficits in all of the City's operating funds was approximately ($86,809) as of December 31, 2018, consisting of a positive fund balance of $3,234,034 in the General Fund, a balance in the Water Fund of $0, a balance in the Recreation Fund of $0, a balance in the Debt Service Fund of $0 and a deficit in the Insurance Fund of ($1,816,861). The City's Special Purpose Fund had a surplus of $16,181 for the fiscal year ended December 31, 2018.

2019 Adopted Budget

For the fiscal year ending December 31, 2019, General Fund revenues are budgeted at $47.76 million and General Fund expenditures and other uses are budgeted at $47.76 million.

2020 Adopted Budget

For the fiscal year ending December 31, 2020, General Fund revenues are budgeted at $46.89 million and General Fund expenditures and other uses are budgeted at $46,89 million.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the City as "susceptible" with a fiscal score of 50.4 and an Environmental Score of 26.7 for the fiscal year ended December 31, 2018.

The financial affairs of the City are subject to periodic compliance reviews by OSC to ascertain whether the City has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on January 12, 2018. The purpose of the audit was to review the City's financial condition, claims processing and payroll function for the period January 1, 2013 through December 31, 2016. The complete report can be obtained from OSC's website.

See the State Comptroller's official website for more information regarding the foregoing. References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Financial Plan

The Mayor and the City administration continue to work diligently to develop solutions to ensure the City's long term fiscal stability. The City has developed and continues to refine a financial recovery plan that is targeted toward restoring fiscal balance to City financial operations. Following Special State legislation authorizing the issuance of serial bonds to fund the City's cumulative deficit as of fiscal year ended December 31, 2006, the City implemented significant property tax increases for a number of years as well as a number of increases to fee revenue and implementation of certain expenditure reductions.

Beginning in 2014, the City began a series of initiatives to close on the sale of its waterfront and other outstanding projects of significance, increase recurring revenues, identify new revenue sources, re-purpose underperforming assets, reduce borrowing, re-zone certain areas of the City for maximum beneficial use, and increase fines and penalties.

For a description of the development associated with the Garvies Point Project, which commenced in the April of 2017, see "*Waterfront Redevelopment*" herein. For a description of the City's efforts to revitalize its downtown, see *"Downtown Revitalization"* herein.

Improved budgeting practices have been implemented to better control departmental expense and significant focus on expenditure reduction is expected to result in recurring annual savings. The City was successful in renegotiating healthcare eligibility and benefits for future employees and retirees, which is projected to save $88,178 annually. The City also instituted a retirement incentive, which reduced payroll cost by approximately $430,000 per year.

Recent renegotiation of PBA and CSEA contracts resulted in annual increases below that of 2.5% per year average for comparable police departments on Long Island. In addition, the PBA has agreed to take termination payouts over the course of two years, allowing the City to budget for termination pay without having to issue bonds or notes to pay such termination payouts. The City has installed and implemented an automated billing system to enhance efficiencies streamline workload and centralize services. The City is in the process of implementing a utility billing system for the water department and anticipates its completion in early 2021. Additionally, the City has been looking at new and incremental revenue opportunities within each City department, most recently, certain fees and rates have been revised relating to the golf course, filming rates and certain Finance department fees estimated to add approximately $125,000 annually. The City continues to reevaluate its fees to increase revenue.

Bonds for Separation Payments

The City has issued bonds and notes in some recent years to fund certain separation payment to retiring City employees. Such payments have been financed pursuant to special legislation enacted for the City by the State. The legislation, enacted in 2012, authorizes the City to amortize the costs of payments to employees upon separation of service to the City. To date, the City has issued bonds or notes totaling $6,169,000 pursuant to this legislation. The Series B Bonds include an additional $800,000 to be issued. In order to help reduce borrowing by the City for purpose in the future, the City has entered into an agreement with its PBA union that permits termination pay to be paid out over two years from date of retirement.

Enhanced Non-Tax Revenues

The administration identified a number of opportunities which substantially increased non-tax revenues, including: a comprehensive approach to investment management; stepped-up building code enforcement which increased fines for illegal conversions and non-complying use; and establishment of an ambulance fee which generated annual revenues as follows:

Ambulance Fee Revenues

Fiscal Year	Fee Revenue
2014	$ 725,750
2015	954,976
2016	1,013,385
2017	1,045,232
2018	1,006,006
2019 (Unaudited)	884,214
2020 (Adopted Budget)	1,000,000

Expansion of the Tax Base

The administration continues to work to enhance its tax base through a combination of economic development and encouragement of rational land use. Much of the City's redevelopment effort and success has been focused on the downtown and waterfront revitalization efforts which are discussed below. Success has been evidenced by a current retail occupancy rate in the downtown of approximately 90%, the highest in over 20 years.

Downtown Revitalization

The Glen Cove Industrial Development Agency ("IDA") closed on the Village Square property with RXR Glen Cove Village Square Owner LLC, in December 2017. This 2.5-acre, five story, mixed-use project is located in the Downtown Business Improvement District ("BID") and centered on a large public plaza, which will help revitalize the downtown area by creating approximately 146 residential rental housing units, including 13 workforce units, approximately 15,000 square feet of commercial space and, including approximately 1,900 square feet of medical office space and 171 parking spaces on site. The IDA estimates 15-25 full time jobs will be created from this project as well as 100-150 construction jobs. The City received a Payment In Lieu Of Parking ("PILOP") fee for $207,000. The project began in August 2017, with RXR starting the demolition of the buildings on the property. Construction

continued in 2019, with the completion of most of the vertical and façade work. The large public plaza was also substantially completed in 2019, with the City's Winter Festival with the BID held in the space. Building occupancy is anticipated by Summer/Fall 2020. The housing lottery for the workforce units began in June 2020.

The Glen Cove Community Development Agency ("CDA") has an active commercial rehabilitation project funded through the Housing and Urban Development ("HUD") Community Development Block Grant ("CDGB") program that has positively impacted reinvestment into the downtown business district as well as other business districts in the City. The CDA program includes façade and signage matching grants. The CDA has contacted numerous new businesses and existing businesses who have worked with the building department on major renovations to their commercial façade of the storefront in the downtown area in 2019. The CDA awarded grants in 2019 to four businesses consisting of awning installation and signage in the heart of the downtown business district. The Building Department and the Business Improvement District report a retail occupancy rate in the downtown of approximately 90%, the highest in over 20 years.

The City created a new corporation, the Glen Cove Local Economic Assistance Corporation ("GCLEAC"), to assist the National Healthplex, (d/b/a "The Regency at Glen Cove") The ability to refinance their debt has allowed the Regency to: increase the assisted living unit count from 96 units to 99 units; create additional common space and other aesthetic and functional improvements within the building; improve the School Street façade and construct 22 new memory care units, for a total of 121 units. The improvements should significantly enhance the quality of life for the residents. This project began construction in May 2016 and will create 16 new full-time jobs as well as 11 construction phase jobs. The construction of the Alzheimer's units was completed in late 2019 and produced 752 full time equivalent construction and construction related jobs. The ribbon cutting for the newly named Safe Harbor took place on January 30, 2020.

Waterfront Redevelopment

The New York State Department of State recognized Glen Cove Creek as one of three places on Long Island Sound suitable for concentrated waterfront development. They worked closely with the City on developing a "Glen Cove Creek Waterfront Revitalization Plan". HUD along with the United States Environmental Protection Agency and 14 other federal agencies recognized the City of Glen Cove as a Brownfields Showcase Community for its efforts in cleaning up and redeveloping the Glen Cove Creek area.

The City, CDA and IDA is working with its redeveloper partner to create a mixed-use, smart growth development known as Garvies Point, with residences, retail shops, a restaurant and other eateries, and extensive public amenities, including parks and other active and passive recreational public open spaces. The City anticipates that the Garvies Point Project will generate hundreds of jobs, and millions of dollars in real property taxes, sales taxes and income tax revenues to local governments, as well as, County, State and federal governments. This plan has received support and grants from federal, State, and County agencies.

The Amended Planned Unit Development includes the current development program for the Project: 1,110 residential units, approximately 75,000 gross square feet (gsf) of retail/office space, approximately 1,644,932 gsf of total residential development, approximately 1,719,932 gsf of total private development, and approximately 28 acres of public amenities and open spaces.

On November 22, 2016, the IDA/CDA and the redeveloper closed on approximately 44 acres of the Project Site, pursuant to the Land Disposition Agreement that was entered into in 2003. The closing proceeds were used, in part, to pay off the aforementioned debt regarding IDA's purchase of the property. Also on November 22, 2016, the Glen Cove Local Economic Assistance Corporation ("LDC") sold Public Improvement Bonds, in an aggregate principal amount of $124,562,832.65, to finance a portion of the Project's "Public Use Improvements" (ex. parks and playgrounds, bulkheads, marinas, stormwater facilities, utilities, esplanade, boardwalks and other walkways, ecology pier, etc.). The Public Use Improvements will be constructed by the developer, as agent of IDA, within the "Public Use Easement Areas" on the Project Site. The developer is obligated to reimburse the IDA for 100% of the costs to maintain the Public Use Improvements in perpetuity. These LDC Bonds are non-recourse to the City and its agencies. The IDA and developer have entered into a Master Tax Agreement pursuant to which the developer will make certain in-lieu of tax payments (the "PILOT") to the IDA for the benefit of the bondholders, as well as the

School District, the City of Glen Cove, Nassau County and the Glen Cove Public Library (collectively, the "Affected Tax Jurisdictions"). Each Affected Tax Jurisdiction has granted consent to distribute the PILOT payments in a manner other than in the same proportion as taxes would be distributed.

In 2019, substantial work on Phase 1 (east of the Ferry Terminal) the public amenities was completed. Sheeting for the PZC sheet pile bulkhead was also completed on the West and East sides; the wetland and upland excavation for the Transient and Anglers Marinas has been completed; and installation of drainage and utility infrastructure is nearly complete. The old Angler's Club was removed and replaced with a new building in 2019. The Certificate of Occupancy was issued February 2020. The grading for the Renaissance Park area began in December 2019 and orders for the playground equipment have been placed. Phase 2 (west of the ferry terminal) of the public amenities is also in- progress with 44% complete. All irrigation chambers have been installed and the storm drainage is nearly complete. A total of $32,295,889 has been spent on the Public Amenities at the Waterfront, as of December 31, 2019. On February 18, 2020, the Planning Board approved the Garvies Point Brewery Amended Site Plan Application and Amended PUD subdivision as part of the Garvies Point project. The Garvies Point Brewery will maintain and expand an existing business down at the waterfront with 8,320 square feet of restaurant/brewery uses and 484 square feet of public bathrooms, warehouse and office space. The Brewery will help activate the public amenities and open spaces on the east side of the project and the overall waterfront area, by providing a year-round, inviting destination for the general public and City residents.

The Ferry Terminal Building was completed in December 2015 and full project close-out was completed in 2017 with all grant funding reimbursed. The City released an RFP for a Ferry Operator in November 2017. Two respondents submitted proposals. The City accepted the proposal of Hornblower Metro Ferry LLC with the commencement of service targeted for May 2020. The City requested an extension from FHWA and NYSDOT who were the funding agencies for the project and approval was granted to delay the commencement of ferry service to May 2020, to allow time for the Garvies Point (Phase I), Village Square, and Herb Hill/Garvies Point Road projects to be completed reducing the hazardous construction conditions that would be at and around the ferry terminal site. A detailed action plan with milestones to achieve this goal was developed in 2018 and approved for implementation by the FHWA and NYSDOT during 2019. The IDA assisted the City in the RFP process for operator and the City entered into a letter of intent to contract with Hornblower Metro Ferry, LLC in January 2020 with official contract signing on track to take place in February 2020. The IDA assisted the City in the RFEI process to secure alternate waterborne services to recoup subsidy for the commuter Ferry operation scheduled to begin in 2020. The City entered into a one-year agreement with Eastern Star Dinner/Event Cruises in May 2019 for a one year term at an annual cost of $15,000. The ferry terminal is within walking distance of the planned development of apartment buildings and other uses on the waterfront.

The Herb Hill/Garvies Point Road Reconstruction contract was awarded in January 2017. Mobilization followed soon after but was stopped after the project was required to adopt more stringent environmental regulations. The team worked with NYSDEC to develop an Excavation Work Plan approved by NYSDEC in early November 2017. As of June 2020, substantial work (over 90%) was completed on the project, including the installation of underground utilities (sewer, water, drainage, telecommunications) from the terminus at the west end of Garvies Point Road to near the Slant Fin property. The installation of a temporary bypass at the intersection of Herb Hill Rd., Garvies Point Rd. and Dickson St. was also completed by RXR to facilitate work on the project in 2019. Funding for the road project in the amount of $6.5 million will be provided by NYSDOT and $2.5 million by Empire State Development. The balance of the funding is expected to be paid from bond proceeds totaling $15.9 million for the road. Due to escalation caused by project delays and cost increases resulting from the requirements imposed by the NYSDEC and water management issues, the City worked with the IDA, GCLEAC, and RXR to make up to approximately $13.7 million available from the public amenities account to the City account for the road project, as needed. This was memorialized in several agreements executed between the parties, including the First Amendment to the Trust Indenture, PIF Agreement, and Road Agreement. Work is scheduled to be completed in 2020.

Other Developments

As part of the Northwell Health System, the North Shore University Hospital at Glen Cove has been designated as the special surgery hospital for orthopedic surgery and rehabilitation. This designation has led to growth at the

City's three nursing home facilities that provide post-surgery patient rehabilitation. In addition, there has been strong demand for medical office space in Glen Cove.

The Atria Senior Living has completed renovations to its existing building at an approximate cost of approximately $10 million.

Breton Hills (formerly Landing Cove), a 72-unit housing complex for over age 55 residents, has a new development team and anticipates project completion by the end of 2021. Nineteen two-family housing units at Lee Gray Court have also been approved with 16 already constructed. In addition, The Villa, a 176-luxury unit condominium on Glen Cove Road began demolition June 2017; however, litigation stopped the project. Resolution of litigation related to the project has concluded in favor of the developer, who has completed demolition of the site and is expected to apply for building permits shortly.

The Glen Cove Mansion, a 54.5-acre property in the estate section of Glen Cove, currently has plans to develop a 15-acre parcel of land for the purpose of constructing 40 high-end housing units and also to expand their catering and hotel capabilities for a total cost of approximately $30 million. The property has been approved by the City Council for rezoning. In the winter of 2015 a fire caused extensive damage to one wing of the main mansion building. The new owner of the mansion has initiated renovations.

The Glen Cove Movie Theater, which closed its doors in the Spring of 2013, was sold in December of 2013 to a new theater operator. The new owner and operator has renovated and updated the theater to digital technology and opened for business in April, 2014. Glen Cove attracted AMC Movie Theater, which signed a 20-year lease with the property owners to replace the previous operator. Significant enhancements and renovations by the property owners have been completed and the movie theater is now open for business.

Construction Activity

The number of building permits issued within the City and the estimated cost of construction based on permits issued for each of the last five years is set forth below.

Building Permits

Year	No. of Permits	Estimated Cost
2015	196	$ 9,473,892
2016	204	13,035,781[(1)]
2017	194	9,752,545
2018	181	8,602,527
2019	163	11,475,456

(1) Includes construction activity related to in waterfront redevelopment. (See "*Waterfront Redevelopment*")

Source: City Officials

Budget Process

The budget process begins in late summer at which time department heads prepare estimates of revenues and expenditures for the following year. Pursuant to the City Charter, departmental estimates must be submitted to the City Controller by September 1.

The Mayor submits a proposed budget to the City Council on or before October 1. The City Council reviews the proposed budget and may make changes or revisions that they deem necessary. During the City Council's review period, by October 10, notice is given of a public hearing on the proposed budget.

The public hearing on the proposed budget is to be held no later than October 15, at which time members of the public may express their views on such budget. Following the public hearing, the City Council may make whatever

additional revisions that it deems necessary. The final budget for the next fiscal year is adopted by ordinance of the City Council by the last Tuesday in October.

In addition, all tax levies for budgets adopted for the fiscal year ending December 31, 2012 and thereafter are subject to the Tax Levy Limit Law. (See also *"Tax Levy Limit Law".)*

Investment Policy

The City Council has adopted an Investment Policy, which includes as eligible investments: certificates of deposit and time deposit accounts in banks or trust companies authorized to do business in New York State; obligations of the State or the U.S. Treasury (including federal agencies where principal and interest is guaranteed by the United States of America); and, with approval of the State Comptroller, obligations of other local governments as well as of the City itself.

The Investment Policy further stipulates that:

- Certificates of deposit and time deposit accounts must be fully secured by insurance of the Federal Deposit Insurance Corporation, or collateralized with obligations of the U.S. Treasury, the State, or obligations of local governments within the State. Collateral shall be delivered to the City or to an approved custodial bank. The market value of collateral shall at all times equal or exceed the principal value of the certificate of deposit, marked to market no less frequently than weekly.
- Repurchase agreements shall provide for payment to the provider only upon delivery of U.S. Treasury obligations to an approved custodial bank or, in the case of a book-entry transaction, when the obligations of the U.S. Treasury are credited to the approved custodial bank account.
- Repurchase agreements shall be entered into only with banks or trust companies registered as primary dealers in government securities, with a minimum 105% collateralization, marked to market weekly.
- The investments will be audited annually by the City's independent auditor, and the Investment Policy will be reviewed annually by the City Council.

Consistent with the above statutory limitations, it is the City's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the City may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

REAL PROPERTY TAXES

Limitation on Real Estate Tax Levy

The City is responsible for levying taxes for City purposes. The City's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to 2.0% of the five-year average full valuation of taxable real property of the City. The City Charter, however, limits the City's real property tax levying power to 1.5% of the five-year average full valuation or $55,769,366 as of fiscal year ending December 31, 2019.

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The following table sets forth the computation of the City's real estate tax levying limitation and the determination of its tax margin under the State Constitution.

Real Property Tax Assessment and Rates

Fiscal Year Ending December 31:	Assessed Valuation	State Equalization Ratio	Full Valuation
2016	$3,605,996,735	1.0000	$ 3,605,996,735
2017	3,732,060,079	1.0000	3,732,060,079
2018	3,955,321,667	1.0000	3,955,321,667
2019	4,220,614,662	1.0000	4,220,614,662
2020	4,235,214,271	0.9500	4,458,120,285

Total Five-Year Full Valuation	$19,972,113,428
Five-Year Average Full Valuation	3,994,422,686
1.5% of Five-Year Average Full Valuation	59,916,340
Total Tax Levy – General City Purposes	31,072,297[(1)]
Less: Total Exclusions (Debt Service)	7,841,731
Tax Levy Subject to Tax Limit	23,230,566
Constitutional Tax Margin	$ 36,685,774
Percentage of Tax Limit Exhausted	38.77%

Sources: State Board of Real Property Services and the City of Glen Cove Controller's Office.

(1) 2020 Adopted Budget Tax Levy.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the City has been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the City for any fiscal year commencing after January 1, 2012 and thereafter, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior

fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the City, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the City or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations**,** and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

To date, the City has not exceeded the Tax Levy Limit.

Real Property Tax Collection Procedures and History

Total real property taxes in the City are comprised of three separate taxing elements: (1) City, (2) County and (3) School. Real property taxes become payable upon the levy of such taxes by the City Council, the Nassau County Legislature and the local Board of Education, respectively.

Preparation of the tax assessment roll is the statutory responsibility of the City under the Real Property Tax Law. The City Assessment Office undertakes regular inspections of property to ensure that new construction, improvements or demolitions are reflected in the annual roll of taxable properties.

The taxes as levied by the City become a lien on December 1; County taxes are billed on a single statement and are levied January 1. City taxes are one half payable on December 1 and one half payable on June 1. County taxes are one half payable January 1 and one half payable July 1. The Glen Cove City School District (the "District") taxes are levied August 1 and are one half payable August 1 and one half payable February 1.

School taxes are collected by the City until March 1. On March 20, a five percent administrative fee is added to all delinquent District tax bills in addition to interest expense, which accrues from March 1 at 0.50% per month. The City guarantees the District the full amount of its tax levy. County taxes are remitted to the County only to the extent they are actually collected by the City. According to the Real Property Tax Law, unpaid school taxes are paid to the District as they are collected or at such time as the unpaid tax is included in the tax sale. All unpaid school taxes and unpaid prior year City taxes are included in the annual tax lien sale held no later than the last Friday in June.

Delinquent City and District taxes are enforced by the City under Article 11, Title 3 of the Real Property Tax Law which provides for foreclosure by "action in rem" after two years from the date of the first lien. In general, this section of the law permits foreclosure actions to be instituted for all tax liens due and unpaid for a period of at least two years. The City has elected to use the two-year period in order to strengthen its real property tax enforcement procedures.

The following table reflects the real property tax levies and the total amounts collected in each of the last five fiscal years.

Real Property Tax Levies and Collections

Period Ending:	Gross Tax Levy	Total Taxes Collected	Percentage of Taxes Collected
2015[1]	$30,010,512	$29,427,038	98.06%
2016[1]	29,328,951	28,871,977	98.44
2017[1]	29,495,179	29,183,185	98.94
2018[1]	30,035,133	29,705,892	98.90
2019[1]	30,570,515	29,913,124	97.85

(1) The City has an 18-month collection cycle on real estate taxes; the collections and percentage of taxes collected reflect amounts for the full 18-month cycle for the fiscal years ending December 31, 2015 through 2019, inclusive.

Valuations and Tax Data

The table below shows the trend during each of last five years for taxable assessed valuations, State equalization rates, full valuations, real property tax levies and real property tax rates.

Assessed Valuations

	2016	2017	2018	2019	2020
Assessed Value	$3,605,996,735	$3,740,860,020	$3,955,321,677	$4,218,031,041	$4,235,214,271
Equal. Ratio	100.00%	100.00%	100.00%	100.00%	95.00%
Full Value	3,605,996,735	3,740,860,020	3,955,321,677	4,218,031,041	4,458,120,285
Tax Levy	29,352,553	29,792,840	30,035,551	30,496,535	31,072,297
Tax Rate[1]	$8.14	$7.96	$7.50	$7.23	$7.34

(1) Per $1,000 assessed value.

Source: New York State Office of Real Property Services and City officials.

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Ten Largest Taxpayers

The following table presents the assessments of the City's ten largest taxpayers for the 2020 assessment roll.

Taxable Assessments [(1)(2)]

Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation
Walker & Walker	Real Estate	$ 14,706,500	0.33%
Glen Arms Group	Apartment Rental	11,832,000	0.27
Martin Carey[(2)]	Residential	11,791,500	0.26
Trousdell Village	Co-ops	10,348,000	0.23
Pearsall Owners Corporation	Co-ops	9,695,500	0.22
Glengariff Corp.	Senior Housing	9,361,000	0.21
Glen Cove Mansion Holding	Hotel	9,007,500	0.20
GC Shopping Center	Shopping Center	8,650,500	0.19
KIR Glen Cove, LLC	Shopping Center	8,516,000	0.19
Minicozzi, F&B	Real Estate	8,434,000	0.19
	Totals:	$102,342,500	2.29%

(1) The City's total taxable assessed value for the 2020 fiscal year is $4,458,120,285.
(2) There are no tax certiorari claims pending to the above taxpayers for the 2020 fiscal year.
(3) Signed Stipulation and Settlement for Pearsall dated February 2020 where refunds are expected in the amounts of $112,420 for City, $254,391 for School and $9,489 for Library. City refund payable in 3 equal installments May 2021, October 2021 and May 2022. School refund payable in two equal installments October 2020 and October 2021. Library payable October 2020.

Source: City officials.

CITY INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the City (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 City and the Bonds and the Notes.

Purpose and Pledge. The City 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 City may contract indebtedness only for a City 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 in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the City has authorized the issuance of

indebtedness having substantially level or declining annual debt service. The City 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 City is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under *"Nature of Obligation"*, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy, unless the City complies with certain procedural requirements to permit the City to levy certain year to year increases in real property taxes. (See *"Tax Levy Limit Law"* herein).

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the City 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 completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

There is no constitutional limitation on the amount that may be raised by the City by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law, imposes a statutory limitation on the power of the City to increase its annual tax levy, unless the City complies with certain procedural requirements to permit the City to levy certain year to year increases in real property taxes. (See *"Tax Levy Limit Law"* herein).

Statutory Procedure

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

Pursuant to the Local Finance Law and the City Charter, the City authorizes the incurrence of indebtedness by the adoption of an ordinance approved by at least two-thirds of the members of the City Council. Certain improvements, the cost for which will be specially assessed against benefited property, are subject to public hearing.

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

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

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

probable usefulness of the purpose for which such notes were originally issued. (See *"Payment and Maturity"* under *"Constitutional Requirements"* herein).

In addition, under each bond ordinance, the City Council may delegate, and has delegated, power to issue and sell bonds and notes, to the City Controller, the chief fiscal officer of the City under its Charter.

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

Constitutional Debt Limit

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

Constitutional Debt Limit

Fiscal Year Ending Dec. 31:	Assessed Valuation	State Equalization Ratio	Full Valuation
2016	$3,605,996,735	1.0000%	$ 3,605,996,735
2017	3,740,860,020	1.0000	3,740,860,020
2018	3,955,321,677	1.0000	3,955,321,677
2019	4,220,614,662	1.0000	4,220,614,662
2020	4,458,120,285	0.9500	4,458,120,285
Total Five-Year Valuation			$19,972,113,428
Average Five-Year Valuation			3,994,422,686
Debt Limit – 7% of Average Full Valuation			$ 279,609,588

Source: City of Glen Cove, Assessor's Office and the New York State Office of Real Property Services.

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Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness
(as of June 12, 2020)

Debt Contracting Limitation		$279,609,588
Gross Direct Indebtedness		
Serial Bonds [1]:		
General Purpose	$34,797,307	
Water	7,807,303	
Sewer[2]	335,390	
		$ 42,940,000
Bond Anticipation Notes:		
General Purpose	766,028	
Total Gross Direct Indebtedness		$ 43,706,028
Exclusions and Deductions:		
Water Bonds	$7,807,303	
Appropriations in Current Budget to Pay Non-Exempt Debt Maturing During Remainder of Fiscal Year	595,000	
Total Exclusions and Deductions		8,402,303
Total Net Indebtedness		$ 35,303,725
Net Debt-Contracting Margin		$244,305,863
Percentage of Debt-Contracting Limitation Exhausted		12.63%

(1) Exclusive of the City's lease purchase obligations. See "*Lease Purchase Obligations Debt Service Schedule*" herein.
(2) The City is contractually required to pay debt service related to the issuance of serial bonds by the City for sewer improvements and the County is contractually required to reimburse the City for such expenditures.

In addition to the foregoing, the City is liable for bonds and notes issued by its Community Development Agency. As of May 10, 2018, the Community Development Agency had no bonds or notes outstanding. See "*Related Entities*".

Source: City Controller

Bond Anticipation Notes

The following bond anticipation notes of the City are currently outstanding:

Outstanding BAN Indebtedness

Issue Date	Due Date	Description	Amount
05/21/20	05/21/21	Bond Anticipation Notes – 2020 Series A	$ 766,028

Cash Flow Borrowings

The City has not issued tax anticipation notes in the last five fiscal years. The revenue anticipation notes issued in the last five fiscal years are listed below. The City has no current plans to issue tax or revenue anticipation notes during the 2020 fiscal year.

Revenue Anticipation Notes

Fiscal Year Ending December 31:	Amount	Date of Issuance	Date of Maturity
2015	N/A	N/A	N/A
2016	4,600,000	4/13/16	12/15/16
2017	N/A	N/A	N/A
2018	N/A	N/A	N/A
2019	N/A	N/A	N/A

Trend of Outstanding Indebtedness

The following table provides information relating to the capital indebtedness outstanding at year end not including previously described lease purchases for the past five fiscal years.

Outstanding Indebtedness

	2015	2016	2017	2018	2019[1]
Bonds	$36,770,000	$35,689,305	$39,403,566	$53,759,498	$48,115,000
Bond Anticipation Notes	23,055,664	21,788,122	12,655,914	860,468	860,468
Totals:	$59,825,664	$57,477,427	$52,059,480	$54,619,966	$48,975,468

(1) Unaudited.

Source: Audited and Unaudited Financial Statements.

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Direct and Overlapping Indebtedness

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

Statement of Direct and Overlapping Indebtedness

Gross Direct Indebtedness	$43,706,028
Exclusions and Deductions	8,402,303
Net Direct Indebtedness	$35,303,725

Overlapping Debt

Issuer	Outstanding	As of	Share	Amount Applicable to City
Nassau County	$3,286,419,000	09/30/19	1.88%	$61,784,677
Glen Cove City SD	1,725,000	06/30/19	100.00%	1,725,000

Total Net Overlapping Debt	$63,509,677
Total Net Direct Debt	35,303,725
Total Net Direct and Overlapping Debt	$98,813,402

Sources: Data provided by City, County, and District Officials.

Debt Ratios

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

Debt Ratios

	Amount	Debt Per Capita(1)	Debt to Full Value(2)
Net Direct Indebtedness	$35,303,725	$1,300	0.79
Net Direct and Overlapping Indebtedness	98,813,402	3,637	2.22

(1) The population of the City is estimated at 27,166 *according to the American Community Survey 2019 Population Estimate.*
(2) The City's full value of taxable real property for fiscal year 2019 is $4,458,120,285.

Sources: Data provided by City Officials and the US Census Bureau.

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Debt Service Schedule

The following table sets forth all principal and interest payments required on the outstanding bonded indebtedness of the City, exclusive of the Bonds, economically defeased obligations and lease purchase obligations.

Bond Principal and Interest Maturity

Fiscal Year Ending December 31:	Principal	Interest	Total Annual Debt Service
2020[1]	$6,145,000	$1,696,731	$7,841,731
2021	5,910,000	1,485,982	7,395,982
2022	4,670,000	1,281,272	5,951,272
2023	4,835,000	1,106,607	5,941,607
2024	3,165,000	969,020	4,134,020
2025	3,270,000	838,005	4,108,005
2026	3,410,000	689,859	4,099,859
2027	2,135,000	572,494	2,707,494
2028	2,205,000	493,794	2,698,794
2029	2,135,000	419,449	2,554,449
2030	1,860,000	355,097	2,215,097
2031	1,930,000	295,822	2,225,822
2032	1,350,000	233,531	1,583,531
2033	935,000	195,341	1,130,341
2034	700,000	166,838	866,838
2035	725,000	141,263	866,263
2036	755,000	114,700	869,700
2037	785,000	87,063	872,063
2038	145,000	70,075	215,075
2039	155,000	64,075	219,075
2040	160,000	57,775	217,775
2041	165,000	51,688	216,688
2042	175,000	45,738	220,738
2043	180,000	39,525	219,525
2044	185,000	33,091	218,091
2045	195,000	26,298	221,298
2046	200,000	19,188	219,188
2047	210,000	11,781	221,781
2048	220,000	3,987	223,987
Totals:	$ 48,910,000	$ 11,566,084	$ 60,476,084

(1) For the entire fiscal year.

Source: City officials and Audited Financial Statements, City of Glen Cove

Lease Purchase Obligations Debt Service Schedule

The following table sets forth all principal and interest payments required on the outstanding lease purchase obligations of the City.

Lease Purchase Obligations Principal and Interest Maturity

Fiscal Year Ending December 31:	Principal	Interest	Total Amount Debt Service
2020[1]	$59,919.10	$2,977.99	$62,897.09
Totals:	$59,919.10	$2,977.99	$62,897.09

(1) For the entire fiscal year.

Source: City of Glen Cove.

Capital Financing and Improvement Programs

As a continuation of the fiscal planning process, the Mayor and the City Council directed the Controller to conduct a multi-year planning process, which involves all City department heads, the Mayor and City Council, the Director of Public Works, and citizens of the City. Projects typically included in the plan include construction, acquisition, improvements to roads, water facilities, public safety, recreation facilities, and computer equipment for City departments. The 2020 capital borrowing will consist of bonds and bond anticipation notes for capital projects and termination payments. The 2020 bond borrowing is primarily to fund 2019 capital plan which was delayed.

Over the past several years, the City has reviewed its water system infrastructure and has made significant capital investment to both rehabilitate and expand this aging system. Bonds previously secured will be combined with a $3 million grant from the Environmental Facilities Corporation WIIA program and additional grant funding from DASNY to rehabilitate the Seaman Road Well and install a PTAS in order to remove contaminants and re-open this vital well. In addition, the City has completed work at the Duck Pond Road Wells, including the installation of an air stripper and noise attenuation system. The City has invested in engineering efforts to identify and study the feasibility of locations for the installation of more wells to provide additional supply for current redevelopment efforts and also to plan for growth moving forward. In order to sustainably fund key investments in the City's water network and to maintain a state of good repair, the City approved a water rate increase of 15% in 2018, with water billings reflecting the increase in 2019, which resulted in approximately $300,000 in additional revenue toward improvements.

Authorized and Unissued Long-Term Debt

Following the issuance of the Bonds and the Notes, the City will have $2,080,000 in authorized but unissued debt relating to the dredging of the Glen Cove Creek and the disposal of sediment collected in connection with such dredging.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

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

Population Trend

	2010	2015	Percentage Change 2010/2015
City	26,964	27,245	1.04%
County	1,339,532	1,354,612	1.13
State	19,378,102	19,673,174	1.52

Source: U.S. Census Bureau, American Community Survey 5 year estimate.

Income

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

Median Income

	2010	2015	Percentage Change 2010/2015
City	$73,624	$68,362	(7.15)%
County	93,613	99,465	6.25
State	55,603	59,269	6.59

Source: U.S. Census Bureau, American Community Survey 5 year estimate.

Employment and Unemployment

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

Civilian Labor Force
(Thousands)

	2015	2016	2017	2018	2019
City	14.0	14.0	14.2	14.2	14.2
County	697.6	699.8	706.4	706.6	708.1
State	9,558.8	9,551.9	9,549.1	9,521.9	9,514.4

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

Unemployment rates for the City, County and the State are set forth below.

Yearly Average Unemployment Rates

Year	City	County	State
2015	4.5%	4.2%	5.3%
2016	3.9	3.9	4.9
2017	4.1	4.1	4.7
2018	3.7	3.5	4.1
2019	3.6	3.4	4.0

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

Monthly Unemployment Rates

Month	City	County	State
May 2019	3.0%	3.1%	3.6%
June	3.2	3.3	3.8
July	3.5	3.7	4.2
August	3.6	3.7	4.1
September	3.0	3.4	3.6
October	3.0	3.4	3.7
November	3.1	3.4	3.6
December	3.5	3.4	3.7
January 2020	4.5	3.6	4.1
February	4.4	3.5	3.9
March	4.1	3.6	4.2
April	15.4	15.6	15.0

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

Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment has drastically increased since mid-March due to the COVID-19 global pandemic and this trend is expect to continue into the foreseeable future. See "MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE" herein for further detail.

Financial Institutions and Communications

There are four commercial banks, Bank of America N.A., Capital One, N.A., American Community Bank and Citibank, located in the City. The City is served by the major New York metropolitan area newspapers, radio and television stations. In addition, the City has two local newspapers, The *Glen Cove Record Pilot* and *The Gold Coast Gazette*. Cablevision, a private corporation, provides cable television service to City residents.

Utilities

Electricity is supplied to the City by the Long Island Power Authority and natural gas is supplied by National Grid. Telephone service is provided by Verizon and Cablevision. The City provides water supply distribution to its residents and is responsible for financing the construction, operation and maintenance of this system.

Transportation

Rail transportation is provided by the Oyster Bay branch of the Long Island Railroad. Highways serving the City include the Long Island Expressway and the Northern State Parkway. The area is covered by an extensive network of County roads. In addition, public bus transportation is available by the Metropolitan Suburban Bus Authority. The City also operates a shuttle bus for downtown shoppers.

END OF APPENDIX A

APPENDIX B

FINANCIAL STATEMENT SUMMARIES

CITY OF GLEN COVE
Statement of Budgeted Revenues and Expenditures
Operating Funds
Fiscal Year Ended December 31:

	2019	2020
REVENUES		
General	$ 17,265,954	$ 15,819,379
Water/Sewer Fund	3,764,929	3,799,420
Debt Service Fund	7,957,600	8,739,789
Insurance Fund	884,500	847,000
Fund Balance Appropriation	0	0
Revenues other than taxes	29,872,983	29,205,588
Amount to be raised by taxes	30,496,535	31,072,297
TOTAL REVENUES	$ 60,369,518	$ 60,277,885
EXPENDITURES:		
General	$ 47,762,489	$ 46,891,676
Water/Sewer Fund	3,764,929	3,799,420
Debt Service Fund	7,957,600	8,739,789
Insurance Fund	884,500	847,000
Fund Balance Appropriation	0	0
TOTAL APPROPRIATIONS	$ 60,369,518	$ 60,277,885

Source: Adopted Budgets of the City.

CITY OF GLEN COVE
Comparative Balance Sheet - General Fund
Fiscal Year Ended December 31:

	2017	2018
Assets:		
Cash and Cash Equivalents	$ 16,356,459	$ 13,965,603
Receivables		
Taxes and Liens	22,035,608	23,968,884
Accounts	699,858	608,352
Prepaid Expenses	272,190	30,907
Due from Component Units	0	0
Due from Other Funds	2,274,093	723,448
Due from Other Governments	994,879	959,007
State and Federal Aid	18,600	18,600
Total Assets	$ 42,651,687	$ 40,274,801
Liabilities:		
Accounts Payable	1,485,959	1,278,256
Accrued Liabilities	804,264	765,781
Due to Retirement Systems	2,195,327	2,395,511
Overpayments	179,322	168,920
Due to Other Funds	0	0
Due to Other Governments	813,385	318,473
Deferred Tax Revenues	31,093,931	31,280,779
Deferred Revenues	0	47,479
Total Liabilities	$ 36,572,188	$ 36,255,199
Fund Balances:		
Nonspendable	$ 931,134	$ 609,057
Restricted	2,389,752	2,447,369
Assigned	0	963,176
Unassigned (Deficit)	2,758,613	0
Total Fund Equity	$ 6,079,499	$ 4,019,602
Total Liabilities and Fund Equity	$ 42,651,687	$ 40,274,801

Source: Audited Financial Statements of the City. Summary itself not audited.

CITY OF GLEN COVE

Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund

Fiscal Year Ended December 31:

	2014	2015	2016	2017	2018
Revenues:					
Real Property Taxes	$ 29,430,656	$ 29,677,428	$ 29,519,108	$ 30,985,450	$ 30,236,590
Other Tax Items	1,006,169	979,205	1,711,724	1,663,454	1,731,348
Non-Property Tax Items	2,212,776	2,254,527	2,276,047	2,364,884	2,408,011
Departmental Income	1,557,271	1,783,944	1,816,404	1,649,613	1,823,287
Intergovernmental Charges	830,000	583,500	4,083,000	9,033,841	83,000
Licenses and Permits	411,774	505,826	1,707,035	1,678,026	1,015,556
Fines and Forfeitures	419,266	556,125	468,805	391,065	493,621
Use of Money and Property	478,465	458,801	605,619	614,649	738,551
Sale of Property and Compensation for Loss	4,450	17,650	7,750	0	0
State Aid	3,735,287	3,952,840	4,027,416	3,967,209	3,975,923
Federal Aid	529,279	359,485	439,596	481,513	355,401
Net change in fair value of investments	0	0	11,982	54,805	(16,981)
Miscellaneous Revenues	458,448	876,862	69,592	104,840	102,436
Total Revenues	$ 41,073,841	$ 42,006,193	$ 46,744,078	$ 52,989,349	$ 42,946,743
Expenditures:					
General Government	$6,626,548	6,166,089	5,938,467	9,681,505	6,743,542
Public Safety	15,130,579	15,960,213	16,414,691	16,717,375	16,807,096
Health	602,246	684,235	749,254	732,485	963,472
Transportation	2,159,922	2,118,153	2,049,564	2,082,234	2,228,261
Economic Opportunity and Development	445,533	419,019	469,292	433,918	472,097
Culture and Recreation	1,610,827	1,637,509	1,905,087	1,930,367	1,836,604
Home and Community Service	3,003,080	3,026,216	2,757,106	2,749,594	2,827,129
Employee Benefits	4,602,916	4,685,007	4,965,050	5,134,123	5,815,628
Debt Service	42,813	0	61,844	0	0
Miscellaneous	0	0	0	0	0
Total Expenditures	$ 34,224,464	$ 34,696,441	$ 35,310,355	$ 39,461,601	$ 37,693,829
Other Financing Sources (Uses):					
Transfers from Other Funds	0	608,555	587,763	648,550	612,919
Transfers to Other Funds	(9,259,891)	(9,627,885)	(10,391,152)	(11,330,833)	(10,025,730)
Bond Anticipation Notes Issued	2,060,000	1,744,000	0	0	0
Settlement Income	0	959,681	0	0	0
Sale of property	0	0	402,077	0	2,100,000
Total Other Financing Sources (Uses) and Other Uses	$ (7,199,891)	$ (6,315,649)	$ (9,401,312)	$ (10,682,283)	$ (7,312,811)
Net Change in Fund Balances	$ (350,514)	$ 994,103	$ 2,032,411	$ 2,845,465	$ (2,059,897)
Fund Balance, Beginning of the Year:	$ (1,580,803)	$ (1,931,317)	$ (937,214)	$ 3,234,034	$ 6,079,499
Results of Operations					
Net Change in Fund Balances	(350,514)	994,103	2,032,411	2,845,465	(2,059,897)
Cumulative Effect of Change in Accounting Principle	0	0	2,138,837	0	0
Fund Balance, End of Year	$ (1,931,317)	$ (937,214)	$ 3,234,034	$ 6,079,499	$ 4,019,602

Source: Audited Financial Statements of the City. Summary itself not audited.

APPENDIX C

FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2018*

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/ER1406825.pdf

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

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

APPENDIX D

FORMS OF APPROVING LEGAL OPINIONS OF BOND COUNSEL

FORM OF OPINION OF BOND COUNSEL – SERIES A BONDS

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 2, 2020

The City Council of the
City of Glen Cove, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Glen Cove (the "City"), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $5,242,851 Public Improvement Serial Bonds-2020 Series A (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Bonds, the City is issuing its $1,370,224 Bond Anticipation Notes -2020 Series B (the "Notes"). The Bonds are treated, together with the Notes, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Notes and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Notes from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Notes to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Bonds, the City will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Bonds or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

FORM OF OPINION OF BOND COUNSEL – SERIES B BONDS

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 2, 2020

The City Council of the
City of Glen Cove, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Glen Cove (the "City"), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $800,000 Public Improvement Serial Bonds-2020 Series B (Federally Taxable) (the "Bonds"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligation of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Interest on the Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

3. Under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on

the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters relating to the Bonds.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement of the City relating to the Bonds, or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relating to the City, which have been or may be furnished or disclosed to purchasers of the Bonds.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

FORM OF OPINION OF NOTE COUNSEL – NOTES

Hawkins Delafield & Wood LLP
7 World Trade Center
250 Greenwich Street
New York, New York 10007

July 2, 2020

The City Council of the
City of Glen Cove, in the
County of Nassau, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Glen Cove (the "City"), in the County of Nassau, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the $1,370,224 Bond Anticipation Notes-2020 Series B (the "Notes"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Concurrently with the issuance of the Notes, the City is issuing its $5,242,851 Public Improvement Serial Bonds- 2020 Series A (the "Bonds"). The Notes are treated, together with the Bonds, as a single issue for federal tax purposes. We have served as Bond Counsel with respect to the issuance of the Bonds and, on the date hereof, we have rendered our opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes in substantially the form of paragraph 2 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Bonds and the Notes to become subject to federal income taxation retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Notes are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Notes in order that the interest on the Notes be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Notes, restrictions on the investment of proceeds of the Notes prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Notes to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Notes, the City will execute a Tax Certificate relating to the Notes containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Notes will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Notes, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Notes or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Notes.

Very truly yours,

/s/ Hawkins Delafield & Wood LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE BONDS

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

"EMMA" shall mean the Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **City of Glen Cove,** in the County of Nassau, a municipal corporation of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Purchaser" shall mean the financial institution referred to in the Certificate of Award, executed by the City Controller as of June 23, 2020.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's [**$5,242,851 Public Improvement Serial Bonds-2020 Series A] [$800,000 Public Improvement Serial Bonds-2020 Series B (Federally Taxable)]**, dated July 7, 2020, maturing in various principal amounts on [February 1] [July 1] in each of the years [2021 through 2032] [2021 through 2030], inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York, to the EMMA System:

(i) (A) no later than nine (9) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending

December 31, 2020, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) 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 Securities, or other events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) 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 Issuer 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 Issuer, 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 Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake

to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the heading "LITIGATION" and in Appendix A under the headings: "THE CITY," "FINANCIAL FACTORS," "REAL PROPERTY TAXES," "CITY INDEBTEDNESS" and "ECONOMIC AND DEMOGRAPHIC DATA" and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 7 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 8. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased pursuant to their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 10. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 7, 2020.

CITY OF GLEN COVE

By_____

Controller and Chief Fiscal Officer

APPENDIX F

FORM OF UNDERTAKING TO PROVIDE NOTICES OF EVENTS FOR THE NOTES

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UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"EMMA" shall mean the Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **City of Glen Cove**, in the County of Nassau, a municipal corporation of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution(s) referred to in the Certificate of Determination, executed by the City Controller as of June 18, 2020.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $1,370,224 Bond Anticipation Notes-2020 Series B, dated July 7, 2020 maturing on July 7, 2021, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 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, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(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 Securities, or other events affecting the tax status of the Securities;

(vii) modifications to rights of Securities holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

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 Issuer 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 Issuer, 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 Issuer;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;