

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 19, 2023**

**NEW ISSUES**

See “RATING” herein

**SERIAL BONDS AND NOTES**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds and the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Bonds and the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and the Notes. See “Tax Matters” herein.*

*The Town WILL NOT designate the Bonds and the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.*

**TOWN OF RAMAPO  
ROCKLAND COUNTY, NEW YORK  
\$11,000,000\*  
PUBLIC IMPROVEMENT (SERIAL) BONDS, 2023  
(the “Bonds”)**

**Dated: Date of Delivery**

**Due: October 1, 2024 – 2038**

**\$3,000,000  
BOND ANTICIPATION NOTES, 2023  
(the “Notes”)**

**Dated: October 12, 2023**

**Due: October 11, 2024**

The Bonds and the Notes are general obligations of the Town of Ramapo, Rockland County, New York (the “Town”), and all of the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and the Notes and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “Tax Levy Limit Law” herein.)

The 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 Bonds, payable on October 1, 2024 and semiannually thereafter on April 1 and October 1 in each year until maturity. The Bonds shall mature on October 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (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.

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 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 Town, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

The Bonds will be issued in book-entry form, such bonds will be delivered to DTC, which will act as securities depository for the Bonds and for those Notes issued in book-entry form issued as registered to Cede & Co. 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. Purchasers will not receive certificates representing their ownership interests in the Bonds and the Notes issued as book-entry-only bonds and notes. Payment of the principal of and interest on such Bonds and Notes will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of such Bonds and Notes as described herein. (See “Book-Entry-Only System” herein.)

The Bonds and the Notes are offered subject to the respective final approving opinions of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds and Notes will be available for delivery through the offices of DTC in New York, New York or as otherwise agreed with the purchasers on or about October 12, 2023.

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

**DATED: September \_\_, 2023**

\* Preliminary, subject to change.

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

<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Year</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP***</u>
2024	\$585,000	%	%		2032**	\$750,000	%	%	
2025	590,000				2033**	770,000			
2026	615,000				2034**	800,000			
2027	635,000				2035**	825,000			
2028	655,000				2036**	855,000			
2029	680,000				2037**	890,000			
2030	700,000				2038**	925,000			
2031	725,000								

\* The principal amounts of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Bond Sale.

\*\* The Bonds maturing in the years 2032 and thereafter will be subject to redemption prior to maturity, as described herein (see "*Optional Redemption*").

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

**TOWN OF RAMAPO  
ROCKLAND COUNTY, NEW YORK**

**TOWN BOARD**

**Michael B. Specht  
Supervisor**

Brendel Logan..... Deputy Supervisor

Michael Rossman..... Board Member

David Wanounou ..... Board Member

Yehuda Weissmandl ..... Board Member

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Sharon Osherovitz..... Town Clerk

John Lynch..... Director of Finance

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**BOND COUNSEL**

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

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**INDEPENDENT AUDITOR**

**Bonadio & Co., LLP  
New York, New York**

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**MUNICIPAL ADVISOR**



**Capital Markets Advisors, LLC  
Long Island \* Western New York  
(516) 274-4504**

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

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**OFFICIAL STATEMENT**  
**TOWN OF RAMAPO**  
**ROCKLAND COUNTY, NEW YORK**

**Relating To**  
**\$11,000,000\***  
**PUBLIC IMPROVEMENT (SERIAL) BONDS, 2023**  
**(the “Bonds”)**  
  
**and**  
  
**\$3,000,000**  
**BOND ANTICIPATION NOTES, 2023**  
**(the “Notes”)**

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the Town of Ramapo, in the County of Rockland, in the State of New York (the “Town”, “County” and “State,” respectively) in connection with the sale of \$11,000,000\* Public Improvement (Serial) Bonds, 2023 (the “Bonds”) and \$3,000,000 Bond Anticipation Notes, 2023 (the “Notes”).

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

The Bonds are dated their date of delivery and will bear interest from such date until maturity, payable on October 1, 2024 and semiannually thereafter on April 1 and October 1 until maturity. The Bonds shall mature on October 1 in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in principal amounts of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in the Bonds. Principal and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “*Book-Entry-Only System*,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Town referred to therein.

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

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\* Preliminary, subject to change.

### ***Authority for and Purpose of the Bonds***

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Town Law, the Local Finance Law, and a bond resolution duly adopted by the Town on January 11, 2023 authorizing the reconstruction and resurfacing of roads including the installation of new sidewalks, and repair of existing sidewalks, curbs, gutters, drainage, landscaping, grading, or improving right of ways and other improvements.

## **THE NOTES**

### ***Description of the Notes***

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

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

At the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder(s) or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book entry notes. The Town will act as Paying Agent for the Notes. The Town contact information is as follows: John Lynch, Comptroller, 237 NY-59, Suffern, New York 10901, (845) 521-9277, e-mail: [lynchj@ramapo-ny.gov](mailto:lynchj@ramapo-ny.gov).

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

The Notes are issued pursuant to the State Constitution and statutes of the State, including among others, the Town Law, the Local Finance Law, and a bond resolution adopted by the Town Board July 24, 2023. The proceeds from the sale of the Notes will be used to fund the \$3,000,000 settled claim against the Town in the matter of Connectivity Systems, LLC v. The Town of Ramapo.

## **THE BONDS AND NOTES**

### ***Optional Redemption***

The Bonds maturing on or before October 1, 2031 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after October 1, 2032 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after October 1, 2031, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

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

The Notes will not be subject to optional redemption prior to maturity.

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

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds and, if so requested, the Notes. The Bonds and if so requested, the Notes will be issued as fully-registered securities 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 the Bonds and will be deposited with DTC. One fully registered note certificate will be issued for the Notes bearing the same rate of interest and CUSIP and deposited with DTC.

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

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

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

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



## **NATURE OF OBLIGATION**

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

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

The Bonds and Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the New York New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated

that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the City of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the City to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its Bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes.

In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

## **TAX LEVY LIMITATION LAW**

On June 24, 2011, Chapter 97 of the New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (New York, Buffalo, Rochester, Syracuse, Yonkers (the latter four of which are affected indirectly by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is

able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

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

**General Municipal Law Contract Creditors' Provision.** Each Bond and Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

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

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

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

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

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

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

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

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

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

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

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

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

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

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

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

**Fiscal Stress and State Emergency Financial Control Boards.** Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature, the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and Towns 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 Towns in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

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

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

Several municipalities in the State are presently working with the FRB. The Town has not applied to FRB and does not reasonably anticipate doing so. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, Town and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, Town 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, Town or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

**Default Litigation.** In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "*Nature of Obligation*" and "*State Debt Moratorium Law*" herein.

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

## **RISK FACTORS**

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

There can be no assurance that the State appropriation for State aid to school districts or municipalities will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget or the State's financial condition due to the ongoing COVID-19 pandemic and other circumstances, including fiscal stress. The Town is not very dependent on State aid, however, State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. (See "*State Aid*", "*Sales Tax*" and "*Impacts of COVID-19*" herein).

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

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

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

The enactment of Chapter 97 of the New York Laws of 2011 on June 24, 2011, which imposes a tax levy limitation upon municipalities, including the Town, school districts, and fire districts in the State could have an impact upon operations of the Town and as a result, the market price for the Bonds and the Notes. (See "*Tax Levy Limit Law*," herein.)

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## **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 has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" with a 2021 fiscal score of "34.6" and an environmental score of "10.0".

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

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference. References to websites and/or website addresses presented herein are for information purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

## **CYBERSECURITY**

The Town, 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 Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, as well as ongoing staff training; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

## **LITIGATION**

Throughout the course of any given year, notices of claim will be served upon the Town Clerk pursuant to N.Y. General Municipal Law § 50-e. These notices typically involve claims against the Town, its officials or employees for alleged personal injuries or property damage. Many such notices do not necessarily lead to litigation.

**No Litigation Relating to the Bonds and the Notes.** There is no litigation pending or, to the knowledge of the Town, threatened, which restrains or enjoins the issuance or delivery of the Bonds and the Notes or questions or affects the validity of the Bonds and the Notes or the proceedings and authority under which they are to be issued, or the pledge of the ad valorem revenues of the Town. Neither the creation, organization, nor existence of the Town,

nor the title of the present members of the Town Board or Town Supervisor or other officers of the Town in their respective offices is being contested.

**General.** The Town experiences routine litigation and claims incidental to the conduct of its affairs. For a certain time and for certain cases, liability insurance maintained by the Town included primary insurance with a \$1 million limit and a \$50,000 per occurrence deductible, and multiple excess liability policies with a combined \$20 million limit. More recently, the Town has undertaken a self-insured approach with umbrella coverage while employing a Third Party Administrator for all claims. There are two pending litigations that have a potential outcome with a likely combined impact on the Town of up to \$6,000,000. The extent to which all or part of that amount will be reimbursed by insurance coverage cannot be presently determined. Other than those cases, there are no other actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the financial condition of the Town.

**Settlement Agreements.** In January 2019, the Town entered into a Settlement Agreement with the County and the Board of Commissioners of the Rockland County Sewer District No. 1 (the “RCSD”) to resolve a financial dispute that arose over the advancement of funds to the Town for future services to be provided. Under the Settlement Agreement with the County, the Town is required to pay the first \$400,000 of all monies borrowed, used, or otherwise expensed by RCSD or the County, for the Hillburn Advanced Waste Water Treatment Plan Project (the “Project”). The remaining amount due on this obligation at December 31, 2022 is \$280,000.

In March 2020, the Town entered into a Settlement Agreement with a former employee to resolve all disputes between the former employee and the Town. Under the Settlement Agreement with the former employee, the Town is scheduled to make one additional settlement payment in the sum of \$409,7841.

In July 2023, the Town entered in a Settlement Agreement with Connectivity Systems, LLC, to resolve a Civil Rights dispute that arose based upon the Town’s denial of several land use applications. The Town agreed to pay \$2,000,000 by July 31, 2023, with another payment of \$1,000,000 to be made before February 28, 2024.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds and the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Bonds or the Notes. Complete copies of the proposed forms of opinion of Bond Counsel are set forth in Appendices D & E hereto.

To the extent the issue price of any maturity of the Bonds and the Notes is less than the amount to be paid at maturity of such Bonds and Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds and the Notes is the first price at which a substantial amount of such maturity of the Bonds and the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds and the Notes accrues daily over the term to maturity of such Bonds and Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds and Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and Notes. Owners of the Bonds and the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not



purchase such Bonds and Notes in the original offering to the public at the first price at which a substantial amount of such Bonds or Notes is sold to the public.

Bonds and Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds and the Notes in order that interest on such 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 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 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 Town, in executing the Tax Certificate, will certify to the effect that the Town will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds and the Notes from gross income under Section 103 of the Code.

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

Although Bond Counsel is of the opinion that interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds may otherwise affect an owner’s federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds and the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Town, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Town has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds and the Notes ends with the issuance of the Bonds and the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Town legitimately disagrees, may not be

practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds and the Notes, and may cause the Town or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds and Notes may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds and the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **LEGAL MATTERS**

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

## **DISCLOSURE UNDERTAKING**

### ***Disclosure Undertaking for the Bonds***

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

(1) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated September 28, 2023 of the Town relating to the Bonds under the headings “The Town”, “Financial Factors”, “Tax Information”, “Town Indebtedness”, “Litigation”, and Appendices (other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2023, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2022 such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) in a timely manner not in excess of ten business days, to EMMA, notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a Financial Obligation (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect Bond 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 Town, any of which reflect financial difficulties.

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into with, or pledged as security or source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

(3) in a timely manner, to EMMA, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Town reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town’s obligations under its continuing disclosure undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that, the Town agrees that any such modification will be done in a manner consistent with the Rule.

An undertaking to provide continuing disclosure as described above shall be provided to the Underwriter at the closing.

### ***Disclosure Undertaking for the Notes***

This Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notice of Certain Material Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, timely notice not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Notes:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Town; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a “financial obligation” (as defined in the Rule) of the Town, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Town, if any such event reflects financial difficulties.

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.

With respect to events (xv) and (xvi) above, the term “Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

### ***Continuing Disclosure History***

On April 7, 2023, the Town used \$486,000 of available funds to paydown a portion of its \$1,755,000 Bond Anticipation Note, 2022 and renewed its \$1,514,500 Bond Anticipation Note, 2023 (the "Notes"). Said Note matures on April 5, 2024. The interest rate on the Note is 4.22%. The Note was purchased by M&T Bank. The Town has pledged its faith and credit for the payment of the principal of and interest on the Note. A Material Event Notice was filed on EMMA on April 12, 2023.

On April 7, 2023, the Town used \$245,500 of available funds to paydown a portion of its \$1,350,000 Bond Anticipation Note, 2022 and renewed its \$1,104,500 Bond Anticipation Note, 2023 (the "Notes"). Said Note matures on April 5, 2024. The interest rate on the Note is 4.22%. The Note was purchased by M&T Bank. The Town has pledged its faith and credit for the payment of the principal of and interest on the Note. A Material Event Notice was filed on EMMA on April 12, 2023.

The Town entered into a \$451,759 Lease Purchase Financing Agreement (the "Lease") dated as of February 25, 2022 with Key Government Finance, Inc. for the acquisition of three work trucks. The Lease term ends on February 25, 2027 with an annual interest rate of 2.09%. Lease payment schedule attached. A Material Event Notice was filed on EMMA on March 1, 2022.

### **RATING**

The Town has applied to S&P Global Ratings ("S&P") for a rating on the Bonds. Such rating is pending at this time. The Notes will not be rated.

On September 2, 2021, S&P assigned a rating of "A+" with a stable outlook to the Town's outstanding indebtedness and applied such rating to the Bonds. Such rating is pending at this time.

Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

### **MUNICIPAL ADVISOR**

Capital Market Advisors, LLC, has served as the independent Municipal Advisor to the Town in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the Town to

compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds and Notes.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds and the Notes. Orrick, Herrington & Sutcliffe LLP expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Bonds and the Notes, including this Official Statement.

## **ADDITIONAL INFORMATION**

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the Town, except as expressed in the calculation of estimated "*Overlapping and Underlying Debt*", herein.

Additional information may be obtained from John Lynch, Comptroller, 237 NY-59, Suffern, New York 10901, (845) 521-9277, e-mail: [lynchj@ramapo-ny.gov](mailto:lynchj@ramapo-ny.gov) or from the Town's Municipal Advisor, Capital Markets Advisors, LLC at (516) 274-4504.

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

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

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

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

Concurrently with the delivery of the Bonds and the Notes, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor

Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement has been duly executed and delivered by the Town Supervisor.

TOWN OF RAMAPO  
ROCKLAND COUNTY, NEW YORK

By: \_\_\_\_\_  
Michael Specht  
Supervisor

DATED: September \_\_, 2023

## **APPENDIX A**

### **THE TOWN**



## **THE TOWN**

### ***General Information***

The Town is a suburban community located in southeastern New York State (the “State”) about 25 miles northwest of New York City. It is the eighth largest town in the State with a land area of approximately 61 square miles and a current population of 147,119 as of the U.S. Census Bureau’s 2021 Census.

The Town includes twelve incorporated villages, ten of which are fully within the borders of the Town (Airmont, Chestnut Ridge, Hillburn, Kaser, Montebello, New Hempstead, New Square, Sloatsburg, Suffern, and Wesley Hills) and major portions of the Villages of Pomona and Spring Valley.

The major commercial activities in the Town include:

- Good Samaritan Regional Health Center employs approximately 1,700 people
- Par Pharmaceutical, Inc., has maintained facilities in the Town for many years, employs more than 400 people

The County of Rockland Health and Hospitals, Fire Training and Social Services Centers, and various other County buildings, employing approximately 2,000 people, are also located within the Town.

The Town provides its residents with a 2,500 acre park system with recreational facilities including a golf course, an equestrian center, two swimming pools, pedestrian and greenway trails, summer camp facilities, numerous tennis court facilities, a minor league baseball stadium, a sports complex, a riverfront park and a 200,000 square-foot sports and wellness center with recreational personnel providing year-round activities for all age groups.

The Town is served by a road network which includes Interstate 87 (the New York State Thruway with four interchanges in the Town). It also includes Interstate 287, the Palisades Interstate Parkway, the Garden State Parkway, and New York State Routes 17, 45, 59, 202 and 306.

There is Conrail freight service provided by Norfolk Southern.

Metro North and New Jersey Transit provide commuter train service within the Town. The Town is also serviced by several commuter bus lines. Train and bus public transportation offer attractive commuting times to surrounding areas as well as to New York City.

The main utility providers for the Town are Orange & Rockland Utilities, a subsidiary of Consolidated Edison, and Veolia Water Company.

The Town has hundreds of acres included in Empire Zones, which are intended to attract new businesses to the Town.

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

The Chief Executive Officer (“CEO”) of the Town is the Supervisor who is elected at large for a two-year term and is eligible for re-election. The CEO is a member of the Town Board.

The Town Board is the governing and legislative body of the Town. It determines policy and appropriates funds for various governmental functions and services. In addition to the Supervisor, the Board includes four Councilpersons, who are elected at large in odd-numbered years for four-year terms. The councilpersons’ terms are staggered so that two are elected each biennial session. There is no limitation as to the number of terms which may be served by members of the Town Board.

The powers of the Town Board include the right to adopt a budget, levy taxes, authorize bond issues, fill appointive positions, determine salaries and hours of Town employees, establish departments of government, manage, control, and have custody of Town property, establish non-salaried advisory boards, acquire land for public purposes,

establish special improvement districts, authorize studies and investigations in the Town's interest, and enact ordinances to protect the health of persons and property in the Town.

In November 2019, Supervisor Michael B. Specht was reelected for a second two-year term commencing on January 1, 2020, and expiring on December 31, 2021. He ran without opposition in the Town's November 2021 election and was reelected for a two-year term commencing on January 1, 2022 and expiring on December 31, 2023.

The current Town Board members are Councilman Michael Rossman (term expires on December 31, 2023), Councilwoman Brendel Logan (term expires on December 31, 2023), Councilman David Wanounou (term expires on December 31, 2025) and Councilman Yehuda Weissmandl (term expires on December 31, 2025). Currently Councilwoman Logan also serves as Deputy Supervisor of the Town.

Other elected officials of the Town are the Superintendent of Highways, elected to two-year terms, and three Town Justices who are elected to four-year terms.

### ***Employees***

The Town provides services through approximately 302 full-time, 26 part-time, and, 300 seasonal employees, of which approximately 155 employees are represented by a chapter of the Civil Service Employees Association ("CSEA") and 98 are represented by the Policemen's Benevolent Association ("PBA"), and 7 are represented by Ramapo Police Superior Officer's Association ("RPSOA"). The Chief of Police and three (3) Police Captains have individual contracts expiring as follows: the Chief and one (1) Captain on December 31, 2024; and two (2) Captains on December 31, 2025. Other non-union management positions (not Police) include an additional 26 employees.

<u>Number of Employees</u>	<u>Contract Organization</u>	<u>Contract Expiration Date</u>
155	Civil Service Employees Association	12/31/23
7	Ramapo Police Superior Officer's Association	12/31/22 <sup>(1)</sup>
98	Policemen's Benevolent Association	12/31/22 <sup>(1)</sup>

(1) Currently in negotiations.

Source: Town Officials.

### ***Solid Waste Program***

The Town contracts with outside vendors for the collection of solid waste and recyclables within the unincorporated areas of the Town. The Town closed and capped its only landfill in November of 1997. The Town sold its solid waste transfer station for \$2,000,000 to the Rockland County Solid Waste Management Authority (the "Authority") in August of 1998. The Town no longer operates any solid waste or resource recovery facilities.

The Town is entitled to a host fee payable annually by the Authority. Host fees received from the Authority for the last five years:

2023 (Budget)	\$1,950,000
2022	1,503,146
2021	1,682,998
2020	1,594,258
2019	1,585,135
2018	1,366,356

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

## ***Employee Pension Plans***

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

On December 10, 2009, a new Tier 5 was signed into law, which was effective for ERS employees hired after January 1, 2010 and before April 2, 2012. Tier 5 ERS employees contribute 3% of their salaries and there is no provision for these contributions to cease after a certain period of service.

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

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

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town has prepaid its employer contributions each December since the option was made available in 2004 and expects to do so in December 2023 for payments due February 2024.

Employer contribution rates for the State's Retirement System continue to be higher than the minimum contribution rate established by law. Contribution rates are expected to remain higher than the minimum contribution rates set by law in the near-term. To mitigate the expected increases in the employer contribution rate, legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan. The legislation also requires those local governments and school districts, who decide to amortize their pension obligations pursuant to this law, to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance.

The Town has not in the past and does not have any plans to amortize any of its annual required contributions to ERS or PFRS. In Spring 2013, the State 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 ("ARC"). The plan authorizes municipalities to pay the SCO amount in lieu of the ARC amount. The Town will not be participating in the modified ERS SCO plan at this time.

On September 1, 2022, the State Comptroller announced that for Fiscal Year 2023-24, the average contribution rate for ERS would increase from 11.6% to 13.1%. Projections for required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of its employees among six retirement tiers. The employer contribution rates announced will apply to each employee's salary base during the period of April 1, 2023, through March 31, 2024. Payments based on those rates are due by February 1, 2024, but may be prepaid by December 15, 2023.

The Town's contributions to the ERS and PFRS since 2018 are as follows:

<u>Year</u>	<u>Contribution Amount</u>	<u>Amount Amortized<sup>(1)</sup></u>
2018	\$10,445,368	\$1,067,986
2019	10,184,052	553,740
2020	10,177,280	386,588
2021	10,239,430	445,432
2022	10,359,517	1,231,312

The Town expects to amortize approximately \$700,000 out of an aggregate pension contribution amount of \$10,000,000 for the 2023 fiscal year.

- <sup>(1)</sup> Pursuant to the Employer Contribution Stabilization Program established pursuant to Chapter 57 of the Laws of 2010, the Town elected to amortize a portion of its annual pension contribution.

### ***Stable Rate Pension Contribution Option***

The State Budget includes a provision that provides local governments, including the Town, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. The rates are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years. The Town has opted into this smoothing of pension payments option.

ERS and PFRS rates for the years 2018 through 2022 are shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2018	14.6%	23.5%
2019	14.6	24.4
2020	16.2	28.3
2021	11.6	27.0
2022	13.1	27.8

The investment of monies and assumptions underlying the System covering the Town's employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future Unfunded Accrued Actuarial Liabilities of the System ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the System administrative staff for further information on the latest actuarial valuations of the System.

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

The Town 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 Town’s total OPEB liability as of December 31, 2022 was \$226,258,502 using a discount rate of 3.72% and actuarial assumptions and other inputs as described in the Town’s December 31, 2022 audited financial statements.

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

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding.

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

Below are the Town’s contributions made for OPEB costs for the past five years:

<u>Year</u>	<u>Amount</u>
2018	\$ 4,870,359
2019	5,482,832
2020	5,941,166
2021	6,474,888
2022	7,880,577

## **FINANCIAL FACTORS**

### ***Impacts of COVID-19***

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021. Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. The funding is available through, and must be spent by, the end of calendar year 2024. Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and

economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund. The Town was notified on July 1, 2021, by the NYS Division of the Budget that the Town would be eligible for \$4,592,396 in ARPA payment from the Coronavirus Local Fiscal Recovery Fund. The Town received the first half of this payment in the latter part of July 2021 and the second payment was received in July 2022. The Town has appropriated the funds to be used for economic development, public welfare services and parks and recreation. The Town has expended \$4,570,049 of the funding on eligible projects and expects to use the remaining \$22,347 by December 31, 2023.

### ***Budgetary Procedure***

The Supervisor prepares a tentative and preliminary budget each year and the Town Board holds a public hearing thereon. Subsequent to the public hearing, revisions (if any) are made and the budget is then adopted by the Town Board as its adopted budget for the coming fiscal year. The budget is not subject to referendum. The Town has begun implementing a multi-year budgeting plan to supplement the normal annual budget cycle. The Town believes that this will give it additional control over its expenses. In addition, the Town is reviewing existing policies to reach a goal of increasing and maintaining a General Fund balance at an amount of at least ten percent of the General Fund annual expenditures.

### ***Independent Audits***

The audited financial statements for the fiscal years ending December 31, 2016 through December 31, 2020 were audited by BST & Co. CPAs, LLP (“BST”), independent certified public accountants. The audited financial statements for the fiscal years ending December 31, 2021 and 2022 are audited by Bonadio & Co., LLP. Appendix A to this document presents a summary for the audited financial statements for the fiscal years ending December 31, 2018 through December 31, 2022, inclusive. In addition, the Town is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. BST and Bonadio & Co. are not associated with the preparation of this document.

### ***Financial Operations***

Pursuant to Local Law No. 1, 1968, certain financial functions of the Town are the responsibility of the Director of Finance, who is appointed by the Supervisor.

The Director of Finance is also designated as the Town Comptroller. John Lynch, MBA, CPA, was appointed in July 2016 and is the current Director of Finance for the Town.

The duties of the Director of Finance include, but are not limited to, general supervision of the Department of Finance, including accounting and bookkeeping functions; review and analysis of the operations; financial condition and future financial needs of the Town; and assistance in the preparation of Town budgets.

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

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

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

The Town maintains the following governmental funds: General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds consisting of Town Outside Village Fund, Highway Fund, Police Fund, Special Districts

Fund (water, ambulance, sewer, street lighting, refuse and garbage and fire protection districts), Proprietary Funds and Custodial Fund.

### ***Investment Policy***

The Town's investments are governed by a formal written investment policy, which is consistent with the Investment Policies and Procedures guidelines promulgated by the Office of the State Comptroller. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies authorized to do business in the State of New York and located within the Town. The Town limits its investments to time deposit accounts, certificates of deposit and repurchase agreements that are fully collateralized and retained in segregated accounts.

It is the Town's policy to require collateral for all deposits not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The Town's investment policy further provides that all investment obligations must be payable or redeemable at the option of the Town within such time or times as the proceeds will be needed to meet expenditures for the purposes for which monies were provided.

The Town's investment policy does not permit the Town to invest in derivatives or reverse repurchase agreements and the Town has never invested in derivatives or reverse repurchase agreements.

### ***Revenues***

**Property Taxes.** The Town derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix A.) Property taxes accounted for 48.35% of total general fund revenues for the fiscal year ended December 31, 2022, while State aid accounted for 13.30%.

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

#### **Fund Revenues & Real Property Taxes<sup>(1)</sup>**

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>General Fund</u> <u>Revenues</u>	<u>Real</u> <u>Property Taxes</u>	<u>Taxes to</u> <u>Revenues</u>
2018	\$43,621,687	\$23,457,904	53.78%
2019	47,601,572	27,310,140	57.37
2020	46,742,304	25,042,203	53.58
2021	43,551,482	21,267,192	48.83
2022	47,849,780	23,135,712	48.35
2023 (Adopted Budget)	38,270,767	19,583,554	51.17

(1) General Fund

Source: Audited Financial Statements and 2023 Adopted Budget of the Town. Summary itself not audited.

**State Aid.** The Town receives financial assistance from the State. State Aid accounted for approximately 13.3% of the total fund revenues of the Town in the 2022 fiscal year. A substantial portion of the State aid received is directed to be used for specific programs.

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

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which eliminate or

substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also “RISK FACTORS” and “Appendix A – Certain Information Concerning the Town – FINANCIAL FACTORS – *Impacts of COVID-19*”.)

The Town relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to municipalities will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 pandemic and other circumstances, including State fiscal stress. Should the Town fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The State’s 2023-24 Executive Budget provides \$1.27 billion in support for local towns, villages and cities.

Should the Town 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 Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. State Aid accounted for approximately 5.13% of the total fund revenues of the Town in the 2022 fiscal year.

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

**General Fund Revenues & State Aid Revenues**

<u>Fiscal Year</u> <u>Ended December 31</u>	<u>General Fund</u> <u>Revenues</u>	<u>State Aid</u>	<u>State Aid</u> <u>to Revenues</u>
2018	\$43,621,687	\$446,946	1.02%
2019	47,601,572	427,314	0.90
2020	46,742,304	3,994,977	8.55
2021	43,551,482	6,037,383	13.86
2022	47,849,780	6,362,388	13.30
2023 (Adopted Budget)	38,270,767	7,127,000	18.62

Source: Audited Financial Statements and 2023 Adopted Budget of the Town. Summary itself not audited.

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**Sales Tax.** The Town receives a share of the County sales tax. As authorized pursuant to Section 1210 of the New York Tax Law, the County currently imposes a sales and use tax of 4.00%. This is in addition to the 4.00% sales and use tax imposed by the State and 0.375% Metropolitan Commuter Tax. The sales and use tax collections are administered by the State Tax Commission and the proceeds are paid monthly to the County. In March 2002, the County increased its sales tax from 3.000% to 3.625%, of which 0.125% is distributed to towns and villages in the County based on population. In January 2008, the County agreed to share an additional 0.125% with towns and villages with police departments and in March 2009 increased its sales tax from 3.625% to 4.00%.

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

#### **General Fund Revenues & Sales Tax**

<u>Fiscal Year</u> <u>Ended December 31</u>	Total General Fund <u>Revenues</u>	<u>Sales Tax</u> <sup>(1)</sup>	Sales Tax to General Fund <u>Revenues</u>
2018	43,621,687	2,309,471	5.29%
2019	47,601,572	2,250,476	4.73
2020	46,742,304	2,174,782	4.65
2021	43,551,482	2,721,015	6.78
2022	47,849,780	3,082,967	6.44
2023 (Adopted Budget)	38,270,767	2,500,000	6.53

(1) Commencing in fiscal year 2022, sales tax revenues have been allocated to Highway Town Outside Villages.

Source: Audited Financial Statements and 2023 Adopted Budget of the Town. Summary itself not audited.

#### ***Mortgage and Sales Tax – Actual Versus Budgeted***

<u>Mortgage Tax</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Budgeted Amount	\$4,500,000	\$3,500,000	\$2,900,000	\$2,900,000	\$2,900,000
Mortgage Revenue Received	<u>5,825,006</u>	<u>5,610,069</u>	<u>3,541,207</u>	<u>3,371,501</u>	<u>2,736,374</u>
Amount over/(under)	\$1,325,006	\$2,110,069	\$641,207	\$471,501	\$(163,626)

  

<u>Sales Tax</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Budgeted Amount	\$2,200,000	\$2,300,000	\$2,300,000	\$2,000,000	\$2,000,000
Sales Tax Revenue Received	<u>3,082,967</u>	<u>2,710,000</u>	<u>2,174,782</u>	<u>2,250,476</u>	<u>2,309,471</u>
Amount over/(under)	\$882,967	\$410,000	\$(125,218)	\$250,476	\$309,471

#### ***Other Information***

No principal or interest on any obligation of the Town is past due. The fiscal year of the Town is the calendar year. This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town except to the extent shown in the section entitled “TOWN INDEBTEDNESS – Estimated Overlapping Indebtedness.”

### **TAX INFORMATION**

#### ***Valuations and Tax Data***

The Town derives its general power to levy an ad valorem real property tax from Article 8, Section 10 of the Constitution of the State of New York; however, towns in the State do not have a Constitutional tax limit. Town Law Section 115 provides the statutory authority of a town to levy ad valorem real property taxes, and does not

provide for a limit similar to that found in Article 8 section of the Constitution. The Town is responsible for levying taxes for operating purposes and debt service. (See also "TAX LEVY LIMITATION LAW" herein.) The following table shows the trend during the last five years for taxable assessed valuations, state equalization rates, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation.

**Valuations and Tax Data**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Value	\$1,641,621,520	\$1,658,613,131	\$ 1,672,051,762	\$1,685,618,919	\$1,694,581,137
Equalization Rate	11.60%	11.44%	11.46%	10.30%	8.51%
Full Value	14,151,909,655	14,498,366,530	\$14,590,329,511	\$16,365,232,223	\$19,912,821,821

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

***Tax Rates Per \$1,000 Taxable Assessed Value***

<u>Fiscal Year Ending December 31</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Town	\$15.660	\$18.147	\$16.612	\$14.211	\$15.0725
Town Outside Villages	2.438	4.124	0.592	2.319	2.7736
Police	30.962	27.486	26.617	29.380	30.2087

***Tax Collection Procedures***

The Town collects County, certain County Authorities, Town, Highway, Special District and certain School and Fire District taxes. The Town offers its residents two methods for payment of taxes. Under one method, taxes are due January 1 and are payable without penalty until January 31. The penalty for payment during February is 1% and during March is 2%. After March 31, the tax roll is returned to the County and taxes plus penalties are payable to the County Treasurer. Under the second method, since January 1, 1998, the County has offered a quarterly installment payment option. The payments are due on January 31, April 15, July 15, and October 15 of each year. The first payment is payable to the Town Receiver and the subsequent payments are payable to the Commissioner of Finance of the County. A service charge of 5% on each installment payment is added to the amount of taxes.

Regardless of the method of payment, the Town retains the total amount of Town, Highway and Special District levies from total collections it receives and returns the balance plus uncollected items to the County, which assumes collection responsibility and enforcement, and holds annual tax lien foreclosure sales. Thus, the Town is assured of receiving the total amount levied.

The Town provides school tax collection services for the Ramapo Central School District and the East Ramapo Central School District. For this service, the Town receives a fee of 1% of the respective tax collections.

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## ***Tax Collection Rates***

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Town and Highway	\$ 75,534,105	\$ 76,777,438	\$ 72,103,909	\$72,689,442	\$73,786,465
Special District Taxes and Assessments	43,531,889	45,342,397	49,537,318	52,626,103	57,446,237
Re-levied Items	1,941,802	2,356,513	2,475,218	3,042,569	2,179,057
State and County Charges	42,509,003	43,976,803	45,328,487	44,856,327	45,148,961
Reassessed School Taxes	15,227,557	12,260,171	11,802,710	12,358,968	10,595,752
Miscellaneous Items	<u>476,427</u>	<u>374,749</u>	<u>324,025</u>	<u>518,883</u>	<u>327,550</u>
Total Tax Levy	\$179,220,783	\$181,088,071	\$181,571,667	\$186,092,292	\$189,484,022
Returned to County as Uncollected					
Amount	\$22,808,691	\$25,882,248	\$26,900,289	\$24,941,754	\$20,310,199
Percentage	13.23%	12.73%	14.29%	13.40%	10.72%
Uncollected Taxes Due to Town	None	None	None	None	None

Source: Town Officials.

## ***Ten of the Largest Taxpayers***

The following table presents the tentative taxable assessments of ten of the Town's largest taxpayers for the 2023 fiscal year.

### **2022 Taxable Assessments**

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation<sup>(1)</sup></u>
Orange & Rockland Utility	Public Utility	\$41,472,808	2.45%
Suez North America	Public Utility	27,740,716	1.64
State of New York	Government	19,410,656	1.15
Good Samaritan Hospital	Hospital	18,000,000	1.06
Consolidated Edison	Public Utility	13,489,437	0.80
Woodmont Ramapo LLC	Real Estate	7,214,100	0.43
Avon Capital Corp	Commercial	6,811,800	0.40
JV2 Rockland Logistic	Commercial	4,789,800	0.28
Verizon NY Inc.	Commercial	4,133,251	0.24
JHW Construction	Real Estate	<u>3,872,050</u>	<u>0.23</u>
Total:		\$143,587,497	8.67%

(1) The total 2023 taxable assessed value of the Town is \$1,694,581,137.

## **TOWN INDEBTEDNESS**

### ***Constitutional Requirements***

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid

within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average maturity thereof and unless substantially level or declining annual debt service is authorized by the Town Board and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization of its serial bonds and such required annual installments on its bonds.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum (7%) of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water, electric and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining average full valuation is by taking the assessed valuations of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the Constitution and Title 8 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking seven per centum (7%) of the latest five-year average of the full valuation of all taxable real property.

### ***Statutory Procedure***

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

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

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution, except for alleged constitutional violations. Except on rare occasions, the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. The Town has complied with such procedure with regards to the Bonds and the Notes.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits bond anticipation notes to be issued. Bond anticipation notes may be renewed each year, provided annual principal installment payments are made in reduction of the total amount of such notes, commencing no later than two years after the date of the first of such notes and provided that, other than for assessable projects, such renewals do not extend five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. (See "*Constitutional Requirements*" herein.)

In addition, under each bond resolution, the Town Board may delegate, and has delegated, power to issue and sell

bonds and notes, to the Supervisor, the chief fiscal officer of the Town.

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

### ***Town Guaranteed Indebtedness***

Pursuant to the State Constitution and other applicable State laws, the Town has provided the guarantee of bond obligations of the Ramapo Local Development Corporation (the “RLDC”) in furtherance of the RLDC’s mission and objective. For the RLDC, the Supervisor currently serves as the President, the members of the Town Board serve as the Board members, the Town Clerk serves as the Secretary and the Director of Finance serves as the Treasurer. Other than as set forth below there are no other outstanding Town guarantees and none expected in the near future.

#### **Baseball Stadium Project Bonds**

The Town previously guaranteed \$25,000,000 of bonds maturing March 15, 2016, issued by the RLDC in 2011 (the “RLDC Bonds”). The proceeds of such RLDC Bonds were ultimately utilized for the development and construction of a Baseball Stadium Project in the Town. Pursuant to this guaranty, the faith and credit of the Town was irrevocably pledged to the payment of principal and interest on the RLDC Bonds and the Town covenanted that it shall annually include in its budget for each fiscal year all payments required to be made on the RLDC Bonds in such fiscal year. The Town was required pursuant to the guaranty to pay debt service on the RLDC Bonds and the RLDC was then required to reimburse the Town for such payments. The Town made all required interest payments and an optional principal payment and was reimbursed by the RLDC in a timely manner.

On December 3, 2012, the Town Board unanimously voted to authorize a Town guaranty for bond financing obtained by the RLDC for a period beyond five years. On February 15, 2013, \$25,000,000 of bonds were issued by the RLDC (the “RLDC 2013 Bonds”) to currently refund the outstanding RLDC Bonds, capitalize certain interest on the RLDC 2013 Bonds through September 15, 2013, pay for certain costs associated with the Baseball Stadium Project and pay certain costs of issuance associated with the RLDC 2013 Bonds. Pursuant to a guaranty provided by the Town, the faith and credit of the Town was irrevocably pledged to the payment of principal and interest on the RLDC 2013 Bonds and the Town covenanted that it shall annually include in its budget for each fiscal year all payments required to be made on the RLDC 2013 Bonds in such fiscal year. The Town is required pursuant to the guaranty to pay debt service on the RLDC 2013 Bonds and the RLDC is then required to reimburse the Town for such payments. The RLDC 2013 Bonds have a final maturity of March 15, 2041 with annual debt service payments of approximately \$1,650,000 through 2041. Under the Town guaranty, the RLDC has agreed to reimburse the Town for all payments of principal and interest on the RLDC’s 2013 Bonds.

In September 2017, the Town began making the majority of debt service payments on the RLDC’s outstanding bonds, which the Town has guaranteed, without being reimbursed. Debt service payments by the Town that the RLDC has the ability to repay are recorded as due to the Town. Debt service payments by the Town that the RLDC does not have the ability to repay are recorded as contributions from the Town. The Corporation remains contingently liable to reimburse debt service costs incurred on behalf of the Town to the Town if it is ever able to do so. The RLDC is contingently liable to the Town for the repayment of contributions for debt service costs of \$8,459,098 as of December 31, 2022. The Town has not recorded this contingent receivable in its financial statements due to the financial uncertainty of the RLDC.

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

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay interest on or principal of indebtedness theretofore contracted. However, there are statutory limitations on the tax levy. (See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.) The table on the following page sets forth the current debt-contracting limitation of the Town.

**Debt Contracting Limitation**

<u>Fiscal Year Ended</u> <u>December 31</u>	<u>Assessed</u> <u>Valuation</u>	<u>Equalization</u> <u>Ratio</u> <sup>(1)</sup>	<u>Full</u> <u>Valuation</u>
2019	\$1,641,621,520	11.60%	\$14,151,909,655
2020	1,658,613,131	11.44	14,498,366,530
2021	1,672,051,762	11.46	14,590,329,511
2022	1,685,618,919	10.30	16,365,232,223
2022	1,694,581,137	8.51	<u>19,912,821,821</u>
Total Five-Year Full Valuation			<u>\$ 79,518,659,740</u>
Average Five-Year Full Valuation			15,903,731,948
Debt Contracting Limitation – 7% of Average Full Valuation			<u>\$ 1,113,261,236</u>

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

Source: New York State Board of Equalization and Assessment.

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

**Statement of Debt-Contracting Power**  
**(As of September 19, 2023)**

Five-Year Average Full Valuation of Taxable Real Property	\$15,903,731,948
Debt Limit 7% Thereof	1,113,261,236
Inclusions:	
Outstanding Bonds	\$57,610,000
Bond Anticipation Notes	2,619,000
Ramapo Local Development Corporation Bonds Guaranteed by the Town	<u>19,235,000</u>
Total Inclusions	\$79,464,000
Exclusions:	
Appropriations	\$ 0
Total Exclusions	\$ 0
Total Net Indebtedness	\$ 79,464,000
Net Debt Contracting Margin	1,033,797,236
Percentage of Debt Contracting Power Exhausted	7.14%

***Trend of Capital Indebtedness***

<u>Fiscal Year End</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town Bonds	\$ 95,730,000	\$ 86,250,000	\$76,865,000	\$74,445,000	\$65,065,000
RLDC Guaranteed Bonds	22,365,000	21,775,000	21,170,000	20,545,000	19,900,000
Bond Anticipation Notes	<u>535,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>3,105,000</u>	<u>3,105,000</u>
Total	<u>\$118,630,000</u>	<u>\$109,225,000</u>	<u>\$99,235,000</u>	<u>\$98,095,000</u>	<u>\$88,070,000</u>

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### ***Installment Purchase Agreements***

As of December 31, 2022, the Town has the following installment purchase agreements:

<u>Equipment</u>	<u>Principal</u>	<u>Int. Rate</u>	<u>Lease Term</u>
2022 – Multi-use Trucks (3)	\$451,760	2.09%	5 yr.
2021 – Sidewalk Tractors (3)	535,747	1.99	5 yr.
2020 – Bucket Truck	173,357	3.27	5 yr.

### ***Overlapping and Underlying Debt***

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate unit's total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units.

<u>Issuer</u>	<u>Net Debt Outstanding</u>	<u>As of</u>	<u>Town Share</u>	<u>Amount Applicable to Town</u>
Rockland County	\$431,163,031	05/16/2023	12.24%	\$52,774,355
Suffern CSD	2,640,000	06/30/2022	96.26	2,541,264
East Ramapo CSD	50,865,000	07/29/2022	83.31	<u>42,375,632</u>
Total Net Overlapping Debt				<u>\$97,691,251</u>
Total Net Direct Debt				<u>79,464,000</u>
Total Net Direct and Overlapping Debt				<u>\$177,155,251</u>

Source: Official Statements publicly available on the Municipal Securities Rulemaking Board: EMMA website.

### ***Debt Ratios***

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

	<u>Debt Ratios</u>		
	<u>Amount</u>	<u>Debt Per Capita<sup>(1)</sup></u>	<u>Debt to Full Value<sup>(2)</sup></u>
Net Direct Debt	\$79,464,000	\$ 540.13	0.40%
Net Direct and Overlapping Debt	177,155,251	1,204.16	0.89

(1) The population of the Town is 147,119 according to the 2021 Census.

(2) The full valuation of real property located in the Town for the 2023 fiscal year is \$19,912,821,821.

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

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

**Bond Principal and Interest Maturity Table<sup>(1)</sup>**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023 <sup>(2)</sup>	\$9,180,000	\$2,884,194	\$12,064,194
2024	8,020,000	2,566,144	10,586,144
2025	8,020,000	2,303,738	10,323,738
2026	8,325,000	2,017,475	10,342,475
2027	7,130,000	1,740,403	8,870,403
2028	7,375,000	1,484,559	8,859,559
2029	4,220,000	1,287,382	5,507,382
2030	4,325,000	1,153,188	5,478,188
2031	3,160,000	1,027,519	4,187,519
2032	3,270,000	913,769	4,183,769
2033	3,365,000	795,769	4,160,769
2034	3,440,000	677,747	4,117,747
2035	3,220,000	562,825	3,782,825
2036	2,175,000	450,525	2,625,525
2037	1,720,000	373,875	2,093,875
2038	1,795,000	298,613	2,093,613
2039	1,870,000	219,888	2,089,888
2040	1,950,000	137,013	2,087,013
2041	<u>2,035,000</u>	<u>50,288</u>	<u>2,085,288</u>
Totals:	<u>\$84,595,000</u>	<u>\$20,944,914</u>	<u>\$105,539,914</u>

(1) Maybe off due to rounding

(2) For the entire fiscal year.

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

Following the issuance of the Bonds, the Town will have \$7,000,000 of authorized but unissued indebtedness. Resolution No. 2023-67 was adopted on January 11, 2023, authorizing the reconstruction and resurfacing of roads including the installation of new sidewalks, and repair of existing sidewalks, curbs, gutters, drainage, landscaping, grading, or improving right of ways and other improvements.

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

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

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## **ECONOMIC AND DEMOGRAPHIC DATA**

### ***Population***

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

#### **Population Trend**

	<u>2010</u>	<u>2020</u>	<u>2021</u>	Percentage Change <u>2010/2020</u>	Percentage Change <u>2020/2021</u>
Town	126,595	136,582	147,119	7.9%	7.7%
County	311,687	325,213	336,485	4.3	3.5
State	19,378,102	19,514,849	20,114,745	0.7	3.1

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimate.

### ***Comparative Housing and Income Data***

<b><u>Housing:</u></b>	<u>Town</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
Median Value Housing	\$499,800	\$465,200	\$340,600	\$244,900
Median Gross Rent	1,533	1,642	1,390	1,163
<b><u>Income:</u></b>				
Per Capita Income	28,049	41,041	43,208	37,638
Median Family Income	77,910	99,707	75,157	69,021

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimate.

### ***Employment and Unemployment***

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

#### **Ten Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Number of Employees</u>
Hamapik of Rockland County	Health Services	1,993
Nyack Hospital	Hospital	1,850
Bon Secours Good Samaritan Hospital	Hospital	1,751
Rockland Psychiatric Center	Health Care	1,219
Jawonio, Inc.	Health Care	1,100
Helen Hayes Hospital	Hospital	891
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic's Home	Nursing Home	820
Orange & Rockland Utilities	Public Utility	817

Source: Rockland County 2021 CAFR and County Officials.

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### **Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2018	3.3%	3.7%	4.1%
2019	3.1	3.4	3.8
2020	7.1	7.7	9.9
2021	4.1	4.4	6.9
2022	2.5	2.8	4.3

Source: U.S. Department of Labor and State Department of Labor.

### **Monthly Unemployment Rates –2023**

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
January 2023	2.8%	3.2%	4.6%
February	2.6	3.0	4.5
March	2.2	2.6	4.0
April	1.9	2.1	3.7
May	2.2	2.5	3.8
June	2.5	2.8	4.2
July	2.6	2.9	4.1

Source: New York State Labor Department and U.S. Bureau of Labor Statistics.

### ***Utilities***

The main utility providers for the Town are Orange & Rockland Utilities, a subsidiary of Consolidated Edison, and Veolia Water Company.

### ***Transportation***

The Town is served by a road network which includes Interstate 87 (the New York State Thruway with four interchanges in the Town). It also includes Interstate 287, the Palisades Interstate Parkway, the Garden State Parkway, and New York State Routes 17, 45, 59, 202 and 306. There is also a Conrail freight service provided by Norfolk Southern.

Metro North and New Jersey Transit provide commuter train service within the Town. The Town is also serviced by several commuter bus lines, including Hudson Link which provides transportation services throughout Rockland and Westchester Counties, and TRIPS Paratransit, which provides services for seniors over 60 years old and people with disabilities. Train and bus public transportation offer attractive commuting times to surrounding areas as well as to New York City.

**End of Appendix A**

## **APPENDIX B**

### **SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS** *(Summary itself is not audited)*

**Town of Ramapo**  
**Revenues, Expenditures and Fund Balance - General Fund**  
**Fiscal Year Ending December 31**

	2018	2019	2020	2021	2022
<b>REVENUES</b>					
Real Property Taxes	\$ 23,457,904	\$ 27,310,140	\$ 25,042,203	\$ 21,267,192	\$ 23,135,712
Other Tax Items	609,679	677,476	662,630	820,466	668,406
Non-property taxes	5,045,845	5,621,977	2,179,327	2,721,015	5,038
Departmental Income	7,450,974	7,148,086	8,980,763	6,268,141	6,703,362
Intergovernmental Charges	-	-	-	-	-
Use of Money and Property	233,646	409,361	353,119	404,864	394,565
Licenses and Permits	6,353	6,098	2,905	5,581	5,203
Fines and Forfeitures	1,181,926	1,327,246	639,009	1,161,114	1,130,865
Sale of Property and Compensation for Loss	11,358	81,931	21,232	235,863	5,012,474
Interfund Revenues	5,142,473	4,546,551	3,670,218	3,066,357	3,205,088
Miscellaneous	33,333	45,392	1,195,921	58,510	100,531
Federal Sources	1,250	-	-	1,504,996	1,126,148
State Sources	446,946	427,314	3,994,977	6,037,383	6,362,388
<b>Total Revenues</b>	<b>\$ 43,621,687</b>	<b>\$ 47,601,572</b>	<b>\$ 46,742,304</b>	<b>\$ 43,551,482</b>	<b>\$ 47,849,780</b>
<b>EXPENDITURES</b>					
General Government Support	\$ 18,859,823	\$ 19,984,105	\$ 24,278,626	\$ 20,793,488	\$ 21,912,500
Public Safety	109,182	213,391	113,351	246,013	535,801
Health	-	-	-	9,862	-
Transportation	230,731	269,677	234,444	235,162	248,299
Economic Opportunity and Development	494,618	459,900	386,500	1,715,440	481,368
Culture and Recreation	9,198,507	8,392,269	6,935,522	7,671,515	10,121,843
Home & Community Service	331,687	344,426	331,580	312,614	439,736
Employee Benefits	-	-	-	-	-
Debt Service	543,025	551,005	139,042	507,717	255,048
<b>Total Expenditures</b>	<b>\$ 29,767,573</b>	<b>\$ 30,214,773</b>	<b>\$ 32,419,065</b>	<b>\$ 31,491,811</b>	<b>\$ 33,994,595</b>
Excess of Revenues Over (Under) Expenditures	\$ 13,854,114	\$ 17,386,799	\$ 14,323,239	\$ 12,059,671	\$ 13,855,185
Other Financing Sources (Uses):					
Contributions	\$ (2,302,215)	\$ (2,145,295)	\$ -	\$ -	\$ -
Sales of Real Property	-	-	-	-	-
Proceeds from Leases	-	-	-	-	154,399
Operating Transfers In	-	-	-	-	101,840
Operating Transfers Out <sup>(1)</sup>	(8,398,840)	(8,333,326)	(9,750,577)	(10,296,180)	(9,100,156)
<b>Total Other Financing Sources</b>	<b>\$ (10,701,055)</b>	<b>\$ (10,478,621)</b>	<b>\$ (9,750,577)</b>	<b>\$ (10,296,180)</b>	<b>\$ (8,843,917)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 3,153,059	\$ 6,908,178	\$ 4,572,662	\$ 1,763,491	\$ 5,011,268
Fund Balance - Beginning of Year	\$ (13,856,124)	\$ (10,703,065)	\$ (3,794,887)	\$ 777,775	\$ 2,541,266
Prior Period Adjustment	-	-	-	-	-
Fund Balance - Beginning of year Restated	(13,856,124)	(10,703,065)	(3,794,887)	777,775	2,541,266
<b>Fund Balance - End of Year</b>	<b>\$ (10,703,065)</b>	<b>\$ (3,794,887)</b>	<b>\$ 777,775</b>	<b>\$ 2,541,266</b>	<b>\$ 7,552,534</b>

(1) Includes transfer to Debt Service Fund.

Source: Audited financial statements of the Town of Ramapo. Summary itself not audited.

**Town of Ramapo**  
**Budget Results - General Fund**  
**Fiscal Year Ending December 31**

	2019	2020	2021	2022	2023
<b><u>REVENUES</u></b>					
Real Property Taxes	\$ 27,256,074	\$ 24,978,049	\$ 21,121,780	\$ 23,062,901	\$ 19,583,554
Other Tax Items	835,000	600,000	710,000	705,000	785,000
Non-property taxes	2,000,000	2,200,000	2,500,000	2,400,000	2,400,000
Departmental Income	6,766,500	6,728,500	7,197,500	4,194,500	4,380,500
Use of Money and Property	440,000	368,000	330,000	302,000	310,000
Licenses and Permits	7,500	7,500	2,000	2,000	4,500
Fines and Forfeitures	950,000	1,100,000	1,300,000	1,200,000	1,205,500
Sale of Property and Compensation for Loss	3,000	4,000	4,000	-	-
Interfund Revenues	3,565,000	3,815,000	3,085,000	3,210,000	2,474,713
Miscellaneous	10,000	10,000	-	-	-
State Aid	3,327,314	3,327,314	3,900,000	4,927,000	7,127,000
	<u>\$ 45,160,388</u>	<u>\$ 43,138,363</u>	<u>\$ 40,150,280</u>	<u>\$ 40,003,401</u>	<u>\$ 38,270,767</u>
<b><u>EXPENDITURES</u></b>					
General Government Support	\$ 19,586,540	\$ 19,218,282	\$ 17,982,095	\$ 18,868,111	\$ 20,036,521
Allowance to Increase Fund Balance <sup>(2)</sup>	3,323,000	2,000,000	-	-	-
Public Safety	145,000	180,000	182,000	142,500	142,500
Transportation	398,265	241,112	246,737	264,075	266,937
Economic Opportunity and Development	456,500	481,100	472,300	475,300	483,100
Culture and Recreation	8,662,097	8,754,870	8,780,175	8,992,644	9,132,928
Home & Community Service	418,550	630,898	677,531	561,484	667,470
Employee Benefits	1,450,000	1,800,975	1,700,968	1,704,109	1,816,569
Debt Service (Interest)	16,050	34,200	314,200	17,347	209,383
	<u>\$ 34,456,002</u>	<u>\$ 33,341,437</u>	<u>\$ 30,356,006</u>	<u>\$ 31,025,570</u>	<u>\$ 32,755,408</u>
Excess of Revenues Over (Under) Expenditures	\$ 10,704,386	\$ 9,796,926	\$ 9,794,274	\$ 8,977,831	\$ 5,515,359
Other Financing Sources (Uses):					
Sale of Real Property	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	-	-	-	-	-
Operating Transfers Out <sup>(1)</sup>	(10,704,386)	(9,796,926)	(9,794,274)	(8,977,831)	(8,515,359)
	<u>\$ (10,704,386)</u>	<u>\$ (9,796,926)</u>	<u>\$ (9,794,274)</u>	<u>\$ (8,977,831)</u>	<u>\$ (8,515,359)</u>
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ (3,000,000)

(1) Includes transfer to Debt Service Fund.

(2) In 2018, sale of real property was budgeted with the purpose to increase fund balance.

In 2019, property taxes were increased with the purpose to increase fund balance.

Source: Town of Ramapo Adopted Budgets.

**Town of Ramapo**  
**Balance Sheet - General Fund**  
**Fiscal Year Ending December 31**

<u>ASSETS</u>	2018	2019	2020	2021	2022
Cash and Equivalents	\$ 1,855,983	\$ 5,001,685	\$ 934,578	\$ 5,194,106	\$ 7,159,469
Investments	-	-	-	-	-
Other Receivables:					
Accounts	285,307	374,677	388,033	446,611	457,993
State and Federal aid	-	-	-	-	-
Due from Other Governments	1,104,153	1,208,395	2,935,179	1,458,256	3,986,172
Due from Componet Unit	-	-	-	-	-
Due from Fiduciary Fund	-	-	-	-	-
Due from Other Funds	6,124,948	6,589,409	3,190,000	45,000	-
Lease Receivable	-	-	-	-	1,702,762
Prepaid Expenditures	131,876	130,000	130,000	-	448,714
<b>TOTAL ASSETS</b>	<b>\$ 9,502,267</b>	<b>\$ 13,304,166</b>	<b>\$ 7,577,790</b>	<b>\$ 7,143,973</b>	<b>\$ 13,755,110</b>
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 3,508,040	\$ 3,567,237	\$ 3,187,991	\$ 4,468,884	\$ 4,141,872
Due to Other Funds	16,558,321	12,399,746	2,790,782	9,066	9,395
Due to Other Governments	43,160	28,677	28,569	29,743	0
Deposits Payable	53,138	971,154	770,182	0	0
Other	0	0	0	11,325	54,939
Unearned Revenues	42,673	131,489	22,491	83,689	289,564
<b>TOTAL LIABILITIES</b>	<b>\$ 20,205,332</b>	<b>\$ 17,098,303</b>	<b>\$ 6,800,015</b>	<b>\$ 4,602,707</b>	<b>\$ 4,495,770</b>
Deferred Inflows of Resources					
Real Property taxes received in advance of lien date	-	750	-	-	1,706,806
<u>FUND BALANCE</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 448,714
Restricted	-	-	-	-	-
Assigned	48,775	1,914	13,903	-	-
Unassigned	(10,751,840)	(3,796,801)	763,872	2,541,266	7,103,820
<b>TOTAL FUND BALANCE</b>	<b>\$ (10,703,065)</b>	<b>\$ (3,794,887)</b>	<b>\$ 777,775</b>	<b>\$ 2,541,266</b>	<b>\$ 7,552,534</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 9,502,267</b>	<b>\$ 13,304,166</b>	<b>\$ 7,577,790</b>	<b>\$ 7,143,973</b>	<b>\$ 13,755,110</b>

Source: Audited financial statements of the Town of Ramapo. Summary itself not audited.

**APPENDIX C**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022\***

**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/P31532181.pdf>

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

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

**APPENDIX D**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE  
BONDS**



## FORM OF BOND COUNSEL'S OPINION

Town of Ramapo,  
County of Rockland,  
State of New York

October 12, 2023

Re: Town of Ramapo, Rockland County, New York,  
\$11,000,000 Public Improvement (Serial) Bonds, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$11,000,000 Public Improvement (Serial) Bonds, 2023 Series (the "Obligations"), of the Town of Ramapo, Rockland County, New York (the "Obligor"), dated October 12, 2023, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ hundredths per centum (\_\_\_\_\_% ) per annum as to bonds maturing in each of the years 20\_\_\_\_ to 20\_\_\_\_, both inclusive, payable on October 1, 2024 and semi-annually thereafter on April 1 and October 1, and maturing in the amount of \$\_\_\_\_\_ on October 1, 2024, \$\_\_\_\_\_ on October 1, 2025, \$\_\_\_\_\_ on October 1, 2026, \$\_\_\_\_\_ on October 1, 2027, \$\_\_\_\_\_ on October 1, 2028, \$\_\_\_\_\_ on October 1, 2029, \$\_\_\_\_\_ on October 1, 2030, \$\_\_\_\_\_ on October 1, 2031, \$\_\_\_\_\_ on October 1, 2032, \$\_\_\_\_\_ on October 1, 2033, \$\_\_\_\_\_ on October 1, 2034, \$\_\_\_\_\_ on October 1, 2035, \$\_\_\_\_\_ on October 1, 2036, \$\_\_\_\_\_ on October 1, 2037 and \$\_\_\_\_\_ on October 1, 2038.

Obligations maturing on or before October 1, 2031 are not subject to redemption prior to maturity. Obligations maturing on or after October 1, 2032 are subject to redemption prior to maturity, at the option of the Obligor on October 1, 2031 and thereafter on any date, 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 a price equal to the par principal amount, plus accrued interest to the date of redemption.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

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

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

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from

personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

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

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

necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/S/ORRICK, HERRINGTON & SUTCLIFFE LLP

**APPENDIX E**

**FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL FOR THE NOTES**

October 12, 2023

Town of Ramapo,  
County of Rockland,  
State of New York

Re: Town of Ramapo, Rockland County, New York  
\$3,000,000 Bond Anticipation Notes, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of \$3,000,000 Bond Anticipation Notes, 2023 (the "Obligation"), of the Town of Ramapo, Rockland County, New York (the "Obligor"), dated October 12, 2023, numbered \_\_\_\_, of the denomination of \$3,000,000, bearing interest at the rate of \_\_\_\_\_% per annum, payable at maturity, and maturing October 11, 2024.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Obligation.

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

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

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available

sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. We have not examined, reviewed or passed upon the accuracy, completeness or fairness of any factual information which may have been furnished to any purchaser of the Obligation by or on behalf of the Obligor and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP