PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 20, 2026

NEW AND REFUNDING ISSUES **RATINGS: (See "*RATINGS*" herein)**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City of Yonkers, New York, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds, Series B Bonds and Series D Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) interest on the Series A Bonds, the Series B Bonds and the Series D Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, such interest, however, is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Interest on the Series C Bonds is included in gross income for federal income tax purposes. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers. See "TAX MATTERS FOR THE SERIES A BONDS, SERIES B BONDS, AND SERIES D BONDS" and "TAX MATTERS FOR THE SERIES C BONDS" herein.

CITY OF YONKERS, NEW YORK

$87,355,000* GENERAL OBLIGATION SERIAL BONDS-2026A

$25,270,000* SCHOOL SERIAL BONDS-2026B

$7,045,000 GENERAL OBLIGATION SERIAL BONDS-2026C (FEDERALLY TAXABLE)

$57,030,000* GENERAL OBLIGATION REFUNDING BONDS-2026D

Dated: Date of Delivery **Due: As shown on inside front cover**

The $87,355,000* General Obligation Serial Bonds-2026A (the "Series A Bonds"), $25,270,000* School Serial Bonds-2026B (the "Series B Bonds"), $7,045,000 General Obligation Serial Bonds-2026C (Federally Taxable) (the "Series C Bonds") and $57,030,000* General Obligation Refunding Bonds-2026D (the "Series D Bonds" and together with the Series A Bonds, the Series B Bonds and the Series C Bonds, the "Bonds"), will each constitute general obligations of the City and will each contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the City, subject to certain statutory limitations imposed by Chapter 97 of the Laws of New York of 2011, as amended (the "Tax Levy Limit Law"). (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto). A percentage of all City ad valorem real property taxes collected, together with the proceeds of a one percent sales and use tax currently authorized, must be deposited, as received, into the Debt Service Fund maintained with the Comptroller of the State of New York (the "State Comptroller"), as Fiscal Agent. Funds in the Debt Service Fund may be used only to pay principal of and interest on bond and note obligations of the City, including the Bonds, as more fully set forth herein.

The Series A Bonds, the Series B Bonds and the Series C Bonds will mature and bear interest at the rates and will have the yields or public offering prices shown on the inside cover of this Official Statement. Interest on the Series A Bonds, the Series B Bonds and the Series C Bonds will be payable on February 15, 2027, August 15, 2027 and semi-annually thereafter on February 15 and August 15 in each year until maturity.

The Series D Bonds ("Refunding Bonds") will mature and bear interest at the rates and will have the yields or public offering prices shown on the inside cover of this Official Statement. Interest on the Refunding Bonds will be payable on August 1, 2026 and semi-annually thereafter on February 1 and August 1 in each year until maturity.

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, New York, New York ("DTC"). DTC will act as Securities Depository for the Bonds. Individual purchases will be made in book entry form only, in principal amounts of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds.

Principal of and interest on the Bonds will be paid by The Bank of New York Mellon, New York, New York, the Paying Agent for the Bonds, to the Securities Depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds will be subject to optional redemption prior to maturity as described herein. (See "*Optional Redemption*" under "*THE BONDS*" herein).

This Preliminary Official Statement is in a form "Deemed Final" by the City for the purpose of Securities and Exchange Commission Rule 15c2-12. For a description of the City's Agreement(s) to provide continuing disclosure as described in the Rule, see "*DISCLOSURE UNDERTAKING*" herein.

The Bonds are offered subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that delivery of the Bonds in definitive form will be made on or about February 18, 2026 in Jersey City, New Jersey.

RAYMOND JAMES®

CABRERA CAPITAL MARKETS LLC **NW CAPITAL MARKETS INC.**

January __, 2026

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* Preliminary, subject to change.

$87,355,000* GENERAL OBLIGATION SERIAL BONDS-2026A

Dated: Date of Delivery | **Principal Due:** February 15 in each year as shown below
Interest Due: February 15, 2027, August 15, 2027 and semi-annually thereafter on February 15 and August 15 in each year until maturity

Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]	Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]
2028	$2,865,000				2038	$4,670,000			
2029	3,010,000				2039	4,905,000			
2030	3,160,000				2040	5,150,000			
2031	3,320,000				2041	5,405,000			
2032	3,485,000				2042	5,675,000			
2033	3,660,000				2043	5,960,000			
2034	3,840,000				2044	6,255,000			
2035	4,035,000				2045	6,510,000			
2036	4,235,000				2046	6,770,000			
2037	4,445,000								

** The Series A Bonds maturing in the years 2035 and thereafter will be subject to redemption prior to maturity, as described herein. (See "*Optional Redemption*" under "*THE BONDS*" herein.)

$25,270,000* SCHOOL SERIAL BONDS-2026B

Dated: Date of Delivery | **Principal Due:** February 15 in each year as shown below
Interest Due: February 15, 2027, August 15, 2027 and semi-annually thereafter on February 15 and August 15 in each year until maturity

Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]	Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]
2028	$830,000				2038	$1,350,000			
2029	870,000				2039	1,420,000			
2030	915,000				2040	1,490,000			
2031	960,000				2041	1,565,000			
2032	1,010,000				2042	1,640,000			
2033	1,060,000				2043	1,725,000			
2034	1,110,000				2044	1,810,000			
2035	1,165,000				2045	1,880,000			
2036	1,225,000				2046	1,960,000			
2037	1,285,000								

** The Series B Bonds maturing in the years 2035 and thereafter will be subject to redemption prior to maturity, as described herein. (See "*Optional Redemption*" under "*THE BONDS*" herein.)

$7,045,000* GENERAL OBLIGATION SERIAL BONDS-2026C (FEDERALLY TAXABLE)

Dated: Date of Delivery | **Principal Due:** February 15 in each year as shown below
Interest Due: February 15, 2027, August 15, 2027 and semi-annually thereafter on February 15 and August 15 in each year until maturity

Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]	Maturity	Amount*	Interest Rate	Yield	CUSIP 986082[†]
2027	$580,000				2032	$710,000			
2028	600,000				2033	745,000			
2029	625,000				2034	780,000			
2030	650,000				2035	815,000			
2031	680,000				2036	860,000			

$57,030,000* GENERAL OBLIGATION REFUNDING BONDS-2026D

Dated: Date of Delivery | **Principal Due:** August 1 in each year as shown below
Interest Due: August 1, 2026 and semi-annually thereafter on February 1 and August 1 in each year until maturity

Maturity	Amount	Interest Rate	Yield	CUSIP 986082[†]	Maturity	Amount	Interest Rate	Yield	CUSIP 986082[†]
2026	$7,320,000				2031	$7,790,000			
2027	7,565,000				2032	3,675,000			
2028	5,850,000				2033	3,865,000			
2029	6,160,000				2034	4,060,000			
2030	6,470,000				2035	4,275,000			

** The Series D Bonds maturing in the year 2035 will be subject to redemption prior to maturity, as described herein. (See "*Optional Redemption*" under "*THE BONDS*" herein.)

† CUSIP numbers have been assigned by an organization not affiliated with the City and are included solely for the convenience of Bondholders. The City is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above.

* Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the City, or any officer thereof, 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 any of the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City, from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, since the date hereof. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose or relied on by any other party.

The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover and inside cover pages hereof. The offering prices may be changed from time to time by the Underwriters. No representations are made or implied by the City as to any offering by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction but the Underwriters do not guaranty the accuracy or completeness of such information. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

This Official Statement is submitted in connection with the sale of the Bonds described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the City, the Underwriters and the purchasers or owners of any offered Bonds. This Official Statement is being provided to prospective purchasers in electronic format on the following websites: www.capmark.org or https://emma.msrb.org/. References to website addresses presented herein are for informational 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.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the cover page, the inside cover page and the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Bonds is made only by means of this entire Official Statement.

The statements contained in this Official Statement and the Appendices hereto that are not purely historical are forward-looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date of this Official Statement, and the City assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material, which could affect the ability to fulfill some or all of the obligations under the Bonds.

The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) of such act.

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APPENDIX A - THE CITY OF YONKERS

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CITY OF YONKERS

Mayor
Mike Spano

City Council President
Lakisha Collins-Bellamy

Council Members
John Rubbo, Majority Leader
Mike Breen, Minority Leader
Corazon Pineda Isaac
Tasha Diaz
Deana Norman
Timothy J. Hodges

Deputy Mayors
Susan Gerry
Steven J. Levy

Corporation Counsel
Matthew Gallagher

Commissioner of Finance & Management Services and Comptroller
John A. Liszewski

Deputy Commissioner of Finance & Management Services
Elizabeth Janocha

Bond Counsel
Hawkins Delafield & Wood LLP
New York, New York

Auditors
PKF O'Connor Davies LLP
Harrison, New York

Municipal Advisor
Capital Markets Advisors LLC
Great Neck, New York

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OFFICIAL STATEMENT

relating to the

CITY OF YONKERS, NEW YORK

$87,355,000* GENERAL OBLIGATION SERIAL BONDS-2026A
$25,270,000* SCHOOL SERIAL BONDS-2026B
$7,045,000 GENERAL OBLIGATION SERIAL BONDS-2026C (FEDERALLY TAXABLE)
$57,030,000* GENERAL OBLIGATION REFUNDING BONDS-2026D

This Official Statement, which includes the cover page and appendices, presents information relating to the City of Yonkers, in the County of Westchester, New York (the "City", "County" and "State", respectively) and was prepared by the City in connection with the sale of its $87,355,000* General Obligation Serial Bonds-2026A (the "Series A Bonds"), $25,270,000* School Serial Bonds-2026B (the "Series B Bonds"), $7,045,000 General Obligation Serial Bonds-2026C (Federally Taxable) (the "Series C Bonds") and $57,030,000* General Obligation Refunding Bonds-2026D (the "Series D Bonds" and together with the Series A Bonds, the Series B Bonds and the Series C Bonds, the "Bonds"). The Series D Bonds are sometimes referred to herein as the "Refunding Bonds". The factors affecting the City's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the City's tax base, revenues and expenditures, this Official Statement should be read in its entirety.

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

INTRODUCTION

The City is a municipal corporation of the State. With a population estimated at 208,121 according to 2022 population estimates of the US Census Bureau, the City is the third most populous city in the State. The City has an area of 18.3 square miles and is located in the southwestern section of the County. The City has substantial established residential areas, and there are approximately 16 companies located in the City which have 200 or more employees. Its largest taxpayers include Consolidated Edison Company, Brooks Shopping Center, The City of New York, NYIP Owners and Morris Builders.

The City has the general power and responsibilities inherent in the operation of a municipal government. The City is responsible for and maintains police, fire, sanitation and water services, in-City sewer infrastructure, municipal streets, library, parks and facilities. A Board of Trustees, appointed by the Mayor, administers the Yonkers public school system (the "BOE" or "Board of Education"); however, the City Council is responsible for determining the level of and provides for educational expenditures as part of the annual budgetary process. Pursuant to State legislation enacted in connection with the State's 2014-2015 Adopted Budget, the City and the BOE entered into an inter-municipal agreement, whereby the City assumed control of all financial and budget functions of the BOE. The inter-municipal agreement gives the City certain administrative controls over non-academic operations and functions of the BOE, as hereinafter defined. Under State law, the County, not the City, is responsible for funding mandated social service programs such as Medicaid, Aid to Families with

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* Preliminary, subject to change.

Dependent Children and home relief programs. The City does not own, operate or have financial responsibility for any hospitals or colleges.

The Special Local Finance and Budget Act of the City of Yonkers, constituting Chapters 488 and 489 of the Laws of 1976 of the State (the "Act"), provides the purchasers of the City's debt obligations, including the Bonds, with special contractual safeguards not usually afforded to the holders of general obligation debt of other municipalities in the State. (See "*The Special Local Finance and Budget Act*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.) Pursuant to the respective Bond Ordinances duly adopted by the City Council on [January __, 2026] (collectively, the Ordinance") and subsequently approved by the Mayor, the City has continued and reiterated, with respect to the Bonds and the holders thereof, the safeguards and provisions established under the Act which apply to bonds of the City issued in 1976 and thereafter. (See Appendix D attached hereto for a summary of the provisions of the Act.)

Each of the Bonds will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Bonds, the City has the power to levy ad valorem taxes on all taxable real property within the City, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto.) A percentage of all City ad valorem real property taxes collected, together with the proceeds of a special one percent sales and use tax authorized by Chapter 871 of the State Laws of 1975, as amended (the "Special Sales Tax"), must be deposited, as received, into the Debt Service Fund maintained with the State Comptroller acting as Fiscal Agent (the "Fiscal Agent"). Funds in the Debt Service Fund may be used only to pay principal of and interest on bond and note obligations of the City, including the Bonds. If at any point during a fiscal year the funds on deposit in the Debt Service Fund exceed the unpaid amount of all Special Debt Service due or to become due at or prior to the end of such fiscal year, the Fiscal Agent shall pay over to the City the amount of such excess for use by the City.

THE BONDS

Authorization for the Bonds

The Bonds are issued pursuant to the Constitution and statutes of the State, including the Local Finance Law and the Act; the Special Ordinance No. 37-2024, duly adopted on June 11, 2024, by the City Council and subsequently approved by the Mayor, authorizing the issuance of serial bonds for the City purposes described herein (see "*Purpose of the Series A Bonds*" herein); the Special Ordinance No. 28-2025, duly adopted on May 28, 2025, by the City Council and subsequently approved by the Mayor, authorizing the issuance of serial bonds for the City purposes described herein (see "*Purpose of the Series A Bonds*" herein); the Special Ordinance No. 29-2022, duly adopted on May 25, 2022 by the City Council and subsequently approved by the Mayor, authorizing the issuance of serial bonds by the City on behalf of the BOE for the purposes described herein (see "*Purpose of the Series B Bonds"* herein); the Special Ordinance No. 26-2025, duly adopted on May 28, 2025 by the City Council and subsequently approved by the Mayor, authorizing the issuance of serial bonds by the City on behalf of the BOE for the purposes described herein (see "*Purpose of the Series B Bonds"* herein); the Special Ordinance No. 20-2025, duly adopted on May 28, 2025, by the City Council and subsequently approved by the Mayor, authorizing the issuance of serial bonds for the payment of tax certiorari judgments (see "*Purpose of the Series C Bonds*" herein); and the Refunding Bond Ordinance (Special Ordinance No. 49-2025), duly adopted on November 25, 2025 by the City Council and subsequently approved by the Mayor, authorizing the issuance of refunding bonds of the City in the principal amount of not to exceed $63,000,000 for the purpose of refunding certain outstanding bonds of the City), and the respective Sale Ordinance, duly adopted on [January __, 2026], determining the terms, form and details of issuance of the Bonds, directing their negotiated sale, and providing for the rights of holders thereof.

Description of the Bonds

The Series A Bonds, Series B Bonds and the Series C Bonds will be dated their date of delivery and will mature in the principal amounts on February 15 in each of the years and will bear interest at the rates set forth on the inside cover page hereof. Interest on the Series A Bonds, the Series B Bonds and the Series C Bonds will be payable on February 15, 2027, August 15, 2027, and semi-annually thereafter on February 15 and August 15 in each year until maturity.

The record payment date for the payment of the principal of and interest on the Series A Bonds, the Series B Bonds and the Series C Bonds is the last day of the calendar month (whether or not a business day) immediately preceding each respective interest payment date.

The Refunding Bonds will be dated their date of delivery and will mature in the principal amounts on August 1 in each of the years and will bear interest at the rates set forth on the inside cover page hereof. Interest on the Refunding Bonds will be payable on August 1, 2026, and semi-annually thereafter on February 1 and August 1 in each year until maturity.

The record payment date for the payment of the principal of and interest on the Refunding Bonds is the fifteenth day of the calendar month (whether or not a business day) immediately preceding each respective interest payment date.

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, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will be made in book entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interests in the Bonds.

Principal and interest on the Bonds will be paid by The Bank of New York Mellon, New York, New York, the Paying Agent for the Bonds, to DTC, which will in turn remit such principal and interest to its Participants (as hereinafter defined), for subsequent distribution to the Beneficial Owners (as hereinafter defined) of the Bonds, as described herein. The Bonds may be transferred or exchanged in the manner described on the Bonds and as referenced in accompanying proceedings of the City. See also, "*FUNCTIONS OF THE FISCAL AGENT*" herein.

The Series A Bonds, the Series B Bonds and the Series D Bonds are subject to optional redemption prior to maturity. The Series C Bonds are not subject to optional redemption prior to maturity. (See "*Optional Redemption*" under "THE BONDS" herein.)

Optional Redemption

The Series A Bonds and the Series B Bonds maturing on or before February 15, 2034 are not subject to redemption prior to their stated maturity. The Series A Bonds and the Series B Bonds maturing on or after February 15, 2035 will be subject to redemption prior to their stated maturity, at the option of the City, on any date on or after February 15, 2034, 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 Series A Bonds and the Series B Bonds to be redeemed, plus accrued interest to the date of redemption.

The Series D Bonds maturing on or before August 1, 2034 are not subject to redemption prior to their stated maturity. The Series D Bonds maturing on August 1, 2035 will be subject to redemption prior to their stated maturity, at the option of the City, on any date on or after August 1, 2034, 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 Series D Bonds to be redeemed, plus accrued interest to the date of redemption.

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

The Series C Bonds are not subject to redemption prior to maturity.

Purpose of the Series A Bonds

The proceeds of the Series A Bonds will be used to finance the objects or purposes listed below and to pay the costs of issuance of the Series A Bonds. The "Allocation of Bond Proceeds" includes net original issuance premium allocated to each project.

Special Ordinance No. 30-2022

Object or Purpose	Allocation of Bond Proceeds
Acq. of Hardware and Software	$700,000
Subtotal:	$700,000

Special Ordinance No. 37-2024

Object or Purpose	Allocation of Bond Proceeds
Engineering	
Bridge Rehabilitation	$ 4,075,000
Road Resurfacing	1,000,000
Saw Mill/Bronx River Outflow Remediation	1,500,000
Traffic Signal Replacement, Signage, and Street Lights	200,000
Public Right of Way Improvements	750,000
City Pier Structural Foundation Reconstruction	750,000
Crestwood Lake Spillway Channel Rehabilitation	150,000
Flood Mitigation Studies and Design	450,000
Reconstruction of Point St. & Ravine Avenue Parking Area(s) - Planning	350,000
Parking Garage Inspection & Rehabilitation	250,000
Acquisition of Traffic Radar Speed Display Signs	35,000
Design of Drainage Improvements to Oriole & Bobolink Roads	275,000
Design of Drainage Improvements to Odell Avenue and Warburton Avenue	100,000
Citywide Traffic Coordination – (Intersection Improvements)	500,000
Finance	
Acq. of Vehicles	250,000

Object or Purpose	Allocation of Bond Proceeds
Fire Department	
Fire Building Reconstruction	460,000
Acq. of Self-Contained Breathing Apparatus	173,720
Acq. of Firefighting Gear and Equipment	68,085
Acq. of Firefighting Vehicles and Apparatus	500,000
Acq. of Protective Clothing/Turnout Gear	486,900
Installation of Fire Department EV Charging Station	60,000
Information Technology	
Acq. of Hardware and Software	156,250
Hudson River Museum	
Boiler/Chiller Replacement	1,000,000
Parks	
General Park Improvements	2,000,000
Court Resurfacing	150,000
Safety Surfacing Rehabilitation and Replacement	200,000
Replace Ballfield Backstops	60,000
Tree Planting	150,000
Sidewalk Replacement	90,000
Installation of Park Fencing	350,000
Field Rehabilitation	60,000
Acq. of Parks Vehicles and Equipment	500,000
Wall Reconstruction and Replacement	375,000
Planning and Development	
Ludlow Station Transportation Enhancements (including walkways and streets)	300,000
Citywide Rezoning and Redevelopment Initiative	1,000,000
Police Department	
Acq. of Police Vehicles	500,000
Precinct and Building Reconstruction	250,000
Installation of EV Charging Stations for YPD	445,000
Public Works	
Fire Hydrant Replacement	100,000
Water System Improvements	4,421,131
Water Valve Replacement	100,000
Acq. of Heavy Duty Equipment	585,000
Acq. of Light Duty Vehicles	219,000
Acq. of Heavy Duty Vehicles	1,823,000
Installation of Level Three EV Charging Stations	150,000
Sidewalk and City Step Replacement	215,000
Water Meter Replacement Project	4,000,000
City Hall Parapet Reconstruction	500,000
Installation of Flood Control Measures	150,000
Installation of Fencing	100,000
Vehicle Asset Review and Acquisition	150,000
Replacement of Diesel Engine for Water Bureau	500,000
Subtotal:	$32,983,086

Special Ordinance No. 28-2025

Object or Purpose	Allocation of Bond Proceeds
Engineering	
Bridge Rehabilitation	$ 1,675,000
Sewer Improvements	950,000
Saw Mill/Bronx River Outflow Remediation	500,000
Environmental Site Work	125,000
Public Right of Way Improvements	500,000
Engineering Vehicles	250,749
City Pier Structural Foundation Reconstruction	150,000
Gabion Wall Construction	400,000
Crestwood Lake Spillway Channel Rehabilitation	100,000
Parking Garage Inspection & Rehabilitation	1,000,000
Acquisition of Traffic Radar Speed Display Signs	35,000
Flood Mitigation/Drainage	1,250,000
Yonkers City Pier Repairs (Phase 3)	600,000
Architectural and Engineering Designs	150,000
Finance	
Acq. of Vehicles	300,000
Fire Department	
Fire Building Reconstruction	680,000
Acq. of Self-Contained Breathing Apparatus	32,280
Acq. of Firefighting Gear and Equipment	5,615
Acq. of Firefighting Vehicles and Apparatus	1,200,000
Acq. of Emergency Generators	40,000
Engineering Design for Future Projects	125,000
Acq. of Hardware and Software	350,000
Security System Upgrades	90,000
Housing and Buildings	
Acq. of Vehicles	270,000
Information Technology	
Acq. of Hardware and Software	513,125
Acq. of Document Scanning Equipment and Software	500,000
Library	
Acq. of Vehicles	97,189
Crestwood Library Improvements	1,000,000
Hudson River Museum	
Boiler/Chiller Replacement	500,000
Museum Construction	23,000
Acq. of Museum Equipment	48,000
Acq. of Hardware and Software	162,000
West Wing Furnishings	98,750
Construction of ADA Improvements	35,000

Object or Purpose	Allocation of Bond Proceeds
Office for the Aging	
Acq. of Vehicles	211,650
Parks	
General Park Improvements	7,435,000
Court Resurfacing & Safety Surfacing Rehabilitation and Replacement	350,000
Replace Ballfield Backstops	60,000
North Boys N Girls Building Improvements	1,750,000
Tree Planting	150,000
Sidewalk Replacement	90,000
Plans and Specs. for Park Improvements	150,000
Installation of Park Fencing	175,000
Field Rehabilitation	60,000
Wall Reconstruction and Replacement	500,000
Acq. of Heavy Duty Vehicles	175,000
Acq. of Parks Vehicles and Equipment	900,000
Sidewalk and Walkway Improvements	500,000
Acq. of Parks Equipment	846,000
Installation of EV Charging Stations	180,000
Parks Department Window Replacement	20,000
Planning and Development	
Construction of Floating Docks	500,000
Acquisition and Renovation of Building	10,000,000
Police Department	
Acq. of Police Vehicles	1,190,000
Precinct and Building Reconstruction	437,724
Acq. of Hardware and Software	363,500
Acq. of Equipment	448,279
Public Works	
City Hall and Larkin Building Improvements	6,750,000
Water System Improvements	5,900,000
Acq. of Heavy Duty Equipment	584,400
Acq. of Light Duty Equipment	43,200
Acq. of Light Duty Vehicles	210,000
Acq. of Heavy Duty Vehicles	1,177,000
Sidewalk and City Step Replacement	85,000
City Hall Parapet Reconstruction	2,900,000
Installation of Fencing	100,000
Water Tower Improvements	600,000
Cacace Center Improvements	1,250,000
Crisfield Pump Station	750,000
Corporation Counsel	
Replacement of Flooring	75,000
Acq. of Shelving for Archives	28,000
Subtotal:	$60,700,461
Total Series A Bonds:	$94,383,547

Purpose of the Series B Bonds

The proceeds of the Series B Bonds will be used to finance the objects or purposes listed below and to pay the costs of issuance of the Series B Bonds. The "Allocation of Bond Proceeds" includes net original issuance premium allocated to each project.

Special Ordinance No. 29-2022

Object or Purpose	Allocation of Bond Proceeds
Construction and Improvement to Various School Buildings	$20,000,000

Special Ordinance No. 26-2025

Object or Purpose	Allocation of Bond Proceeds
Acq. of Textbooks and Equipment	$7,300,000
Total Series B Bonds:	$27,300,000

Purpose of the Series C Bonds

The proceeds of the Series C Bonds will be used to finance the objects or purposes listed below and to pay the costs of issuance of the Series C Bonds. The "Allocation of Bond Proceeds" includes net original issuance premium allocated to each project.

Special Ordinance No. 20-2025

Object or Purpose	Allocation of Bond Proceeds
Tax Certiorari	$7,000,000
Total Series C Bonds:	$7,000,000

Purpose of the Series D Bonds

The Series D Bonds are being issued for the purpose of refunding a portion of the outstanding $76,215,000 General Obligation Refunding Bonds – 2015D, in the amount of $33,625,000; $50,185,000 General Obligation Serial Bonds – 2015E, in the amount of $24,375,000; and $18,370,000 School Serial Bonds – 2015F, in the amount of $3,965,000; (collectively, the "Refunded Bonds") (See "*Refunding Financial Plan*" under "*THE BONDS*" herein). The Refunded Bonds were issued to finance and/or refinance various capital improvements and/or equipment purchases of the City and the BOE.

Refunding Financial Plan

The Series D Bonds are being issued to effect the refunding of all of the Refunded Bonds maturing or being subject to redemption on the dates and in the amounts set forth below. For further information regarding the refunding of the Refunded Bonds, see "*VERIFICATION OF MATHEMATICAL COMPUTATIONS*" herein.

Series	**Refunded Maturity Date**	**Refunded Principal**	**Refunded Coupon**	**Redemption Date**	**Redemption Price**	**CUSIP** 986082
2015D	August 1, 2026	$ 2,345,000	3.000%	05/15/2026	100%	SD8
	August 1, 2027	2,440,000	5.000	05/15/2026	100%	SE6
	August 1, 2028	500,000	3.125	05/15/2026	100%	SF3
	August 1, 2028	2,060,000	5.000	05/15/2026	100%	SG1
	August 1, 2029	1,175,000	3.125	05/15/2026	100%	SH9
	August 1, 2029	1,500,000	5.000	05/15/2026	100%	SJ5
	August 1, 2030	1,285,000	3.250	05/15/2026	100%	SK2
	August 1, 2030	1,500,000	5.000	05/15/2026	100%	SL0
	August 1, 2031	3,875,000	3.375	05/15/2026	100%	SM8
	August 1, 2032	4,010,000	3.500	05/15/2026	100%	SN6
	August 1, 2033	3,655,000	3.500	05/15/2026	100%	SP1
	August 1, 2033	500,000	4.000	05/15/2026	100%	SQ9
	August 1, 2034	2,305,000	3.500	05/15/2026	100%	SR7
	August 1, 2034	2,000,000	4.000	05/15/2026	100%	SS5
	August 1, 2035	2,475,000	3.625	05/15/2026	100%	ST3
	August 1, 2035	2,000,000	4.000	05/15/2026	100%	SU0
	Subtotal:	$33,625,000				
2015E	September 1, 2026	$ 3,605,000	3.000%	05/15/2026	100%	TE5
	September 1, 2027	3,755,000	5.000	05/15/2026	100%	TF2
	September 1, 2028	3,945,000	5.000	05/15/2026	100%	TG0
	September 1, 2029	4,150,000	5.000	05/15/2026	100%	TH8
	September 1, 2030	4,365,000	5.000	05/15/2026	100%	TJ4
	September 1, 2031	3,555,000	3.250	05/15/2026	100%	TK1
	September 1, 2031	1,000,000	5.000	05/15/2026	100%	TL9
	Subtotal:	$24,375,000				
2015F	September 1, 2026	$ 945,000	3.000%	05/15/2026	100%	UB9
	September 1, 2026	1,000,000	5.000	05/15/2026	100%	UC7
	September 1, 2027	1,570,000	3.000	05/15/2026	100%	UD5
	September 1, 2027	450,000	5.000	05/15/2026	100%	UE3
	Subtotal:	$3,965,000				
	Total:	$61,965,000				

The City's refunding financial plan (the "Refunding Financial Plan") provides that after payment of underwriting and other costs of issuance related to the Refunding Bonds, the remaining proceeds of the Refunding Bonds, together with unspent proceeds, if any, of the City's Refunded Bonds, will be used to purchase non-callable direct obligations of the United States of America (the "Government Obligations") which, together with remaining proceeds of the Refunding Bonds will be placed in an irrevocable trust fund (the "Escrow Fund") with The Bank of New York Mellon, New York, New York (the "Escrow Holder"), pursuant to the terms of an escrow contract by and between the City and the Escrow Holder, dated February 18, 2026 (the "Escrow

Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of and interest on the Refunded Bonds on or prior to their redemption date. The Refunding Financial Plan requires the Escrow Holder, pursuant to the refunding bond ordinance of the City Council and the Escrow Contract, to call for the redemption of the Refunded Bonds on their applicable redemption dates. The owners of the Refunded Bonds will have a first lien on the Escrow Fund to the extent permitted by law until such Refunded Bonds have been redeemed, whereupon the Escrow Contract shall terminate.

The Refunding Financial Plan projects that the City will realize gross and present-value debt service savings.

Under the Refunding Financial Plan, the Refunded Bonds will continue to be general obligations of the City (although they are excludable in computing the City's debt limit) and will continue to be payable from City sources legally available therefor. However, inasmuch as the Government Obligations and cash held in the Escrow Fund will be sufficient to meet all required payments of principal of and interest on the Refunded Bonds, it is not anticipated that such City sources of payment will be utilized.

SOURCES AND USES OF FUNDS FOR BONDS

Sources:	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Totals
Par Amount Bonds..............	$	$	$	$	
[Net] Original Issue Premium/Discount..............					
Totals..............................					
Uses:					
Fund Deposits......................					
Underwriting Discount........					
Costs of Issuance, Bond Insurance Premium & Contingency.........................					
Totals..............................					

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VERIFICATION OF MATHEMATICAL COMPUTATIONS

PKF O'Connor Davies LLP, independent accountants, will deliver its report indicating that it has verified the mathematical accuracy of the computations in the schedules provided by the Underwriters with respect to the Refunding Bonds. Included in the scope of its verification report will be a verification of the mathematical accuracy of the computations of the adequacy of the cash, the maturing principal amounts and the interest on the Government Obligations deposited with the Escrow Holder under the Escrow Contract to pay the interest, principal and redemption price coming due on the Refunded Bonds on or prior to their respective redemption dates as described in "*Refunding Financial Plan*" under "*THE BONDS*" herein.

PAYMENT AND SECURITY FOR THE BONDS

General

Each Bond when duly issued and paid for will constitute a contract between the City and the holder thereof. Each of the Bonds will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal of and interest thereon. For the payment of such principal and interest, the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" in Appendix A attached hereto.) Under the Constitution of the State, the

State is specifically precluded from restricting the power of the City to levy taxes on real estate for such purpose. However, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to certain statutory limitations set forth in Tax Levy Limit Law, unless the City complies with certain procedural requirements to permit the City to levy certain year-to-year increases in real property taxes.

The Bonds also will be entitled to the benefits of the provisions of the Act and the Sale Ordinance, including certain covenants of the City contained therein and certain rights of the Bondholders to enforce such covenants. The Sale Ordinance constitutes the special contract and credit agreement with Bondholders authorized by the City in accordance with the Act. Pursuant to the Sale Ordinance and the Act, the State Comptroller is the Fiscal Agent and has specific monitoring and enforcement functions.

(See "*FUNCTIONS OF THE FISCAL AGENT*" herein and summaries of the Sale Ordinance and Act in Appendix C and Appendix D attached hereto.)

Debt Service Fund

Pursuant to the Sale Ordinance, the Debt Service Fund (as hereinafter defined in Section 407 of the Sale Ordinance), established by the City pursuant to the Act and its 1976 bond ordinance, is continued and shall be maintained by the City with the Fiscal Agent for the purpose of paying Special Debt Service. "Special Debt Service" means, with respect to a fiscal year, the amount required for the punctual payment of all principal and interest due and payable in such year on the Bonds and on all of the City's other outstanding serial bonds, tax anticipation notes, revenue anticipation notes (subject to the limitations described herein), capital notes and budget notes and the required principal amortization and interest due on the City's outstanding bond anticipation notes and urban renewal notes. All such obligations are general obligations of the City. The City is also authorized to incur debt which is not a general obligation of the City, payable from and secured by increases in real property taxes on benefited property. (See "*Tax Increment Financing*" under "*CITY INDEBTEDNESS*" in Appendix A attached hereto.)

The Sale Ordinance reaffirms the requirements of the Act, and the safeguards and provisions which apply to the aforesaid obligations issued by the City in 1976 and thereafter, that the City appropriate in its budget for each fiscal year the amounts required for such year to pay Special Debt Service, as well as the amounts estimated to be required for interest on tax anticipation and revenue anticipation notes anticipated to be issued and to mature in such fiscal year.

The following amounts are required to be deposited in the Debt Service Fund:

(a) The percentage of all ad valorem real property taxes collected by the City, determined according to the following formula and calculated at the commencement of each fiscal year:

$$\frac{\text{total appropriation for Special Debt Service}}{\text{total city ad valorem real property tax levy } \textit{less} \text{ reserve for uncollected taxes}} = \text{Debt Service Percentage}$$

Immediately upon receipt of any ad valorem real property tax payments during each fiscal year, the City is required to remit the total of such payments to the Fiscal Agent, who will deposit into the Debt Service Fund the portion of such payment equal to the Debt Service Percentage. The remainder of such payment is then paid over to the City Comptroller (subject to (c) and (d) below) for City use.

(b) The revenues derived from the imposition of the Special Sales Tax of the City will be deposited monthly by or on behalf of the State Comptroller into the Debt Service Fund. (See "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.)

There can be no assurance that the authorization or the imposition of the Special Sales Tax will not be repealed, amended or otherwise changed by the State or the City. Neither in the Act nor Sale Ordinance does the State or the City expressly pledge or covenant to continue such special sales and use tax. Pursuant to the Sale Ordinance, the first one percent of any sales and use tax that is authorized and imposed by the City will be the Special Sales Tax and will be deposited into the Debt Service Fund.

(c) With respect to tax anticipation notes issued during a fiscal year (with the requisite Fiscal Agent authentications), the Fiscal Agent will retain from the original proceeds of such tax anticipation notes that portion thereof equal to the Debt Service Percentage (see (a) above) and the Added Debt Service Percentage (see (d) below) and shall pay over the remaining proceeds to the City Comptroller for City use. Thereafter, the Fiscal Agent is required to deposit into the Debt Service Fund all ad valorem real property taxes until full provision for the payment of such tax anticipation notes has been made.

(d) With respect to the issuance of revenue anticipation notes, urban renewal notes and budget notes during a fiscal year, the Fiscal Agent is required to deposit in the Debt Service Fund from total ad valorem real property taxes thereafter received by him an additional amount (the "Added Debt Service Percentage") computed as follows:

$$\frac{\text{Interest payable on such notes in such fiscal year}}{\text{Total uncollected City ad valorem real property Taxes less reserve for uncollected taxes}} = \text{Added Debt Service Percentage}$$

(e) The Sale Ordinance provides that no principal of or interest on other note obligations, issued during the year and for the payment of which the above described percentages do not apply, are to be paid from the Debt Service Fund unless the City shall deposit additional monies in the Debt Service Fund for such purpose.

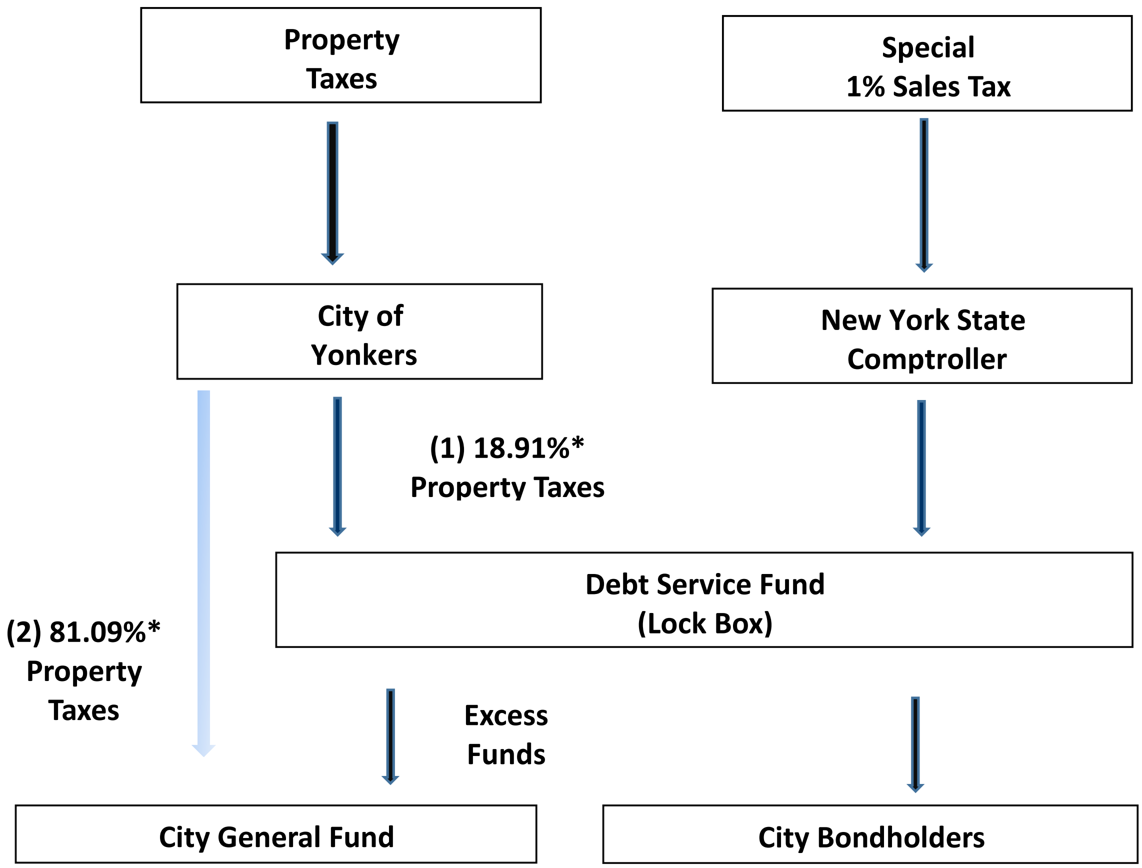
If at any time during a fiscal year the monies in the Debt Service Fund exceed the unpaid amount of Special Debt Service due, or to become due on or prior to the first day of July next ensuing, the Fiscal Agent shall pay over to the City Comptroller the amount of such excess for use by the City.

The Act provides that the Debt Service Fund and any or all monies payable to the Debt Service Fund are City property devoted to essential governmental purposes and shall not be subject to any order, judgment, lien, attachment, execution, setoff or counterclaim by any creditors of the City other than a creditor for whose benefit the Debt Service Fund is established. (See, however, "*SPECIAL RIGHTS AND REMEDIES*" herein for a discussion of the effect on the Debt Service Fund of the filing of a petition by or on behalf of the City under the Federal Bankruptcy Code or subsequently enacted law governing creditors' rights.)

The Sale Ordinance contains a general covenant of the City to comply with the provisions of the Act and a specific covenant incorporating the requirements of the budgetary procedures set forth in the Act. (See "*Procedures*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto.) The Sale Ordinance also includes the pledge and agreement of the State to respect the Act and the contract of the City with the Bondholders. (See "*State Pledge and Agreement*" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

The following summarizes the flow of funds pursuant to the Act:

Bondholder Flow of Funds*



* Reflects Debt Service Percentage for FY25-26.

FUNCTIONS OF THE FISCAL AGENT

Pursuant to the Act, the proceeds of the Bonds are to be deposited with the Fiscal Agent in a special account. The Fiscal Agent is to withdraw monies from such account only upon written requisition of the City Council or the Chief Fiscal Officer of the City, including a statement that such requisitioned item is properly accounted for. Pending such withdrawals, the Fiscal Agent, upon instruction from the Chief Fiscal Officer of the City or his authorized deputy and in the manner provided by the New York State Local Finance Law and New York State General Municipal Law, shall invest the monies in investment obligations defined in the Sale Ordinance, which mature at such times and in such amounts so as to provide available monies to make payments from these accounts when required. The Fiscal Agent generally is required to deposit in the Debt Service Fund any monies or investment obligations remaining in such account after completion of the objects or purposes for which the Bonds are issued.

The Debt Service Fund has been established with the Fiscal Agent for the purpose of paying the Special Debt Service. (See "*PAYMENT AND SECURITY FOR THE BONDS*" herein.) Pursuant to the Act, the City is required to remit to the Fiscal Agent any payment during a fiscal year of, or on account of, any City real property taxes levied by the City. The Fiscal Agent is required to deposit in the Debt Service Fund the Debt Service Percentage and the Added Debt Service Percentage, if any, of such tax receipts and pay the remainder over to the City Comptroller for the general use of the City. Revenues derived from the imposition of the Special Sales Tax authorized pursuant to the New York State Tax Law are also deposited in the Debt Service Fund. If at any time during a fiscal year the monies in the Debt Service Fund exceed the unpaid amount of all Special Debt

Service due or to become due on or prior to the first day of July next ensuing, the Fiscal Agent is required to pay over to the City Comptroller the amount of such excess for the general use of the City. (See "*PAYMENT AND SECURITY FOR THE BONDS*" herein.)

The Fiscal Agent is required to withdraw from the Debt Service Fund from time to time during each fiscal year all amounts needed for the payment of all Special Debt Service of such fiscal year.

Tax anticipation notes, revenue anticipation notes, urban renewal notes, and budget notes cannot be issued by the City or be valid for any purpose unless authenticated by the Fiscal Agent upon the receipt of appropriate documentation as required by the Sale Ordinance.

The City must file with the Fiscal Agent its proposed budget, adopted budget, the Justification Documents (as defined in the Sale Ordinance) and all other documents required to be so filed by the Act or the Sale Ordinance. The Fiscal Agent is required to review all such documents and to approve or disapprove each document. As set forth in the Sale Ordinance, a Justification Document is a written certificate setting forth facts determined and actions completed forming an existing basis for a reasonable expectation that amounts of receipts will actually be collected or realized or amounts of appropriations will be sufficient for proposed expenditures.

The Fiscal Agent may not approve any Justification Document unless it determines that such document complies with the Act and the Sale Ordinance and the City shall not take any action with respect to which any such document is required to be filed unless and until the Fiscal Agent shall have endorsed its approval thereon.

The Fiscal Agent is not given by the Act or Sale Ordinance the power as attorney in fact of the holders of the Bonds or the holders of coupons to vote the claims of such holders in any bankruptcy proceeding or to accept or consent to any plan of reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any such holder or to give consent on behalf of any such holder to any modification or amendment of the Sale Ordinance requiring such consent under the provisions of the Sale Ordinance.

SPECIAL RIGHTS AND REMEDIES

The Act provides that the City may adopt as a contract with the holders of bonds an ordinance which provides for or contains covenants of the City to protect and safeguard the securities and rights of the holders. The City has adopted such covenants in the Sale Ordinance. The Sale Ordinance provides special rights to the holders of City bonds, including the requirement of annual audits by independent accountants, the maintenance of the Debt Service Fund and certain covenants of the City including its covenant to comply with the Act and the budget procedures discussed under "*Procedures*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" in Appendix A attached hereto. The Sale Ordinance also contains covenants relating to the appointment, rights, powers and duties of the Fiscal Agent, including the right to have the Fiscal Agent review budget proceedings and enforce the budget procedures specified in the Act and Sale Ordinance. (See Appendix C and Appendix D attached hereto for summaries of the Sale Ordinance and Act.)

The holders of all bonds and other general obligations, including the Bonds, heretofore and hereafter issued by the City for the term that such bonds are outstanding have the benefit of the Act, which provides the holders of the Bonds with certain rights and remedies. Under the State General Municipal Law currently applicable to the City, the rate of interest that may be adjudged due to creditors, with certain exceptions, is limited to nine per centum per annum. However, pursuant to and by reference to the Act, the Bonds provide that any interest to be paid by the City upon any judgment or accrued claim with respect to the Bonds shall be paid at the rate of interest per annum stated on such Bonds.

The Sale Ordinance vests in the Fiscal Agent the powers of enforcement of the Sale Ordinance and abrogates the right of the holders of the Bonds to appoint a separate trustee for such purpose. The Sale Ordinance provides that the following shall be an "event of default": (1) failure of the City to make payment of principal of or interest on the Bonds or any other obligations, whether at maturity or upon call for redemption, which continues for a period of thirty (30) days; or (2) failure or refusal by the City to comply with the provisions of the Act or the Sale Ordinance, or default by the City in the performance of any contract or covenant made with the holders of the Bonds or any other obligations which continues for forty-five (45) days after written notice of such default to the City by the Fiscal Agent or the holders of five per cent (5%) of the principal amount of the Bonds; or (3) filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State of New York or the filing by the City of a petition pursuant to the bankruptcy provisions of federal law. The Fiscal Agent, during the happening or continuance of an event of default, may by mandamus or other suit in law or in equity enforce all such rights, including the right to require the City to assess, levy and collect taxes adequate to carry out the contract with the Bondholders and may enjoin any doing of acts or things by the City which may be in violation of the rights of the Bondholders.

While the Act permits the Sale Ordinance to include the right of the Fiscal Agent upon an event of default by the City on any issue of obligations to declare such obligations due and payable, the Sale Ordinance does not provide for such remedy and precludes the City from including such a remedy in any other contract with any other purchaser of obligations of the City.

Neither the Act nor the Sale Ordinance purports to create any priority for the holders of the Bonds should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds to receive interest and principal payments from the City could be adversely affected by a restructuring of the City'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 City (including the Bonds) to payment from monies retained in the Debt Service Fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City 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 City creditors generally. Judicial enforcement of the City's obligation to make payments into the Debt Service Fund, of the State Comptroller's obligation to retain certain monies in the Debt Service Fund, of the rights of holders of bonds and notes of the City to monies in the Debt Service Fund and of the obligations of the City under certain covenants of the City and of the State under certain covenants of the State, may, under certain circumstances, be within the discretion of a court.

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 debts, which may modify or alter the rights of creditors and authorizes the Federal bankruptcy court to permit the municipality to incur indebtedness, which could have priority over existing 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. Although Title 6 A of the Local Finance Law provides that a municipality in the State or its emergency control board may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness, the Act provides that the provisions of Title 6 A of the Local Finance Law shall not apply to the City or any bonds or notes issued by it. Reference should be made to the following section which describes the provisions of the Act relating to the power of the State to authorize the City to seek application of laws under the bankruptcy provisions of federal law. (See Appendix C and Appendix D attached hereto for summaries of the Sale Ordinances and Act.)

State Pledge and Agreement

In prior years, events and legislation in the State affecting bondholders' remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, it cannot now be ascertained whether future events and legislation and any litigation arising therefrom would or would not be held by a court of final jurisdiction to render the rights of bondholders subject to the emergency and police powers of the State to deal with various financial crises as they may occur in the State and in municipalities of the State and to assure the continuation of essential services therein.

However, in enacting the Act, the State determined that the powers and duties of the City authorized pursuant to the Act are an appropriate, reasonable and proper means which the State can and should exercise and that the provisions of the Act were necessary and in the public interest and an appropriate means to improve market reception for the purchase of the Bonds and other obligations of the City.

Section 12 of Article VIII of the State Constitution provides that:

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

Pursuant to the provisions of the Act, the State authorized and directed the City to include in the bond ordinance authorizing the issuance of City bonds, including the Sale Ordinance, a pledge and agreement of the State with and for the benefit of the holders of the Bonds, including both the original and all subsequent holders thereof.

The terms of said pledge and agreement are substantially as follows:

The State will not:

(a) repeal, revoke, repudiate, limit, alter, stay, suspend or otherwise reduce or rescind or impair the power or duty of the City to exercise, perform, carry out and fulfill its responsibilities under the Act to the extent that the City has incorporated in the Sale Ordinance covenants and agreements to so exercise, perform, carry out and fulfill such responsibilities,

(b) repeal, revoke, repudiate, limit, alter, stay, suspend or otherwise reduce or rescind or impair the rights and remedies of any such holders to fully enforce in a court of law such covenants and agreements so incorporated in the Sale Ordinance or to enforce the pledge and agreement of the State contained in the Sale Ordinance, or

(c) otherwise exercise any sovereign power contrary to or inconsistent with the provisions of such Sale Ordinance, provided, however, the foregoing pledge and agreement shall be of no further force and effect if at any time:

(i) there is on deposit in a separate trust account with the Fiscal Agent sufficient monies or direct obligations of the United States of America or the State the principal of and/or interest on which will provide monies to pay punctually when due at maturity or prior to maturity by redemption in accordance with their terms all principal of and interest on the Bonds,

(ii) irrevocable instructions from the State and the City to the Fiscal Agent for such payment of such principal and interest with such monies have been given, and

(iii) notice to the holders of such Bonds, as provided in the Sale Ordinance, has been given, and

provided further that such pledge and agreement by the State may be temporarily suspended upon the declaration of martial law in the City in the event of circumstances in the City deriving directly out of a natural disaster (such as an earthquake or major conflagration or flood, but not a snowstorm) or civil disturbance (such as military invasions or civil insurrections, but not strikes or crises created by financial abuses or economic events).

The Act provides that nothing contained in the Act shall preclude the State from authorizing the City to exercise, or the City from exercising, any power provided by law to seek application of laws then in effect under the bankruptcy provisions of federal law or to preclude the State from further exercise of its powers under Section 12 of Article VIII of the State Constitution. No such State authority exists at this time.

The Act further provides that the payment for the Bonds by the purchasers of the Bonds shall be deemed conclusive evidence of valuable consideration received by the State and the City for such pledge and agreement and of reliance upon such pledge and agreement by any holder of the Bonds, and any actions by the State contrary to or inconsistent with the provisions of the Act are void. The State has granted any such holder the right to sue the State and enforce said pledge and agreement, and further, has waived all rights of defense based on sovereign immunity or sovereign power in such suit.

Additional Remedy for Holders of School Bonds

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of bonds and notes issued for school purposes, including the Series B Bonds, that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued for school purposes shall file with the State Comptroller a verified statement describing such bond or note and alleging default in the payment of the principal thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto. A copy of such certificate is to be served by registered mail upon the Chief Fiscal Officer of the issuer of the bond or note. The investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds and notes of such issuer issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds and notes of the issuer found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of State education aid or assistance due to the issuer such amount thereof as may be required to pay (a) the issuer's contribution to the state teachers retirement system, and (b) the principal of and interest on such bonds and notes of such issuer then in default. In the event such State education aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State education aid or assistance due such issuer such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State education aid so deducted or withheld by the State Comptroller for the payment of principal of and interest on bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such issuer for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. In the event such successive allotments, apportionments or payments of such State education aid so deducted or withheld shall be less than the amount necessary to pay all principal and interest due on the bonds and notes in default with respect to which the same was so deducted or withheld then the State Comptroller shall promptly forward to each paying agent its pro rata portion of such amount. The State Comptroller shall promptly notify the chief fiscal officer of such issuer of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL. **The holders of the Series B Bonds shall have the benefit of the State covenants set forth in Section 99-b of the SFL**.

BOOK ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds 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, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

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

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

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

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

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

MARKET FACTORS

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

The City's credit rating could be affected by circumstances beyond the City's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of City property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the City's credit rating or outlook could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. A holder may potentially incur a capital loss or gain if such Bond is sold prior to its maturity.

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

The City is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The City's receipt of State Aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the City fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys, the City is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the City will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. The failure of the State to adopt its budget timely could also delay the certification of the City's budget by the State Comptroller. (See "*Procedures*" under "*Discussion of Financial Operations*," herein.)

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

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

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

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

CYBERSECURITY

The City and the BOE, like many other public and private entities, rely on technology to conduct their operations. As recipients and providers of personal, private, or sensitive information, the City and the BOE face various cyber threats including, but not limited to: hacking, denial of service attacks, malware, ransomware and various other types of attacks on computer systems and other sensitive digital networks and information systems. To mitigate the risk to business operations and/or damage from cyber incidents or cyber-attacks, the City and the BOE invest in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful in guarding against cyber threats and attacks. The results of any such attack(s) could impact business operations and/or damage City and BOE digital networks and systems and the costs of remedying any such damage could be substantial.

The City's computer network was attacked by a ransomware virus in September of 2021. The City's Department of Information Technology immediately responded and quarantined the virus. The City did not make any payments to the ransomware perpetrators. The City does not have a cybersecurity insurance policy. Costs for supplies, overtime and additional security measures put in place were paid for through the City's operating budget and the City has added additional levels of security following the incident.

OFFICE OF SUSTAINABILITY AND CLIMATE ACTION PLAN

The current administration is committed to making the City a leader in sustainability and taking meaningful action to protect the future of the environment, the City's economy and its diverse communities. Since establishing the Mayor's Office of Sustainability and the Yonkers Green City Advisory Committee, the City has launched a comprehensive energy master plan and completed dozens of actions to advance conservation, clean energy and waste reduction.

In 2014, the City became the first city in the State to complete the replacement of its nearly 12,000 streetlights with LED bulbs, resulting in $18 million in energy cost-savings for taxpayers over 10 years and an annual reduction in carbon emissions of 3,000 tons. Going a step further, the City also recently became the first in the region to take lighting at a City park off-the-grid entirely with the installation of solar and wind powered LED lights at the JFK Park and Marina. The City's commitment to renewable energy and emissions reduction has also extended to its operation of buildings, infrastructure, vehicles and equipment with numerous energy-efficiency retrofits, green fleet initiatives, green building standards and the launch of the first emission-free dockless bike and scooter micromobility programs.

The City has also been a leader in protecting and improving the health of its natural resources. The award-winning "Daylighting" of the Saw Mill River has been called a model for urban redevelopment and environmental revitalization and has received international attention for its innovative approach. With 3 phases now complete, the Daylighting project has unearthed, restored, and transformed a major portion of the river – that had for decades been buried below City streets – into a natural habitat for migratory fish passage and beautiful new green space in the heart of Downtown Yonkers. The project has also helped spur over a billion dollars in transit oriented development, including new affordable housing and job growth in the downtown district.

The Mayor's Office of Sustainability is tasked with ensuring sustainable practices are incorporated into the planning and daily operations of every City department. It serves to create and promote opportunities for all residents and businesses to be part of a greener, healthier city for generations to come. The Office also receives guidance and recommendations on energy and sustainability initiatives from the Yonkers Green City Advisory

Committee. The City issued an RFP for floating solar on the grassy sprain reservoir and will also be pursuing a new opt-in solar agreement for residential and business use. Moreover, the City will be painting municipal buildings white to reduce heat island effect. Additionally, the Office is participating with the Parks Department on the New York Power Authority tree power purchase plan which is a "buy one get one free plan" to plant more trees.

In June of 2023, the Climate Action Plan was released to the public. It is 158 pages and is posted on the City's website. The full plan can be found here:

https://www.yonkersny.gov/home/showpublisheddocument/38210/638222478781970000

Ninety-two new EV charging stations have been installed at City-owned facilities and properties. Seven DCFC level 3 stations have been ordered and are expected to be installed in 2026. The City continues to reduce "Heat Island Effect", provide shade and reduce CO2 emissions. In addition, the City is developing a new riverfront park in the Ludlow neighborhood that will provide access to the Hudson River with kayaks, canoes as well as art and recreation.

Further, the Yonkers NY Rising Community Reconstruction Plan (NYRCR) was undertaken as part of New York State's Rising Community Reconstruction Program. The Yonkers NYRCR Plan was developed following Superstorm Sandy and lays out the City's vulnerabilities to more frequent and intense weather events resulting from climate change and outlines measures that may be taken to reduce risk.

Specifically, the plan identifies innovative reconstruction and resiliency projects and other actions to mitigate increasingly common natural risks resulting from climate change. The plan includes five focus areas incorporating watershed areas of the City most heavily impacted by storm damage including the Bronx River, Grassy Sprain Brook and Reservoir, Saw Mill River, Tibbetts Brook, and the Hudson River waterfront.

During and after Hurricane Irene and Superstorm Sandy, many water bodies in the City overtopped their banks and released floodwaters throughout the City. In addition to flooding, strong winds during Superstorm Sandy brought down trees and power lines causing disruption to power. These storms exposed vulnerabilities within the City. The issues identified affect the City's ability to withstand the impact and recover from future storms. The key critical issues facing the City as discussed in the plan include:

(i) Riverine, Coastal, and Stormwater Flooding
(ii) Tree and Wind Damage
(iii) Susceptibility of Major Infrastructure to Storm Damage
(iv) Communication and Education Challenges
(v) Managing the Impacts of Development, including Resiliency Projects

To address specific vulnerabilities, a comprehensive needs and opportunities analysis was prepared. Strategies were then developed, including proposed projects for State funding, to address the stated needs and transform opportunities into action items. Some projects proposed for funding included:

(i) Bronx River and Grassy Sprain Brook Hydrologic Study
(ii) Saw Mill River Hydrologic Study
(iii) Emergency Power to Street Lights along Evacuation Routes
(iv) Yonkers Emergency Response and Recovery Campaign
(v) Technical Assistance Program for Residential Resiliency
(vi) Planning Study to Establish Best Management Practices for Upland Waterways
(vii) Resilient Revitalization of the Alexander Street Waterfront – Study and Pilot Project
(viii) Scout Field Engineering Study
(ix) Creation of Access to Grassy Sprain Brook through Sprain Brook Parkway Sound Barrier
(x) Reconstruction of Seawall at Yonkers Paddling and Rowing Club

(xi) Feasibility Study for Creation of a Regional Flood Control Authority
(xii) Planning Study for Sprain Diversion Channel

A full copy of such Plan is available at: https://stormrecovery.ny.gov/sites/default/files/crp/community/documents/yonkers_nyrcr_combined_full_plan_akrf_3.30.15_0.pdf.

Additional information regarding various City climate-related initiatives is available at:

https://www.yonkersny.gov/735/Mayors-Office-of-Sustainability

In October 2025, the State Comptroller released a report entitled "Severe Weather Events and Resiliency in New York State." A copy of the report is available at:

https://www.osc.ny.gov/files/reports/pdf/severe-weather-events-and-resiliency-in-ny-state.pdf

References to website addresses presented herein are for informational 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.

TAX MATTERS FOR THE SERIES A BONDS, SERIES B BONDS AND SERIES D BONDS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series A Bonds, Series B Bonds and Series D Bonds (the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Tax-Exempt Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Tax-Exempt Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the City (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Tax-Exempt Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City in connection with the Tax-Exempt Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

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

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

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds in order that interest on the Tax-Exempt Bonds 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 Tax-Exempt Bonds, 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 Tax-Exempt Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City, in executing the Tax Certificate, will certify to the effect that the City will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Tax-Exempt Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Tax-Exempt Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Tax-Exempt Bonds. Prospective owners of the Tax-Exempt Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Tax-Exempt Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

[Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Tax-Exempt Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Tax-Exempt Bonds. In general, the issue price for each maturity of Tax-Exempt Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Tax-Exempt Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Tax-Exempt Bonds.

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

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

[Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond).

An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.]

Information Reporting and Backup Withholding

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

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

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

Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS FOR THE SERIES C BONDS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Series C Bonds is included in gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York and the City of Yonkers.

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

Certain taxpayers that are required to prepare certified financial statements and file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series C Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below. In addition, interest on the Series C Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

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

Miscellaneous

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the respective final approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City. Bond Counsel's opinion will be in substantially the form attached hereto as Appendix E. Certain legal matters will be passed on for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. Certain legal matters will be passed on for the City by its Corporation Counsel.

UNDERWRITING

The Bonds are being purchased for reoffering by the Underwriters for whom Raymond James & Associates, Inc., is acting as Senior Managing Underwriter, at an aggregate purchase price for the Bonds of $_______________ plus accrued interest, if any (which reflects an aggregate Underwriters' discount of $_______________ and an aggregate net original issue premium of $_______________). The purchase contract between the City and the Underwriters provides that the Underwriters will purchase all of the Bonds, if any Bonds are purchased.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices other than the initial offering prices. The offering prices may be changed from time to time by the Underwriters.

RATINGS

On January 20, 2026, Moody's Investors Service ("Moody's") affirmed the long-term underlying credit rating of "A2" with a stable outlook, applicable to the City's outstanding general obligation bonds, including the Bonds. Moody's also affirmed the enhanced rating of "Aa3" with a stable outlook, assigned to bonds issued by the City on behalf of the Board of Education, including the Bonds, on account of the State aid intercept authorized by Section 99-b of the State Finance Law. (See "*Additional Remedy for Holders of School Bonds*" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

On January 16, 2026, Standard & Poor's Global Ratings ("S&P") affirmed the long-term, underlying rating credit rating of "A+" and revised the outlook from "stable" to "negative", applicable to the Bonds and the City's general obligation bonds. (See "*Additional Remedy for Holders of School Bonds*" under "*SPECIAL RIGHTS AND REMEDIES*" herein.)

These ratings reflect only the view of the rating agency furnishing the same, and an explanation of the significance of each of these ratings may be obtained only from the respective rating agency. There is no assurance that any of these ratings will continue for any given period of time or will not be raised, lowered or withdrawn entirely by the rating agency furnishing the same if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of any of these ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

Capital Markets Advisors LLC served as independent municipal advisor to the City on these issues.

The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is 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.

DISCLOSURE UNDERTAKING

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

Prior Compliance History

In certain recent years, the City failed to timely file bond call notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") following the refunding of certain outstanding bond issues of the City. In addition, in April 2022, the City failed to timely file an EMMA notice in connection with an upgrade of its enhanced 99B Intercept rating on its school bonds. On May 23, 2022, the City filed the event notice and failure to timely file notice for the aforementioned rating upgrade.

On May 30, 2025, pursuant to Chapter 178 of the Laws of 2024, the State accelerated $5 million of State aid due to the BOE during the 2024-2025 fiscal year. In each of the subsequent 30 years, the aid formula enumerated in the statutes will reduce the accelerated portion by $166,667 per year. This loan is interest free. The City failed to timely file such event notice related to the incurrence of this financial obligation. On January 15, 2026, the City filed the event notice and failure to timely file notice for the aforementioned incurrence of such financial obligation.

The 240 day deadline for filing annual financial information and audited financial statements, as referenced in the form of Undertaking appearing in Appendix G attached hereto, is applicable to bonds of the City issued since 2013.

ADDITIONAL INFORMATION

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinions 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 affairs in the City since the date hereof.

Questions regarding this Official Statement or requests for additional financial information concerning the City should be directed to John Liszewski, Commissioner of Finance & Management Services, Board of Education, 1 Larkin Center, Yonkers, New York 10701; telephone (914) 377-6160. Additional financial information and forecasts are also available at the online home page of the City's Finance Department, located at http://www.yonkersny.gov by clicking on: Government-Departments A-F-Finance. References to website addresses presented herein are for informational 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.

Any prospective financial information or forecasts which may be made available on the home page of the City's Finance Department reflect currently available estimates and judgments, and present, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City and the Board of Education. However, this information is not fact and should not be relied upon as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on any such prospective financial information.

Neither the City's nor the Board of Education's independent auditor, nor any other independent accountants, have compiled, examined or performed any procedures with respect to any such prospective financial information or forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, any such prospective financial information or forecasts.

The execution of this Official Statement and its delivery by the Commissioner of Finance & Management Services have been duly authorized.

CITY OF YONKERS

BY: John A. Liszewski
Commissioner of Finance &
Management Services

January __, 2026

APPENDIX A

CITY OF YONKERS

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THE GOVERNMENT OF YONKERS

City Services

The City of Yonkers was incorporated in 1872. Subject to the State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended as described hereinafter, and in accordance with other laws governing the City, including the General City Law, the Second Class Cities Law, Municipal Home Rule Law, the General Municipal Law and the Local Finance Law, to the extent that such laws are applicable to a city operating under a charter form of government.

The City is responsible for and maintains police, fire, sanitation and water services, municipal streets, library, parks and facilities. Pursuant to State law, the County, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Aid to Families with Dependent Children, and home relief programs.

Although the City is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the BOE, composed of members appointed by the Mayor, administers the City's school system. Pursuant to State legislation enacted on April 1, 2014, the City and the BOE entered into an inter-municipal agreement, whereby the City assumes control of all Board financial and budget functions. The inter-municipal agreement gives the City certain administrative controls over non-academic operations functions of the BOE. (See "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)

City Officials

Set forth below is a brief description of the structure of the government of the City. In November 1989, voters in the City approved a change to the City Charter that transferred the executive power formerly held by the City Manager to the Mayor. It extended the mayoral term of office to four years and established the Mayor and his administration as a separate executive branch of government. The position of City Manager was eliminated. These changes took effect January 1, 1992. Prior to this date there had not been a strong mayoral position in the City for fifty years. The current Mayor, Mike Spano, was elected to his first term on November 8, 2011 and took office on January 1, 2012. Mayor Spano has been re-elected three times, most recently on November 7, 2023.

The Mayor. The Mayor is elected for a four-year term and is designated by the charter to be the chief executive and administrative officer of the City. The Mayor is limited to up to 16 years consecutively, or 4 terms. The Mayor appoints the members of the Yonkers Parking Authority and the Industrial Development Agency, as well as, many other Boards and Commissions. The Mayor is responsible for appointing the Board of Trustees of the BOE without the advice and consent of the City Council. The Mayor is responsible for the appointment of all department and Agency heads, with the advice and consent of the City Council, except for the members of the Library Board and the City Clerk. The Mayor is responsible for the operations and performance of all City departments and agencies and prepares the City's Annual Budget. The Mayor is also a member of the Board of Cooperative Educational Services of the Sole Supervisory District of Westchester.

The City Council President. The City Council President is elected City-wide for a four-year term and presides over the deliberations of the City Council. The City Council President is limited to four consecutive terms. In addition, the City Council President is the Chair of the Rules Committee which sets the agenda for all City Council meetings. The City Council President also holds a seat on the Board of Contract and Supply as well as the Community Development Agency. The current City Council President is Lakisha Collins-Bellamy.

City Council. The legislative power of the City is vested in the City Council. The membership of the City Council includes the City Council President and six members selected from single member districts. A City Council term is four years and the Council Members are limited to four consecutive terms. The Council meets at both regular and special meetings throughout the year. The Council utilizes the committee system, and through the committees, the Council reviews legislative proposals and, subject to the terms of the Act, adopts the annual budget, levies taxes, approves modifications to the budget proposed by the Mayor, and authorizes all indebtedness of the City. The Council appoints the City Clerk.

Commissioner of Finance and Management Services. The Commissioner of Finance and Management Services and Comptroller oversees the audit and financial aspects of the government. John A. Liszewski is the appointed Commissioner of Finance and Management Services. He heads the Department of Finance and Management Services for the City, and assists the Mayor in preparing the annual operating budget. The Commissioner of Finance and Management Services is responsible for monitoring operations against the budget and identifying the need to prepare revisions to the budget. The Commissioner of Finance and Management Services is appointed by the Mayor with the consent of the City Council.

Related Entities

Board of Education

The Board of Education ("BOE") of the City operates as a separate public entity with its own budget, administration, and members appointed by the Mayor. The BOE has no independent taxing authority and relies exclusively on City Council appropriations for funding. Through the Inter-municipal Agreement (IMA) executed on June 12, 2014, the City assumed oversight of several non-academic BOE departments, including finance, human resources, legal, public information, and information technology, enhancing transparency and accountability between the City and BOE. The BOE appoints a Superintendent of Schools to act as Chief Administrator of the City’s public school system.

Following a comprehensive nationwide search, the Board of Education appointed Anibal Soler, Jr. as Superintendent of Schools, effective May 1, 2024. Mr. Soler brings 25 years of educational leadership experience, having previously served in two of New York's other "Big Five" school districts. With an established track record in urban education, he has successfully implemented transformative community schools initiatives that significantly expanded students' access to health and social services while fostering more inclusive educational environments. He recently rolled out the Yonkers Public Schools Strategic Plan 2030, which creates a bold, student-centered roadmap that will guide our collective work over the next five years. Under his leadership, we have prioritized protecting the student experience and created a 1:1 initiative to provide an electronic device to all students.

As of September 2025, the school system operates 38 educational facilities serving students from prekindergarten through grade 12, with configurations including: one prekindergarten-to-grade-2 site; seven prekindergarten-to-grade-6 sites; one grades-3-to-8 site; nineteen prekindergarten-to-grade-8 sites; one prekindergarten-to-grade-12 site; one site serving grades 7, 8, 9, and 10; two grades-7-to-12 sites; five grades-9-to-12 sites; and one adult education center.

The district features specialized educational offerings including full-day prekindergarten and mandated full-day kindergarten at all elementary schools, each with unique magnet themes. Notable programs include a dedicated academically talented school for prekindergarten through grade 8, Montessori education across all grade levels, and a grades-9-to-12 high school dedicated to the International Baccalaureate Diploma Programme. The BOE's Career & Technical Education programs and Yonkers' My Brother's Keeper initiative have been recognized by the New York State Education Department (NYSED) as statewide models. Comprehensive high schools offer 31 specialized career and college readiness programs with unique magnet themes. The Yonkers Pathways to Success program provides free adult education, English as a New Language instruction, job training, and preparation for the New York State high school equivalency diploma.

Since its founding in 1881, Yonkers Public Schools has evolved while maintaining its commitment to challenging students to reach their highest potential and fostering lifelong learning. The district's innovative programs receive national and statewide recognition. In the 2024-25 school year, the BOE achieved a 90.3% on-time graduation rate, exceeding the statewide average. Notably, in 2016, Yonkers became the first and only Big 5 cities school district to achieve a graduation rate exceeding 80%, reaching 83%. These achievements reflect the dedicated efforts of district and school leadership, teachers, and staff, along with strong stakeholder collaborations.

BOE operations are funded through City appropriations, Federal and State aid to education, grants, and locally generated revenues of the BOE. The BOE operates a school breakfast and lunch program separately accounted for in a special revenue fund designated School Lunch Fund.

Pursuant to the USDE-approved ESSA Accountability State Plan Addendum and Commissioner's Regulations §100.21, NYSED identifies schools in the bottom 5% of performance for the All Students group as Schools requiring Comprehensive Support and Improvement (CSI). High schools with 4-year cohort graduation rates below 67% for All Students are also identified for CSI unless their 5-year or 6-year cohort graduation rates meet or exceed 67%. Schools demonstrating low performance for specific subgroups—including racial/ethnic groups, English language learners, economically disadvantaged students, or students with disabilities—are identified for Additional Targeted Support and Improvement (ATSI) or Targeted Support and Improvement (TSI).

In January 2024, NYSED identified four schools as CSI and one school as ATSI based on the 2022-2023 assessment results. All schools in accountability are required to develop an annual School Comprehensive Education Plan (SCEP) to be implemented by the first day of the 2024–25 school year. These schools will remain with this identification until a new list of schools based on 2023-2024 assessment results is made known by NYSED in late January 2025.

In January 2025, NYSED identified two schools as CSI and two schools as TSI based on the 2023-2024 assessment results. All schools in accountability are required to develop an annual School Comprehensive Education Plan (SCEP) to be implemented by the first day of the 2025–26 school year. These schools will remain with this identification until a new list of schools based on 2024-2025 assessment results is made known by NYSED in late January 2026.

The following table provides Education aid from the State and Federal Governments to the BOE for all purposes, together with the amounts of such aid that are restricted and unrestricted for each of the past five (5) fiscal years and the amount budgeted for the current fiscal year.

Fiscal Year	**Education Aid**[1]	**Restricted**	**Unrestricted**
2020-21	$379,347,126	$47,976,499	$331,370,627
2021-22	438,371,834	81,090,719	357,281,115
2022-23	476,736,139	92,095,225	384,640,914
2023-24	495,252,040	89,040,075	406,211,965
2024-25	501,820,697	61,396,518	440,424,179
2025-26[4]	531,028,699	60,313,710	470,714,989

(1) Exclusive of aid for capital projects, debt service and school lunch program aid.
(2) Comprises operating funds of the BOE which are generally unrestricted.
(3) Restricted for such purposes as improvement of reading skills, Pre-K, health services, and improving pupil performance.
(4) Budgeted.

The following table sets forth information relating to the school system. Enrollment figures are as of BEDS Refresh Date of April 19, 2025.

(School Year Ending June 30)

	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**[1]
Enrollment	26,598	26,583	26,581	26,078	25,242	24,420	24,242	24,023	24,015	23,662
Schools	39	39	39	39	39	39	39	39	39	38

(1) Projected enrollment for 2025-26 is a calculated average % change for the academic years 2019-20 to 2024-25.

The following organizations are related to the City, but are not incorporated within the City's basic financial statements as they do not satisfy the criteria set forth in GASB Statement No. 61.

Municipal Housing Authority

The Municipal Housing Authority for the City of Yonkers ("MHACY") was created in 1934 under the New York State Public Housing Law as authorized by the Federal Housing Act. MHACY owns 76 Public Housing units and currently manages none of those units. However, MHACY is in the process of reclaiming ownership of the Landex Richman site formerly known as Grant Park which includes approximately half of those units (26). Closing is slated for the first quarter of 2026 at which time MHACY will seek to renovate the units and convert them to RAD or section 18. MHACY also manages 1,812 units of affordable housing. MHACY's Section 8 program administers a total of 5,118 vouchers (Housing Choice and Project-Based Vouchers).

MHACY completed the redevelopment of its public housing portfolio as part of HUD's Rental Assistance Demonstration Program ("RAD") and Section 18 disposition rules, which resulted in a total transformation of MHACY's previously outdated public housing buildings. MHACY has just started construction of the final phase (Phase 6) of the Ridgeway Redevelopment with its affordable housing partner, The Community Builders (TCB). Phase 6 is a senior affordable housing development built to passive house standards with approximately 82 units and joins 172 Warburton Avenue, which opened in 2021, and 178 Warburton Avenue, which is opened in late 2022, as the last property of a decade-long development.

La Mora Senior Housing development was funded by the New York State Housing and Community Renewal program. The construction of the building began in late 2022 and was completed June 2024. This new building is 60 units of senior housing built to the highest level of environmental standards, passive house standards.

The City does not guarantee the debt of MHACY.

MHACY is in the process of purchasing at Fair Market Value (FMV) three (3) vacant and unimproved lots from the City through the YIDA to build affordable homeownership. Appraisals, SEQRA and other due diligence was completed by the City on the parcels.

Yonkers Parking Authority

The City of Yonkers Parking Authority (the "Parking Authority"), a public benefit corporation, was created by an act of the State legislature in April 1964. The Parking Authority operates and maintains 36 municipally owned off street and on street parking facilities and approximately 2,700 street meters. The Parking Authority also operates 3 garages, the Government Center Parking Garage adjacent to City Hall, Parkadrome on Ashburton Avenue across from the St. John's Riverside Hospital's Park Care facility (which is leased and maintained by St. Johns Riverside Hospital) and the Buena Vista Avenue Parking Garage.

On August 1, 2016, the Parking Authority unveiled a parking phone app, Parkmobile, to make parking payments possible from smart phones throughout the City. Approximately 32 Parkeon parking payment machines, which are compatible with the Parkmobile app, have been added to various streets and parking lots throughout the downtown and a few other areas in the City.

On February 23, 2022, the Parking Authority issued its $3,460,000 Parking Facilities Revenue Bonds, Series 2022A to finance certain improvements to the Government Center Parking Garage located at 118 New Main Street, Yonkers, New York 10701, to refund certain outstanding bonds of the Parking Authority and to pay certain costs of incurred in connection with the issuance of such bonds. The City does not guarantee the debt of the Parking Authority. However, there is a subsidy agreement in place, whereby the City is responsible for providing an annual operating subsidy if the Parking Authority should need one. The Parking Authority has not needed a subsidy from the City in over six years.

Yonkers Industrial Development Agency

Established in 1982, the City of Yonkers Industrial Development Agency ("YIDA") is a public benefit corporation of the State of New York. YIDA promotes and supports the development of commerce in the City of Yonkers to encourage new employment and economic progress.

YIDA assists industrial and commercial ("participating organizations") in obtaining long-term, low-cost financing principally through the issuance of tax-exempt industrial development bonds ("IDBs"). Financing is provided for commercial property acquisition, rehabilitation and development as well as the purchase of equipment. Additionally, YIDA arranges for full or partial real estate tax abatements and exemptions from sales and mortgage recording taxes as an inducement to development. The participating organizations must meet certain criteria consistent with the laws governing YIDA; the most important of which is job creation and retention.

IDBs issued by the YIDA are generally collateralized by property, which is leased to participating organizations, and retired by lease payments. The IDBs are not obligations of YIDA, the City, the County or the State. YIDA does not record the assets, liabilities or rental operations resulting from completed IDBs in its accounts since its primary function is to arrange the financing between the borrowing companies and the bondholders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, YIDA receives bond administration fees from the borrowing companies.

Over the last few years, New York State has limited the ability of all IDAs to issue bonds. Yonkers Economic Development Corporation ("YEDC") was created in 2007 as a local development corporation established pursuant to Section 1411 of the Not-For-Profit-Corporation Law (NFPCL), to provide certain taxable and tax exempt financial assistance on occasions where these incentives are no longer provided by YIDA or in instances where the YIDA's ability to assist economic development projects have been significantly limited. YEDC's purpose of promoting the creation and preservation of employment opportunities is in line with the YIDA's overall objectives and helps to deliver financial assistance in a more cost effective form through this local development corporation. The debt issuances of YEDC are not liabilities of the State, the County, the City or YIDA. (See "*Yonkers Economic Development Corporation*" herein.)

Since 1982, the YIDA and YEDC have assisted more than 160 companies with total investments in excess of $6.0 billion. YIDA is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by statute and includes both public officials and appointed business leaders.

Yonkers Economic Development Corporation

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created pursuant to 1411 of the NFPCL and authorized to issue tax-exempt debt under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the City with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the YIDA or in instances where the YIDA's ability to assist economic development projects has been significantly limited. The YEDC has a December 31st fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor for a specified term. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. Neither the City, the State nor the County is liable for the payment of YEDC bonds or notes.

Other Entities

Several organizations are shown as component units on the City's basic financial statements as they satisfy the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 61. These entities are the: Yonkers Downtown Waterfront Development Corporation, Yonkers Community Development Agency and other local authorities, including local development corporations.

Yonkers Community Development Agency

The Yonkers Community Development Agency (the "Agency") is a municipal urban renewal agency created pursuant to Section 605 of the New York General Municipal Law ("GML") and a local authority under New York Public Authorities Law. The Agency was established for the accomplishment of any or all of the purposes specified in articles fifteen and fifteen-A of the GML, in accordance with article 18 of the constitution of the State of New York, and with the mission of promoting the safety, health, and welfare of the people of the City of Yonkers and encouraging the sound growth of the City by engaging in wide range of activities aimed at correcting blighted conditions and neighborhoods throughout the City. The Agency is empowered by law to engage in a range of activities in furtherance of its mission, including, among other things, drafting urban renewal plans and acquiring and disposing of land within urban renewal areas. The Agency is currently undertaking and facilitating various projects and initiatives that advance its mission. The Agency is a governmental fund and is included as part of the City's Community Development Funds within the City's basic financial statements.

Yonkers Downtown Waterfront Development Corporation

The Yonkers Downtown Waterfront Development Corporation ("YDWDC") is a corporation as defined in section 102(a)(5) of the New York State Not-For-Profit Corporation Law (the "N-PCL"), a local development corporation as provided in section 1411 of the N-PCL, and a type C corporation under section 201 of the N-PCL. The YDWDC was formed for public purposes and was organized and operates exclusively for charitable, educational, scientific, and literary purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, as may be amended. Subject to the limitations of the foregoing and as described more fully in the certificate of incorporation of the YDWDC, as amended, the exclusive purposes of the YDWDC include, inter alia, relieving and reducing unemployment, stimulating and maintaining economic growth, and redeveloping and restoring properties for the cultural and economic benefit of residents. Management of the YDWDC and accountability for the YDWDC's fiscal matters is exclusively the responsibility of the YDWDC's board of directors. The City is not liable for payment of the YDWDC's bonds or notes. Presently, the YDWDC is actively pursuing corporate dissolution. In furtherance thereof, the YDWDC has divested itself of all of its real property assets and is engaged in divesting its remaining assets, which consist solely of cash, in accordance with the law. The YDWDC has not transacted new business or conducted any business other than business in furtherance of dissolution since at least 2020. The YDWDC is reflected as a discretely presented component unit within the City's basic financial statements.

Other Corporations, including Local Development Corporations

The following related entities are financially inactive and/or are in the process of being dissolved pursuant to New York State law. These entities include: the Yonkers Local Assistance Corporation; Yonkers Brownfield Solutions, Inc.; Lower Hudson Valley Development Corporation; and Yonkers Partnership Housing Development Fund Corporation The corporations were established under the New York Not for Profit Corporation Law for purposes related to economic development in the City including without limitation to develop and/or rehabilitate properties. Although the members of the governing board of some of the corporations were appointed by the Mayor, the respective board members have complete responsibility for the management of the corporation and accountability for fiscal matters. The City is not liable for payment of any of the corporations' bonds or notes. All four Local Development Corporations are currently in the process of being dissolved.

DISCUSSION OF FINANCIAL OPERATIONS

Procedures

The budget of the City of Yonkers is prepared in the form of a comprehensive document that serves as a policy document, an operations guide, a financial plan and a communication device.

The proposed operating budget of the City is prepared by the Mayor and, pursuant to the Code of the City, is required to be submitted to the City Council by April 15th of each year. The Mayor includes estimates of expenditures required for each department of the City as well as estimates of revenues from all sources, including ad valorem real property taxes. The BOE submits to the Mayor an estimate of its anticipated expenditures, and the Mayor is responsible for recommending to the City Council the amount to be appropriated for educational purposes. Adoption of the budget by the City Council and approval by the Mayor is required under the City Code to occur by June 1 unless the State has not adopted its budget. Under those conditions, the City must adopt its budget 30 days after the State adopts its budget. Upon the adoption of the budget, the tax rate and levy are determined for the ensuing year. Under current law, the tax rate and levy cannot thereafter be amended. The City Council and the Mayor may, during the course of the year, revise appropriations and make fund transfers with respect to general operations, but may not reduce the appropriation for the BOE unless the BOE authorizes the reduction and it is approved by the State Comptroller. The BOE has complete discretion under the education laws over its expenditures within the overall appropriation. (See also "*State Comptroller's Audits and Related Matters*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein).

Commencing with the budget for FY77-78, fiscal and budget procedures were substantially influenced by the legal restrictions set forth in the Act. The Act mandates that a balanced budget be prepared based upon estimated expenditures of not less than the "Base Year" or the "Current Year" (as such terms are defined under the caption "The Special Local Finance and Budget Act" herein below), whichever is less, and upon estimated revenues of not more than the Base Year or an amount properly attributable to the Current Year, whichever is greater, unless there are circumstances which justify increases. The City must file a Justification Document with the Fiscal Agent setting forth the facts and actions completed that provide the basis for reasonable expectation of the receipt of such revenues. Pursuant to the Act, the City is required to appropriate in the budget at least the following amounts:

1. all amounts to fund expenditures required by law;

2. amounts required to pay Special Debt Service on obligations outstanding at the beginning of the fiscal year;

3. amounts required for the payment of any judgments or settled claims against the City and any interest or reserves with respect thereto;

4. amounts estimated to be required for the payment of interest on tax anticipation notes and revenue anticipation notes to be issued during the budget year;

5. amounts required for all other expenses for the general support and current expense of the government of the City;

6. an amount for a reserve for uncollected taxes (pursuant to a percentage formula related to Base Year uncollected taxes and the budget year tax levy); and

7. an amount for liquidation of aggregate deficits, if any, of the various operating funds as of the end of the Base Year.

In addition, the City is required to prepare a monthly schedule of cash expenditures and cash receipts which provides the basis for the estimated need for the issuance of tax and revenue anticipation notes as part of the budget and such schedule is to be filed with the Fiscal Agent.

Pursuant to the Act, the revenues (other than ad valorem real property taxes) estimated to be received by the City may not be in excess of the following:

1. operating surpluses as of the end of the Base Year;

2. state aid or federal aid under any program continuing fully in effect until the end of the budget year, but not in excess of the amount received in cash by the City on account of such program during the Base Year unless a larger amount is certified to by the appropriate officer of the State or Federal government as receivable in cash for such budget year on account of such program under legislation fully effective; and

3. miscellaneous revenues (revenues other than those derived from ad valorem real property taxes) with respect to any item not in excess of any amount of such revenues from the same source in the Base Year or properly attributable to the Current Year, subject to increases for any such item provided that a Justification Document is filed with the Fiscal Agent.

In the event that during a Current Year a new source of revenue was created or identified (such as a new type of tax), the Act permits such revenue to be estimated for the budget. Such estimates may not be in excess of the total amount of revenues actually realized in cash from such source in the Current Year for not less than four of the six months prior to the beginning of the budget year plus any additional amount that can be anticipated from the same source in the remaining months of the Current Year. In addition, a Justification Document approved by the City Council must be filed with the Fiscal Agent.

For each budget year, the difference between total appropriations and total estimated revenues must be raised by a tax upon all of the taxable real property in the City. The Sale Ordinance provides that the City shall file the proposed and adopted budget with the Fiscal Agent in order that the Fiscal Agent shall have sufficient time, prior to the levy of ad valorem real property taxes, to review the budget for its compliance with the Act.

During the fiscal year, no transfers of appropriations are to be authorized or are to take effect unless a resolution of the City Council is filed with the Fiscal Agent finding that the unencumbered balance of such appropriation remaining after such transfer equals or exceeds the estimated expenditures of the City required for the purpose of such appropriation during the remainder of the budget year. No emergency, supplemental or increased appropriation is to be made during the budget year except as a result of such a transfer or as a result of revenues, consisting of State or federal aid, anticipated to be received in cash and not estimated or anticipated at the time of the adoption of the budget, provided that the appropriate officer of the State or federal government certifies that such revenues will be received in cash during such budget year under legislation and appropriations then fully effective and sufficient therefor.

If the State adopts its budget by April 1 in conformance with law, State appropriations to the City would be known at the time the City adopts its budget. As discussed above, in the event that such appropriations of aid are not known, the City is required to determine its budget items by the amount of appropriations received from the State in the Base Year, provided the program is continuing fully in effect until the end of said budget year.

The Act provides that the City may issue budget notes upon the filing with the Fiscal Agent of a Justification Document stating the facts and circumstances and that no other funds are available to the City. The aggregate amount of such budget notes may not exceed 5% of the annual budget for each year. However, no budget notes may be issued in any fiscal year for the purpose of paying any wage and salary increases or increases in pension payments which take effect during the fiscal year pursuant to collective bargaining agreements executed after the adoption of the original budget for such fiscal year.

The Act provides legal restrictions for the fiscal and budget procedures of the City, including the Fiscal Agent's responsibility to the holders for review and, if necessary, enforcement of such provisions.

On behalf of the BOE, the City must also prepare a quarterly report of summarized budget data depicting trends of actual revenues and budget expenditures for the entire BOE budget. Such budgetary reports must compare revenue estimates and appropriations as set forth in the budget with actual revenues and expenditures made to date. All reports must be accompanied by a recommendation of the Mayor setting forth any remedial action necessary to resolve any unfavorable budget variances. All reports must be completed within sixty (60) days after the end of each quarter and must be submitted at the end of each quarter to each member of the City Council, the Director of the New York State Division of Budget, the State Comptroller and the Chairs of the Senate Finance Committee and the Assembly Ways and Means Committee. Copies of the recent quarterly reports are available upon request

The City is no longer legally required to prepare quarterly reports for the City's operating budget; however, the City does undertake internal quarterly reviews of budget to actual performance for the City budget.

The Special Local Finance and Budget Act

In June 1976, the State Legislature, in response to a Home Rule message of the City Council, enacted a comprehensive law, known as the Special Local Finance and Budget Act of the City of Yonkers constituting Chapters 488 and 489 of the Laws of 1976 (the "Act", as previously defined), which was designed to preclude the recurrence of certain fiscal practices found and declared by the State Legislature to include inadequate regard for proper financial accounting procedures as required by law, improvident budgeting and taxing practices, inappropriate deferral of current expenditures, increased dependence on emergency legislation to fund resulting deficiencies, and other documented disregard for prudent management of its financial affairs.

The mandates of the Act include the following: (a) a balanced budget which requires (i) appropriations for expenditures, estimated at not less than those of the "Base Year" (the fiscal year next preceding the fiscal year in which the budget is required to be prepared and adopted) or the "Current Year" (the fiscal year in which the budget is required to be prepared and adopted, being the fiscal year next preceding the budget year), whichever is less (unless a Justification Document of the City Council is filed with and accepted by the Fiscal Agent); (ii) provision for revenues, estimated at not more than those of the Base Year or properly attributable to the Current Year, whichever is greater (unless a Justification Document of the City Council is filed with and accepted by the Fiscal Agent); and (iii) the requirement that the operating budget include an appropriation equal to the amount of any deficit from the Base Year, and a reserve for uncollected taxes; (b) the levy of ad valorem real property taxes required by such balanced budget; (c) the establishment of a debt service fund (the "Debt Service Fund") and the method of computing the amount of the ad valorem real property taxes as collected that could be deposited therein; (d) the funding by sale of bonds of the audited amounts of cumulative operating fund deficit and all capital indebtedness, each as of June 30, 1976; (e) the segregation in special funds held by the Fiscal Agent of proceeds from the sale of bonds and future City capital borrowings and voucher disbursements therefrom; and (f) prohibition against the temporary use of operating fund monies for capital expenditures for which bonds and notes have been previously authorized, and limitations on the issuance of budget notes for the purpose of paying increases in expenditures arising out of collective bargaining agreements.'

The Act authorizes the City to contract with City bondholders to comply with the foregoing requirements of the Act and as to certain other matters. The Act further authorizes the State Comptroller to be the Fiscal Agent for the purpose of monitoring compliance by the City and confers upon the Fiscal Agent certain remedies, on behalf of City bondholders, to enforce the rights of the bondholders including the right to require the City to levy ad valorem real property taxes under certain circumstances.

The Act contains a pledge and agreement of the State that it will not impair the contract of the City with its bondholders and will not otherwise repeal, reduce or suspend the power or duty of the City to perform under the Act in accordance with such contracts. The Act grants to the bondholders the right to sue the State to enforce such pledge and agreement and provides a State waiver of all rights of defense based upon sovereign immunity or sovereign power in such suit.

The Act was enacted by the State pursuant to Section 12 of Article VIII of the State Constitution which imposes a duty on the Legislature to restrict the powers of taxation, assessment, borrowing money and in contracting indebtedness by municipalities of the State.

Significant features of the Act and the Sale Ordinance as they relate to City bonds include:

(a) the Debt Service Fund, and the setting aside of the required percentage of real property tax and certain sales tax collections to pay all City debt service;

(b) the existence of the Fiscal Agent who holds the Debt Service Fund and is vested with trustee powers on behalf of the bondholders;

(c) the State pledge and agreement not to impair the City's contract with bondholders and the City's duty to comply with the Act;

(d) the budgeting requirements applicable to the City which help to ensure against overestimated revenues and underestimated expenditures; and

(e) the pledges and covenants made by the City.

Reference is directed to the summary of the Act contained in Appendix C attached hereto and the definitive form thereof for a full and complete statement of the rights of holders of City bonds pursuant to the Act.

Independent Audit

For the Fiscal Year ended June 30, 2025, the City of Yonkers has presented separate audited financial statements for the City and the BOE. A link to the audited financial statements for such period is contained in Appendix B attached hereto. The City and BOE financial statements are audited by the independent accounting firm of PKF O'Connor Davies LLP. The auditing firm has rendered an unmodified opinion with respect to its audit of the City's and the BOE's financial statements, as applicable, for the Fiscal Year ended June 30, 2025. Neither the City nor the BOE is required to obtain the consent of its independent auditors as a condition to the use of its audited financial statements or information therefrom in this Official Statement. However, the auditing firm has consented to the use of their auditor's reports on the basic financial statements of the City, for the year ended June 30, 2025. The BOE's Financial Statements are included in the City's Financial Statement and Auditor's Report.

State Comptroller's Audits and Related Matters

The financial affairs of the City are subject to periodic compliance reviews by OSC to ascertain whether the City has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on July 26, 2024. The purpose of the audit was to determine whether City officials ensured District employees' separation payments and health insurance buyouts were accurate.

The audit covered the period July 1, 2021 through September 30, 2022. Key findings in the audit included the following:

- City officials did not always ensure District employees' separation payments and health insurance buyouts were accurate.

- Officials did not establish procedures to help ensure that calculations were accurate, reviewed or authorized.

- As a result, certain employees did not receive separation payments and health insurance buyouts in accordance with contractual agreements.

As a result of the audit, OSC recommended the City establish written separation payment procedures and an independent review and approval process as well as review all health insurance buyouts to ensure they have adequate supporting documentation and are disbursed in accordance with applicable collective bargaining agreements.

Full copies of the completed audits and the responses/corrective action plans of the City are available on the website of the State Comptroller. References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Fund Structure and Accounts

The General Fund is the operating fund that is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for substantially all of the City's operating and maintenance costs, except for the Education Fund. For a description of other governmental fund types, see Appendix B attached hereto.

In accordance with law, the Board of Education maintains its own accounts independent of the City. The City accounts for the Board of Education in the Education Fund, which is classified as one of the City's Special Revenue Funds. The Board of Education is responsible for managing and controlling its own budget allotment approved by the City Council. Accordingly, the City levies and collects real property taxes for general City and Board of Education purposes. The City accounts for the entire real property tax in its General Fund and records revenue allocations to the Board of Education as transfers.

Basis of Accounting

The City's General Fund follows the modified accrual basis of accounting. Under this method of accounting, revenues susceptible to accrual include real property taxes, income taxes, sales taxes, charges for services, intergovernmental revenues and transfers. Permits, fees and other similar revenues are not susceptible to accrual because generally they are not measurable until they are received in cash.

The City's financial statements conform to generally accepted accounting principles ("GAAP"). (See Appendix B attached hereto for a link to the City's audited financial statements for the Fiscal Year ended June 30, 2025.) The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the Fiscal Year ended June 30, 2024. The City has applied to GFOA for such Certificate for the City's audited financial statements for the Fiscal Year ended June 30, 2025. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The City was awarded the Distinguished Budget Award for its budgets for the fiscal years ended June 30, 2022, through 2026, inclusive, from the GFOA.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The City received the following designations as part of the State Comptroller's Fiscal Stress Monitoring System for FY21-22 through FY23-24.

FYE	Score	Fiscal Stress Designation	Score	Environmental Stress Designation
2022	5.0	No Designation	13.3	No Designation
2023	1.7	No Designation	13.3	No Designation
2024	5.0	No Designation	13.3	No Designation

City and Board of Education General Fund Operations FY20-21

For the City's Fiscal Year ended June 30, 2021, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $846,938,606 exceeded expenditures and other financing uses of $789,974,011 by $56,964,595. The ending unassigned fund balance for FY20-21 was $69,340,160. The ending assigned amount for FY20-21 was $27,831,140.

The Board of Education's General Fund FY20-21 revenues and other financing sources of $583,538,395 exceeded expenditures and other financing uses of $570,623,222 by $12,915,173. The ending assigned fund balance for FY20-21 was $53,551,498.

City and Board of Education General Fund Operations FY21-22

For the City's Fiscal Year ended June 30, 2022, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $889,918,257 exceeded expenditures and other financing uses of $810,226,897 by $79,691,360. The ending unassigned fund balance for FY21-22 was $98,670,463. The ending assigned amount for FY21-22 was $78,192,197.

The Board of Education's General Fund FY21-22 revenues and other financing sources of $616,961,294 exceeded expenditures and other financing uses of $600,367,853 by $16,593,441. The ending assigned fund balance for FY21-22 was $70,877,324.

City and Board of Education General Fund Operations FY22-23

For the City's Fiscal Year ended June 30, 2023, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $885,305,152 exceeded expenditures and other financing uses of $877,800,385 by $7,504,767. The ending unassigned fund balance for FY22-23 was $63,371,957. The ending assigned amount for FY22-23 was $120,995,470.

The Board of Education's General Fund FY22-23 revenues and other financing sources of $649,073,335 exceeded expenditures and other financing uses of $635,992,868 by $13,080,467. The ending assigned fund balance for FY22-23 was $83,958,526.

City and Board of Education General Fund Operations FY23-24

For the City's Fiscal Year ended June 30, 2024, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $874,160,694 were exceeded by expenditures and other financing uses of $916,895,527 by $42,734,833. The ending unassigned fund balance for FY23-24 was $57,568,326. The ending assigned amount for FY23-24 was $84,064,268.

The Board of Education's General Fund FY23-24 revenues and other financing sources of $675,214,976 were exceeded by expenditures and other financing uses of $679,261,495 by $4,046,519. The ending assigned fund balance for FY23-24 was $79,912,007.

City and Board of Education General Fund Operations FY24-25

For the City's Fiscal Year ended June 30, 2025, under the modified accrual method of accounting, the City's General Fund revenues and other financing sources of $922,951,992 were exceeded by expenditures and other financing uses of $943,934,059 by $20,982,067. The ending unassigned fund balance for FY24-25 was $61,034,697. The ending assigned amount for FY24-25 was $59,615,830.

The Board of Education's General Fund FY24-25 revenues and other financing sources of $712,101,564 were exceeded by expenditures and other financing uses of $744,410,349 by $32,308,785. The ending assigned fund balance for FY24-25 was $47,345,921. The ending nonspendable fund balance for FY24-25 was $257,301.

City and Board of Education Adopted Budget FY25-26

The discussion below is based, in part, on projections and/or forward-looking statements related to FY25-26. No assurance can be given that the budget estimates and/or forward-looking statements discussed below will be realized. The accuracy of the budget estimates and/or forward-looking statements contained under this caption cannot be verified until after the close of such Fiscal Year(s) and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring City and BOE expenditures, (3) the ability of the City and the BOE to meet spending reduction initiatives, (4) the amount of state and federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new state and federal legislation or initiatives, among others.

The City Council adopted the FY25-26 Budget on May 28, 2025. The State Comptroller certified the City's FY25-26 Budget on June 27, 2025.

The adopted operating budget for combined City and BOE operations in FY25-26 totals $1,548,983,229, a $35,821,724 (2.37%) increase over the FY24-25 Adopted Budget. The FY25-26 Adopted Budget provides (1) a municipal operating budget of $738,260,216, a $19.4 million (2.70%) increase from FY24-25, and (2) a BOE budget of $810,723,013, a $16.4 million (2.07%) increase from Adopted Budget FY24-25. The City contribution to the BOE is budgeted at $298,298,059, which includes $21,047,041 (included in the Maintenance of Effort calculation) from the increase in the City's sales and compensating use tax by one half of one percent (from 2.5% to 3.0% of the total sales and compensating use tax collected in the City).

The FY25-26 City Adopted Budget is balanced by utilizing $57.6 million of the available $57.6 million unassigned General Fund balance from year-end FY23-24. The FY25-26 BOE General Fund Adopted Budget is balanced utilizing $24.0 million of the $38.2 million available for future year use Education General Fund balance from year-end FY23-24.

The overall tax levy is $452,174,325, a $12.8 million (2.92%) increase from the FY24-25 Adopted Budget amount of $439,342,090. The tax rate increased by 2.85% to $963.14 per $1,000 of assessed value.

The FY25-26 City Adopted Budget includes 2,095 operating budget positions which is an increase of 1 position over the FY24-25 Adopted Budget amount. The FY25-26 BOE Consolidated Funds Adopted Budget includes 3,620.36 operating budget positions, an increase of 85.57 positions, as compared to the FY24-25 Adopted Budget.

Review of FY25-26 Preliminary Budget by State Comptroller

Chapter 55 of the Laws of 2014 had required the City to submit to the State Comptroller and the Commissioner, its proposed budget for the next succeeding fiscal year. The State Comptroller and the Commissioner was required to examine the proposed budget and make recommendations as deemed appropriate after examining the estimates of revenues and expenditures of the City. The City was required to review the recommendations made by the State Comptroller and the Commissioner and make adjustment to its proposed budget consistent such recommendations. The provisions of Chapter 55 of the Laws of 2014 are no longer in effect since the City retired the deficit bonds issued by the City pursuant said Chapter 55.

On June 27, 2025, the State Comptroller provided the City with a letter stating that budget and related justification documents for FY25-26 are in material compliance with the Act and covenants related thereto. On July 2, 2025, the State Comptroller provided the City with a letter that identified certain issues that impact the City's financial condition in the current and future fiscal years. A link to the complete report may be found at https://www.osc.ny.gov/local-government/audits/city/2025/07/02/city-yonkers-budget-review-b25-6-6 .

Key Findings:

- The 2025-26 budget relies on nonrecurring revenue of $114.4 million, such as appropriated fund balance, one-time State funding, and sale of property, to balance its budget.
- The City plans to borrow up to $15 million for tax certiorari settlements in the 2025-26 fiscal year. Tax certiorari is the legal process by which a property owner can challenge the real property tax assessment on a given property to reduce its assessment.
- The City's contingency reserve is 1.5 percent of the City's general fund budgeted appropriations; leaving a limited flexibility to cover any other unforeseen or unexpected costs.
- Police overtime is underestimated by as much as $341k.
- Employee Retirement costs under the New York State Local Retirement System is likely understated by $5,300,000.
- The City should be mindful to ensure appropriations are sufficient for any potential liabilities when contract agreements for collective bargaining agreements are reached.
- Since 2017, the growth of the City's annual debt service obligations have risen by 6.2%. The City will need $90.4 million to service its debt obligations during 2025-26.

Key Recommendations:

- Replace nonrecurring revenue, such as fund balance, in the 2026-27 budget.

- Pay tax certiorari claims from annual appropriations instead of using debt.
- Review the estimates for police overtime, employee retirement and contractual appropriations and adjust them to an appropriate level as necessary.
- Consider establishing a contingency appropriation at a level that will provide the City with adequate funding for any significant unforeseen costs.

2025-26 2nd Quarter Projections

THE CITY PREPARES INTERNAL QUARTERLY REPORTS OF SUMMARIZED BUDGET DATA DEPICTING TRENDS OF ACTUAL REVENUES AND BUDGET EXPENDITURES FOR THE ENTIRE BUDGET. THE INFORMATION THAT FOLLOWS IS BASED UPON THE CITY'S INTERNAL QUARTERLY REPORT COMPLETED USING ACTIVITY THROUGH THE 2ND QUARTER. THE CITY CANNOT PREDICT AT THIS TIME WHETHER THE YEAR-END RESULTS FOR FY25-26 WILL DIFFER SIGNIFICANTLY FROM THE 2ND QUARTER RESULTS SET FORTH HEREIN.

Based upon the City's internal projections considering activity through the second quarter of FY25-26, the City's General Fund operations for FY25-26 are projected to result in an operating surplus of $44.7 million. The City had appropriated $57.6 million of fund balance in the FY25-26 budget. For all funds combined, excluding the Education Fund, (separate projection below) the City is projected to realize an operating surplus of $45.3 million, including $0.3 million for the Water Fund, $0.2 million for the Library Fund, and $0.1 million for the Sewer Fund. Including the Debt Service Fund, and all funds referenced above, the City had appropriated $71.2 million in fund balance in the FY25-26 Adopted Budget.

For FY25-26, Special Taxes, which include sales tax, personal income tax, utilities gross receipts tax, mortgage recording tax, real estate transfer tax, and a few others, are projected to be $10.0 million above budget. Sales and Use Tax, including the portion dedicated for Education is budgeted at $125.1 million and projected at $127.1 million, or $2.0 million above budget. Personal Income Tax, the second largest special tax, is budgeted at $73.9 million and projected at $78.8 million, or $4.9 million above budget. Utilities Gross Receipts Tax is budgeted at $11.9 and is projected at budget. Real Estate Transfer Tax is budgeted at $12.0 million and projected at $13.4 million, or $1.4 million above budget. City & State Mortgage Tax is budgeted at $7.1 million and projected at $8.6 million, or $1.5 million above budget. Other Special Taxes, which include revenue from Adult Use Cannabis Taxes and Supplemental Real Estate Taxes are projected at $0.2 million above budget. General Fund City Department revenues are projected to exceed budget by $1.5 million due to increased Fire Department Revenue. State and Federal Funding is budgeted at $113.6 million and projected at $113.9 million, or $0.3 million above budget. General Fund Other Revenues including appropriated fund balance and previous year rolled encumbrances of the General Fund, are budgeted at $110.1 million and projected at $133.2 million, or above budget by $23.1 million primarily due to a greater than budgeted Sale of Real Property of $21.6 million and Miscellaneous revenue collection of $0.9 million. In total, General Fund revenues are projected at $34.9 million above budget.

For FY25-26, General Fund City Department Expenditure budgets are budgeted at $347.9 million (includes previous year purchase order roll encumbrances) and are projected at $340.1 million, or $7.8 million below budget. General Fund Fringe Benefits are budgeted at $214.3 million and are projected at $214.2 million, or $0.1 million below budget. Special Items, are projected to be $0.4 million below budget, and Debt Service is projected to be $1.5 million below budget. In total, including all categories and transfers out, General Fund expenditures are budgeted at $968.0 million and are projected at $958.2 million, or $9.8 million below budget.

Combined, for the City General Fund, revenues are projected $34.9 million above budget, while expenditures are projected $9.8 million below budget, equating to a projected return of unassigned fund balance of $44.7 million.

2025-26 First Quarter Results Education Fund

THE BOE IS REQUIRED TO PREPARE QUARTERLY REPORTS PURSUANT TO CERTAIN LEGISLATION ENACTED BY THE STATE. THE INFORMATION THAT FOLLOWS IS BASED UPON BOE REPORT FOR THE 1ST QUARTER OF FY25-26. THE BOE CANNOT PREDICT AT THIS TIME WHETHER THE YEAR-END RESULTS FOR FY25-26 WILL DIFFER SIGNIFICANTLY FROM THE 1ST QUARTER RESULTS SET FORTH HEREIN.

The First Quarter Projection for the Education Fund shows total revenues, including appropriated fund balance and rolled encumbrances of $26.1 million, are budgeted at $808.8 million and are projected to be $808.7 million, or $0.1 million below budget. State Funding Basic, which includes Foundation Aid is budgeted at $438.0 million and is projected at $437.9 million, or $0.1 million below budget which explains the projected deficit in total revenues. Total Expenditures are budgeted at $808.8 million and are projected to be $808.1 million or $0.7 million below budget primarily due to savings in Salaries due to retirements and vacancies of $5.0 million exceeding a projected overage in Special Education Tuitions of $3.8 million and other net overages of $0.5 million.

In summary, with a $0.1m projected deficit in total revenues and $0.7 million in total expenditures savings, the Education Fund is projected, as of the First Quarter Projection, to return $0.6 million in unassigned fund balance.

COVID-19 and Use of Federal Stimulus Funds

As part of the American Rescue Plan Act, under the Coronavirus State and Local Fiscal Recovery Plan, the City was awarded $87.5 million with the first tranche, equaling 50% of the total, being received in cash in May 2021 and the second tranche, equaling 50% being received cash in June 2022. The total $87.5 million was recognized as revenue over three fiscal years starting with FY20-21 and ending with FY22-23 consistent with the final rule of the Coronavirus State and Local Fiscal Recovery Funds award and accounting guidelines of the New York State Office of the Comptroller. With the funds completely recognized as revenue by FY22-23, the City's FY23-24 Adopted Budget did not include a revenue budget for any American Rescue Plan funding and relied upon other sources of revenues to balance.

For FY20-21, the BOE was awarded $10.4 million under the CARES Act grants named the Elementary and Secondary School Emergency Relief ("ESSER") Grant and the Governor's Emergency Education Relief Grant ("GEER") to be budgeted in the FY20-21 general fund budget. For use in fiscal years starting FY2021-22 and forward the BOE was additionally awarded a total approximate amount of $107.9 million in combined GEER and ESSER funds under the both the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") and American Rescue Plan Act ("ARPA"). Amounts for those grants were expensed in entirety by FY23-24 in the BOE's special aid fund, which is outside the BOE's general fund. The continuation of any programs paid by CRRSAA and ARPA funds have been incorporated into general fund appropriations adopted by the BOE in FY24-25 and FY25-26.

Financial Restructuring Board

By resolution of the City Council, the City of Yonkers submitted an application to the Financial Restructuring Board for Local Governments on April 17, 2018 and was accepted into the program at the FRB board meeting on June 13, 2018. The FRB undertook a comprehensive review of the operations of the City and the BOE and has issued a report regarding the City's finances. Cost savings resulting from the Inter-Municipal Agreement between the City and the BOE was acknowledged in the FRB's report. A $5 million grant was awarded to the City and was included in the FY18-19 budget. On June 26, 2019, the grant was confirmed by Financial Restructuring Board for Local Governments. The City received the $5 million grant during FY19-20.

Transfers from the Water Fund

According to Section C9-17 of the City's charter, the disposition for water rents are first made for the operation and maintenance of the waterworks and for interest on all City issued water bonds. Historically, the City has attributed to the Water Fund a portion of the salaries and fringe benefits of certain City employees who perform duties related to the operation, maintenance and management of water services. In addition, certain costs incurred for expenses such as judgments and claims, settlements, and other expenses related to the delivery of water service have been charged back to the Water Fund. Following a review by the City's Finance and Budget Departments of the costs and expenses incurred by the various City departments and employees, a portion of the water rents is considered a revenue and disposed of in the City's adopted budget. In the past, the amount of the transfer from the Water Fund to the General Fund was determined during the annual budgetary process, based upon a variety of factors. For the FY16-17 Adopted Budget, the City developed a budgetary template and policy to determine the appropriate amount of the transfer from the Water Fund to the General Fund in each fiscal year. As such, the FY16-17 Adopted Budget for the City's Water Fund included an appropriation transfer to the City's General Fund that represented an allocation of expenses borne wholly by the General Fund but directly or indirectly related to supporting the Water Bureau's operations and its responsibility to provide safe and potable water for residential, commercial, and industrial users, and also providing adequate water supply for firefighting purposes. Such transfer included costs or pro-rated cost shares such as: (i) debt service for Water Fund capital projects, such as reconstruction and replacement of water hydrants, valves, mains, towers, etc.; (ii) Water Fund employee fringe benefits, such as health insurance, pension cost, workers compensation, and payout of accrued leave balances; (iii) administrative support from departments such as purchasing, corporation counsel, human resources, engineering, and information technology and from City councilpersons and City administration; and (iv) non-departmental expenditure cost allocations including litigation expenses, judgment and claims, and expenses related to the annual City audit. Starting with the FY19-20 Adopted Budget, the transfer template was adjusted by removing (i) debt service for Water Fund capital projects, such as replacement of water hydrants, valves, mains, towers, etc. and (ii) Water Fund employee fringe benefits, such as health insurance, pension cost, workers compensation, and payout of accrued leave balances from the transfer.

The following table provides the amount of the appropriation transfer from the Water Fund to the General Fund on account of an allocation of expenses borne wholly by the General Fund but directly or indirectly related to supporting the Water Bureau's operations for each of the past five (5) fiscal years and the amounts budgeted for the current fiscal year.

Fiscal Year	Appropriation Transfer(1)
2020-21	$7,750,000
2021-22	5,900,000
2022-23	3,500,000
2023-24	3,500,000
2024-25	2,400,000
2025-26(1)	3,500,000

(1) Budgeted.

In FY20-21, the transfer to the General Fund increased to $7.75 million. The increase was based upon a variety of factors and not necessarily based upon an allocation of expenses borne wholly by the General Fund in support of the Water Bureau's operations. The transfer dropped to $5.9 million in FY21-22, to $3.5 million in FY22-23 and FY23-24, and to $2.4 million in FY24-25. The budgeted amount is $3.5 million for FY25-26.

Capital Project Close Out

In FY17-18 to FY22-23, the City identified certain capital projects that had been financed with the proceeds of bonds and bond anticipation notes which had been completed or abandoned by the City. The City also determined that no further claims or liabilities existed to be satisfied with the proceeds of the original bonds or bond anticipation notes. As a result, the City requested that the State Comptroller transfer the unexpended Note Proceeds to the Debt Service Fund and to use such funds to pay the principal due on the respective bonds issued to finance such capital projects until all such unexpended Note Proceeds have been fully exhausted or the respective bonds have been paid in full. The City utilized $1.5 million in FY19-20, $0.3 million in FY20-21, $0.2 million in FY21-22, $2.3 million in FY22-23, $1.2 million in FY24-25, and expects to utilize $1.2 million in FY 27-28 held in the Debt Service Fund to pay the principal payment, or part thereof, due on the respective series of bonds.

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CITY - GENERAL FUND
SUMMARY OF OPERATIONS AND CHANGES IN FUND BALANCE[1]
(000's Omitted)

	Adopted Budget FY25-26	Actual (Audited) FY24-25	Actual (Audited) FY23-24	Actual (Audited) FY22-23	Actual (Audited) FY21-22	Actual (Audited) FY20-21
Revenues:						
Real Property Taxes [2]	$ 441,201	$ 433,663	$ 403,306	$ 380,080	$ 375,256	$ 372,943
Other Tax Items	60,023	63,527	59,343	72,669	84,844	74,461
Non-Property Taxes	218,052	217,305	207,998	198,672	209,916	181,493
Departmental Income	55,978	58,873	55,053	52,327	48,458	45,153
Use of Money and Property	4,509	10,365	12,161	6,977	550	1,302
Sale of Property and Compensation for Loss	600	1,429	473	892	1,757	1,391
State and Federal Aid [7]	120,748	121,436	117,068	167,529	156,261	151,472
Miscellaneous	996	2,456	2,695	1,906	2,860	2,568
Total Revenues	905,106	909,054	858,097	881,052	876,902	830,783
Expenditures:						
Current-						
General Government Support	123,490	104,343	113,218	116,903	88,725	84,394
Public Safety	218,901	211,366	209,872	193,645	184,354	184,062
Transportation	2,340	2,083	1,629	1,113	1,541	1,600
Culture and Recreation	14,746	13,665	13,143	12,702	10,640	8,984
Home and Community Services	31,694	28,122	26,790	26,546	24,528	23,616
Employee Benefits [3]	214,357	203,457	191,924	179,524	162,577	160,680
Debt Service	9,550	16,101	4,255	3,738	3,904	842
Total Expenditures	615,079	579,137	560,831	534,171	476,269	464,178
Excess of Revenues Over Expenditures	290,027	329,917	297,266	346,881	400,633	366,605
Other Financing Sources (Uses):						
Sale of Real Property	-	-	1,143	789	-	2,305
Bond anticipation notes issued	-	-	11,458	-	-	-
Transfers In [4]	3,500	2,443	3,463	3,463	5,936	7,754
General Obligation bonds issued	-	11,455	-	-	7,080	6,095
Transfer Out – Debt Service	(40,097)	(83,064)	(79,183)	(72,164)	(40,235)	(45,268)
Transfers Out – Other	(310,998)	(281,733)	(276,882)	(271,465)	(293,722)	(280,527)
Total Other Financing Sources (Uses)	(347,595)	(350,899)	(340,001)	(339,377)	(320,941)	(309,641)
Net Change in Fund Balance	$ (57,568)	(20,982)	(42,735)	7,504	79,692	56,964
Fund Balance [5]:						
Beginning of Year [6]		141,633	184,367	176,863	97,171	40,207
End of Year		$ 120,651	$ 141,633	$ 184,367	$ 176,863	$ 97,171
Fund Balance [5][6]:						
Assigned		$ 59,616	$ 84,064	$ 120,995	$ 78,192	$ 27,831
Unassigned		61,035	57,569	63,372	98,671	69,340
End of Year		$ 120,651	$ 141,633	$ 184,367	$ 176,863	$ 97,171

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(1) Presented on a modified accrual basis of accounting. (See "*Basis of Accounting*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)
(2) Includes current year tax levy as well as prior year taxes anticipated to be collected.
(3) Employee benefits for positions accounted for in the Library Funds are paid from the General Fund.
(4) Transfers to the General Fund include an annual transfer from the Water Fund, which in FY24-25 amounted to $2,442,648.
(5) Fund Balance Section left blank for Adopted Budget Column FY 25-26.
(6) Detailed information on the components of fund balance may be found in Appendix B, Note 3.M.
(7) FY19-20 Actual results exclude $21.6 million in State Aid owed to Yonkers for Aid and Incentives to Municipality Aid withheld by New York State due to the COVID-19 pandemic. The funds were released and paid to the City during FY20-21 and recognized as revenue at that time.

BOARD OF EDUCATION – GENERAL FUND
SUMMARY OF OPERATIONS AND CHANGES IN FUND BALANCE[1]

(000's Omitted)

	Adopted Budget FY25-26	Actual (Audited) FY24-25	Actual (Audited) FY23-24	Actual (Audited) FY22-23	Actual (Audited) FY21-22	Actual (Audited) FY20-21
Revenues:						
Charges for Services	$ 531	$ 1,068	$ 378	$ 401	$ 339	$ 239
Use of Money and Property	230	322	222	248	248	24
Sale of Property and Compensation for Loss	10	10	29	6	1	21
Interfund Revenues	227	256	390	585	563	314
State Aid	469,551	439,273	404,959	383,290	354,451	321,118
Federal Aid	1,164	1,151	1,253	1,351	2,830	10,252
Miscellaneous	1,050	631	3,289	2,316	2,711	5,047
Total Revenues	472,763	442,711	410,520	388,197	361,143	337,015
Expenditures:						
Current-						
Education	555,422	536,799	491,983	461,111	438,243	418,286
Employee Benefits	204,268	195,966	176,929	168,229	155,517	147,852
Debt Service	10,262	4,714	3,467	3,777	3,782	1,634
Total Expenditures	769,952	737,479	672,379	633,117	597,542	567,772
Excess of Revenues Over Expenditures	(297,189)	(294,768)	(261,859)	(244,920)	(236,399)	(230,757)
Other Financing Sources (Uses):						
Transfer In	273,189	269,391	264,696	260,876	255,818	246,523
Transfers Out – Other	-	(6,932)	(6,883)	(2,875)	(2,826)	(2,851)
Total Other Financing Sources (Uses)	273,189	262,459	257,813	258,001	252,992	243,672
Net Change in Fund Balance	$ (24,000)	(32,309)	(4,046)	13,081	16,593	12,915
Fund Balance[2][3]:						
Beginning of Year		79,912	83,959	70,877	54,284	41,369
End of Year		$ 47,603	$ 79,912	$ 83,958	$ 70,877	$ 54,284
Fund Balance[2][3][4]:						
Nonspendable		$ 257	$ -	$ -	$ -	$ 733
Assigned		47,346	79,912	83,958	70,877	53,551
End of Year		$ 47,603	$ 79,912	$ 83,958	$ 70,877	$ 54,284

(1) Presented on a modified accrual basis of accounting.

(2) Fund Balance Section left blank for Adopted Budget Column FY25-26.

(3) Detailed information on the components of fund balance may be found in Appendix B, Note 3 M.

(4) The Board of Education (BOE) General Fund, when presented in the City's Annual Comprehensive Financial Report (ACFR), is reported as a Special Revenue Fund. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", a special revenue fund cannot report unassigned fund balance (unless reporting a deficit fund balance). Therefore, when reflected in the City's ACFR, the residual fund balance for the BOE General Fund is reflected as assigned for educational purposes. However, in the stand alone audited financial statements for the BOE, this amount is reflected as both assigned (to balance the subsequent year's budget and encumbrances) $24,489,243 for FY 24-25, $41,732,368 for FY23-24, $33,063,235 for FY 22-23, $30,139,753 for FY 21-22, and $9,009,419 for FY20-21; and unassigned (to be used at the BOE's discretion) $22,856,678 for FY24-25, $38,179,639 for FY 23-24, $50,895,291 for FY 22-23, $40,737,571 for FY 21-22, and $44,542,079 for FY20-21.

Revenues

The General Fund accounts for the full receipt of the tax levy, including that portion of the levy raised for the Board of Education and that portion of the levy deposited in the Debt Service Fund for the payment of debt service.

The City's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to 2% of the five-year average full valuation of taxable real property. The City's ability to increase its tax levy is also constrained by the Tax Levy Limitation Law. (See "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" herein.)

The real property tax levy in the FY21-22 Adopted Budget was $390,725,376 representing a 0.3% decrease from the real property tax levy in FY20-21. The real property tax rate was $852.37 per $1,000 of assessed value, representing a 0.01% decrease from the real property tax rate in FY20-21.

The real property tax levy in the FY22-23 Adopted Budget was $397,089,546 representing a 1.6% increase from the real property tax levy in FY21-22. The real property tax rate was $863.02 per $1,000 of assessed value, representing a 1.25% increase from the real property tax rate in FY21-22.

The real property tax levy in the FY23-24 Adopted Budget was $414,997,406 representing a 4.51% increase from the real property tax levy in FY22-23. The real property tax rate in the FY23-24 Adopted Budget was $888.06 per $1,000 of assessed value, representing a 2.90% increase from the real property tax rate in FY22-23.

The real property tax levy in the FY24-25 Adopted Budget was $439,342,090 representing a 5.87% increase from the real property tax levy in FY23-24. The real property tax rate in the FY24-25 Adopted Budget was $936.42 per $1,000 of assessed value, representing a 5.45% increase from the real property tax rate in FY23-24.

The real property tax levy in the FY25-26 Adopted Budget was $452,174,325 representing a 2.92% increase from the real property tax levy in FY24-25. The real property tax rate in the FY25-26 Adopted Budget was $963.14 per $1,000 of assessed value, representing a 2.85% increase from the real property tax rate in FY23-24.

The following table provides the allocation of the City's real property tax levy in the Adopted Budgets for FY21-22 to FY25-26.

($ thousands)

	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Board of Education Operations	$233,107	$237,550	$237,953	$242,951	$247,740
City Operations	80,622	75,703	83,875	96,352	122,276
Debt Service and Capital Exclusions[(1)]	76,996	83,837	93,170	100,039	82,157
Total	$390,725	$397,090	$414,997	$439,342	$452,174

(1) Combines debt service for City and Board of Education operations.

Sales Tax. Currently, an 8.875% sales and use tax is imposed on all retail sales in the City except for sales of goods qualifying for New York State exemptions. Revenues from the sales and use tax are apportioned: 4.0% to the State; 3.0% combined to the City of Yonkers, with 2.5% to the City and 0.5% to the BOE (subject to approval of the Yonkers City Council); 1.5% to the County; and 0.375% to the Metropolitan Transportation Authority.

On July 2, 2015, the State enacted legislation (Chapter 67 of the Laws of 2015) that authorized the City to increase its sales and use tax rate by one half of one percent (from 2.5% of the 8.375% rate to 3.0% of the 8.875% rate). According to the terms of legislation, the City is required to use the revenues generated by the increase for the support of education, unless the City Council votes, on an annual basis, to use such additional revenue for a different purpose for the City. Pursuant to the legislation, the City began collecting the additional one half of one percent sales and use tax on September 1, 2015. Chapter 161 of the Laws of 2025 extends the authorization period to August 31, 2027.

The City sales tax includes a 1% City Special Sales Tax enacted pursuant to Chapter 871 of the Laws of 1975. Pursuant to that legislation, the City's right to impose the additional tax may not be preempted by any other governmental body. The proceeds of the Special Sales Tax are deposited directly into the Debt Service Fund by or on behalf of the State Comptroller for the purpose of paying principal of and interest on outstanding City indebtedness. Such revenues may become available for other use by the City after the debt service requirement for the current year has been fully funded through revenues generated by the Special Sales Tax and ad valorem real property taxes. Chapter 161 of the Laws of 2025 extends the authorization period for the City to collect this 1% City Special Sales Tax to August 31, 2027.

The following table provides annual sales tax revenues since FY20-21.

SALES AND USE TAX

Fiscal Year	City Sales and Use Tax	BOE Sales and Use Tax
2020-21	$89,396,866	$17,800,685
2021-22	99,366,374	19,869,436
2022-23	99,890,825	19,932,883
2023-24	103,170,064	20,443,272
2024-25	102,811,435	20,751,901
2025-26(1)	104,284,748	20,856,473

(1) Budgeted

Income Tax Surcharge. Chapter 345 of the Laws of 1984, which became effective on July 3, 1984, authorized the City to enact a local law imposing an income tax surcharge on residents of the City at a rate not to exceed 15.00% of the net State tax, and permitted the City to impose a City tax on the gross earnings of non-residents employed in the City at a rate not to exceed one-half of one percent (collectively, the "Income Tax Surcharge"). Chapter 535 of the Laws of 1988, increased the maximum rate that the City can impose by local law on resident income to 19.25% of the net State tax. The City income tax surcharge, by law, is administered, collected and distributed by the State Tax Commission. As of January 1, 2014, as set by City local law, the resident City tax rate is 16.75% of the net State tax and the non-resident tax is one half of one percent of gross wages. Periodic amendments to existing New York State Law are required to extend the authorized collection period. Chapter 180 of the Laws of 2023 extended the authorization period to the tax year beginning prior to January 1, 2028.

Pursuant to the authority granted by this State statute, the City enacted Local Law No. 6-2013 imposing the Income Tax Surcharge at a rate of 15.00% and subsequently increased the rate to 16.75% with the enactment of Local Law No. 11-2014, on June 11, 2014. Revenues from the City's Income Tax Surcharge were $60.3 million in FY20-21, $71.9 million in FY21-22, $63.6 million in FY22-23, $68.3 million in FY23-24, and $74.5 million in FY24-25. The FY25-26 Adopted Budget amount is $73.9 million.

Real Property Transfer Tax. The City receives 1.5% of the gross sale amount from the seller upon the transfer of real property. For cooperative apartments, the tax is imposed only when a building converts to co-op, not when individual units are offered for sale. The real property transfer tax generated $14.3 million in

FY20-21, $25.8 million in FY21-22, $14.0 million in FY22-23, $12.1 million in FY23-24, and $14.9 million in FY24-25. The FY25-26 Adopted Budget amount is $12.0 million.

Hotel Room Occupancy Tax. Chapter 62 of the Laws of 2015 of the State of New York, enacted into law on July 2, 2015, authorized the City to levy a hotel room occupancy tax at a rate of three percent (3%) of the rent on every occupied room or rooms within the City. The tax began to be levied as of August 1, 2015. The City is currently authorized to levy a hotel tax until September 1, 2027. This tax is separate from the tax currently imposed by the County. The Hotel Room Occupancy Tax revenue was $0.7 million in FY20-21, $1.0 million in FY21-22, $1.2 million in FY22-23, and $1.2 million in FY23-24. Chapter 161 of the Laws of 2024 increased the rate of three percent (3%) to five and seven eights of a percent (5.875%). With the increased rate, $2.2 million was received in FY24-25 and the FY25-26 Adopted Budget amount is $2.3 million.

Intergovernmental Revenues. The principal sources of economic funding furnished by the State to the City are State funding to education, per capita revenue sharing, municipal overburden and State local assistance funding. Additionally, there are several lesser funding, grant and shared revenue programs, including the mortgage tax (collected for the City and the State by the County at the rate of $.50 per $100 of mortgages), traffic violation fines (collected for the City by the State), and State youth program funds (received on a matching basis for both recreational and delinquency prevention programs). The City also enacted in the 1994 fiscal year budget an additional City mortgage tax at the rate of $.50 per $100 of mortgages. The County of Westchester collects the tax for the City. Chapter 161 of the Laws of 2025 extends the authorization period to August 31, 2027.

State Aid to Education. Basic formula aid is paid based upon an application submitted to the State by the BOE which incorporates required data concerning enrollment, attendance and approved expenses. The amount of other aid distributed to the Board of Education is fixed in the authorizing State legislation. In addition, the City receives aid for such earmarked purposes as educationally disadvantaged pupils, occupational education and handicapped pupils. Also, the BOE receives Building aid which is based on a substantially flat, assumed amortization schedule, which is set at the maximum useable life of the item being purchased, built or reconstructed. Building aid is subject to a cap, which is called Approved Building Cost Allowances, which sets a maximum aidable cost of a project upon which the State will base its aid. The current building aid ratio for FY25-26 on current projects approved after July 1, 2005 (Tier 4) for the BOE is 69.8% with the 10% incentive and the High Needs Supplement included, and it is derived by a formula which uses a combination of property value and resident student data. The Double MCA Statute allowed the Sonia Sotomayor New Community School Project and certain future school projects to have a multi-year cost allowance. The estimated aided cost allowance for the New Community School Project is 98%. See "*BOE School Facilities Reconstruction Project*," herein.

The City receives aid to education in several installments throughout its fiscal year. Basic formula aids are computed according to a complex aid ratio formula. By law, the City should receive this aid in monthly installments commencing on September 15 of each fiscal year. Cash distributions of these aids are net of Board of Education contributions to the New York State Teachers' Retirement System. The $19.6 million Video Lottery Terminal payment, which is paid to the City on the basis that the City is an eligible city in which a video lottery gaming facility is located, has a different payment schedule and is payable in June of each fiscal year. The $19.6 million was paid to the City in FY19-20 through FY24-25 and is expected to be paid to the City in FY25-26.

Payment of State aid to education may be withheld due to the failure of the City or the Board of Education to comply with various requirements of State law relating to instructional programs, programs for the handicapped or other matters or the failure of the City to pay debt service on obligations issued for school purposes. The City and the Board believe that they are in full compliance with all such requirements and have made the necessary debt service appropriations.

The City and the BOE depend on the State for aid to balance their budgets and to meet their cash requirements. If the State experiences revenue shortfalls or spending increases, such developments could result in reductions in aid to the City and the BOE. In addition, there can be no assurance that future State budgets will be adopted by the April 1 statutory deadline or that timely aid payments will be made to the City.

General Purpose Aid. The Adopted State Budget for Fiscal Year 2006 changed the formula for State Aid to cities and other local governments. The State combined general purpose aid, emergency funding to cities, emergency funding to eligible municipalities and supplement municipal funding into one category called Aid and Incentives to Municipalities (AIM). AIM aid received in FY21-22, FY22-23, FY23-24 and FY24-25 was $108.2 million. In the FY24-25 New York State Budget, a new appropriation entitled "Temporary Municipal Assistance" was adopted with amounts going to current AIM recipients with a maximum of $5 million per recipient. The City received $5 million under this aid initiative in FY24-25 bringing the total received from AIM and Temporary Municipal Assistance to $113.2 million. The FY25-26 Adopted Budget included $108.2 million for AIM, as well as, $5 million for Temporary Municipal Assistance, totaling $113.2 million in General Purpose Aid from New York State. At this time, there can be no reassurance that the $5 million will be recurring after FY25-26 based on the language of the New York State adopted budget legislation.

Special Revenue Funds

The City has established special revenue funds to account for the proceeds of specific revenue sources that are legally restricted to expenditures for defined purposes. The largest of these funds is the Education Fund, which is discussed in detail in this Official Statement. (See "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*Board of Education*" under "*Related Entities*" under "*THE GOVERNMENT OF YONKERS*" herein.) Other special revenue funds include the Sewer Fund, Water Fund, Public Library Fund, School Lunch Fund, Education Special Aid Fund, Community Development Fund, City Grants Fund and Special Purpose Fund. (For a link to a description of these accounts and their Fiscal Year ended June 30, 2025 operations, see Appendix B attached hereto.) References to website addresses presented herein are for informational 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.

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Appropriations

FY25-26 Adopted Budget appropriations for the City's various departments are indicated in the following table.

Department[1]	FY25-26 Adopted Budget	FY25-26 Authorized Positions
Constituent Services	$1,545,311	7
Corporation Counsel	2,819,540	20
Engineering	3,746,547	27
Executive	2,834,130	16
Finance	23,976,566	167
Fire	84,741,267	480
Housing and Buildings	5,692,577	50
Human Resources	4,433,795	38
Human Rights	94,552	0
Information Technology	8,643,760	47
Inspector General	735,788	3
Legislative	4,388,256	33
Parks	17,610,371	114
Planning and Dev	2,396,045	16
Police	128,467,047	701
Public Works	98,853,370	372
Veterans Services	402,338	4
	$391,381,260	2,095

(1) In the FY25-26 Adopted Budget, the Yonkers Public Library appropriation of $11,923,153 and the Hudson River Museum appropriation of $431,900 are not included in these figures.

Employee Contracts

Pursuant to Article 14 of the New York State Civil Service Law, Public Employees' Fair Employment Act (Taylor Law), the City of Yonkers, as a local government, is required to enter into collective negotiations with its certified or recognized employee representatives over terms and conditions of employment and enter into written collective bargaining agreements. The City negotiates directly with eight municipal employee organizations but funds nine organizations when including the Library SEIU 704B union which is funded through the General Fund's transfer to the Library Fund.

The Taylor Law requires that any collective bargaining agreement requiring legislative action to permit its implementation by amendment of law or by additional funds therefor, shall not become effective until the appropriate legislative body (the Yonkers City Council) has given its approval.

- The collective bargaining agreement with Police Benevolent Association (PBA) became effective on July 1, 2019 and expired on June 30, 2024.
- The collective bargaining agreement with the Police Captains Lieutenants and Sergeants Association (CLSA) became effective on July 1, 2019 and expired on June 30, 2024.
- The collective bargaining agreement with the Teamster Local 456 (Blue Collar) became effective on January 1, 2024 and mostly expiring on December 31, 2028.
- The collective bargaining agreement with the American Federation of State, County and Municipal Employees (AFSCME) became effective on July 1, 2020 and expired on June 30, 2025.
- The collective bargaining agreement with the Service Employees International Union (SEIU) became effective on January 1, 2019 and expired on December 31, 2023. Contract negotiations are ongoing.

- The collective bargaining agreement with the Yonkers Firefighters Local 628 (Local 628) became effective on July 1, 2019 and expired on June 30, 2024.
- The collective bargaining agreement with the Yonkers Uniformed Fire Officers Association (UFOA) became effective on July 1, 2019 and expired on June 30, 2024.
- The collective bargaining agreement with the Teamsters Local 456 (White Collar) became effective on July 1, 2020 and expired on June 30, 2025. Contract negotiations are ongoing.
- The Library collective bargaining agreement with the SEIU Local 704B became effective on July 1, 2019 and expired on June 30, 2024. It should be noted that although the City provides 99% of the funding for the Library, the City does not negotiate the Library SEIU 704B contract.

The BOE negotiates with four employee organizations. The CSEA and the Yonkers Federation of Teachers (YFT) are the two largest employee organizations.

- The Yonkers Public Schools CSEA collective bargaining agreement became effective on July 1, 2022 and mostly expiring June 30, 2027.
- The Yonkers Federation of Teacher collective bargaining agreement became effective on July 1, 2022 and was extended to June 30, 2027.
- The Yonkers Council of Administrators collective bargaining agreement became effective on July 1, 2022 and was extended to June 30, 2027.
- The Yonkers Public Schools White Collar Teamsters ("WCT") collective bargaining agreement became effective on July 1, 2020 and expired on June 30, 2025. Contract negotiations are ongoing.

Retirement Benefits

The State Employees' Retirement System ("ERS") was established in 1920. In 1967 all police officers and firefighters were transferred into the separate Police and Fire Retirement System ("PFRS"). Both retirement systems are administered by the State Comptroller. The State Teachers' Retirement System ("TRS") is separately administered by a ten member board. ERS, PFRS and TRS are collectively referred to as the "New York State Retirement System".

The retirement benefit package available to City and Board of Education employees who are members of ERS depends on the date of their enrollment in the system and/or their classification as Tier 1 through Tier 6 employees. Retirement benefit packages available are prescribed by the State and are most liberal for Tier 1 and least liberal for Tier 6 employees. The retirement plan adopted by the City and Board of Education for Tier 1 and Tier 2 ERS members is noncontributory for employees. Tier 3 and Tier 4 ERS members with less than ten years of service must make annual contributions of 3% of their salary to the system; Tier 3 and Tier 4 members with ten years of service or more are not required to contribute.

TRS members hired after July 1, 1976 and before January 1, 2010 with less than 10 years of service must make annual contributions of 3% of their salaries, similar to Tier 3 and Tier 4 members of ERS. While TRS payments are Board budgeted appropriations, payment is made through a withholding of the required payment from general State education aid.

On December 10, 2009, then Governor Paterson signed into law a new Tier 5. The law is effective for new ERS and TRS employees hired after January 1, 2010. New ERS employees hired under Tier 5 contribute 3% of their salaries and new TRS employees contribute 3.0% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier 6 legislation provided 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. However, Chapter 56 of the Laws of 2024 adjusted the time period back down to 3 years.

Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout their employment.

City police officers and firefighters who are members of PFRS are now divided into five tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters hired from July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5, which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which was also a 3% contribution requirement for members for FY12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: $45,000.00 or less contributes 3%; $45,000.01 to $55,000.00 contributes 3.5%; $55,000.01 to $75,000.00 contributes 4.5%; $75,000.01 to $100,000.00 contributes 5.75%; and more than $100,000.00 contributes 6%.

Each year the State bills the City and the BOE for their required contributions to the State Pension Plan. The Pension Retirement System billing period is from April 1 through March 31, and the City was required to pay an estimated bill for that fiscal year in December. Beginning with FY04-05, the City is allowed to pay the estimated bill on February 1 of each year. The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The BOE prepaid its employer contribution for FY20 in December 2019. The City prepaid its employer contribution for FY20 in December 2019 but did not pay the contributions due under the Police and Fire Retirement System until the due date, February 2020. For FY21 through FY25, all employer contributions owed by the BOE and the City were prepaid in the December of each respective year.

Billing for the TRS is made to the Board of Education for each plan year ending June 30 in the next fiscal year and is paid by the Board of Education in the same fiscal year as billed.

The employer contribution rate for the State's Retirement System continues to be higher than the minimum contribution rate established by law. To mitigate the expected increases in the employer contribution rate, legislation was enacted in 2010 that authorized local governments and school districts to borrow a portion of their required payments from the State pension plan at interest rates which vary each year. Under this Original Contribution Stabilization Program (CSP) of 2010, the applicable interest rate applied to amortized amounts of ERS and PFRS pension contributions was 3.00% for 2013. Pursuant to Chapter 57 of the Laws of 2013 of the State (the "Alternative CSP"), the City and BOE opted to enter the Alternate CSP starting in 2014. The interest rates on the amortized portions very from year to year. Under the ERS System, both the City and BOE did not amortize pension costs in FY21 but did amortize for PFRS pension costs. For FY22, both the City and the BOE amortized ERS and PFRS pension costs. For FY23 and FY24 only PFRS pension costs were amortized. For FY25, ERS and PFRS pension costs for both the City and the BOE were amortized. For FY26, PFRS and the BOE's ERS pension costs are expected to be amortized.

The City and the BOE have elected to amortize a portion of their required pension contributions and certain early retirement incentives with the New York State Retirement System. A historical summary of the foregoing is set forth in Note 3 of the Notes to the Financial Statements of the City for the Fiscal Year ended June 30, 2025, a link to which is set forth in Appendix B attached hereto. (References to website addresses presented herein are for informational 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.)

The following is a summary of the contributions amortized by the City and the BOE for the past five (5) fiscal years and the amounts budgeted for the current fiscal year:

Fiscal Year	TRS, ERS and PFRS Contributions Amortized by the City and BOE[1]
2020-21	$6,662,477
2021-22	12,101,123
2022-23	9,303,690
2023-24	9,791,573
2024-25	19,189,976
2025-26[2]	21,077,882

(1) The BOE left the TRS Stable Contribution Plan in 2016-2017, and did not amortize any amounts in FY17-18 through FY24-25 and does not expect to amortize any of its pension obligation for TRS for FY25-26.

(2) Based on estimated invoice from NYSLRS

The Alternate Contribution Stabilization Option, enacted by the State under Chapter 57, Laws of 2013, modified the Original Contribution Stabilization Option adopted in 2010, giving municipalities the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs") by extending the maximum length of any amortizations from 10 years to 12 years for ERS and PFRS. Similar to the Original SCO, the Alternate plan allows municipalities to pay the "SCO" amount in lieu of the "ARC" amount. The City and BOE chose to enter the Alternate Contribution Stabilization Option for both ERS and PFRS.

Under Chapter 57 of the Laws of 2013, the State also enacted a Stable Contribution Option for the New York State Teachers' Retirement System. The BOE chose to enter this Stable Contribution Option for 2013-14, 2014-15 and 2015-16 but exited the SCO in 2016-2017 and returned to paying the normal rate.

The City also maintains a Local Police Fire Special Pension Fund which contains no active employees. There are currently 1 pensioner who are widows of former City employees receiving monthly annuity payments from this fund. This local pension fund covered City police and fire employees who were employed by the City prior to 1939 when the City first joined the State system and stopped accepting new members in the City plan. The costs of the unfunded pension plan are paid by the City as incurred. The FY25-26 Adopted Budget of the City includes $8,700 for this purpose. No actuarial valuation has been made to determine the liability for future payments. Eventually, monies will no longer be appropriated as the retirees beneficiaries decrease in number. In addition, the City supplements the pension of firefighters under State law who received disability pensions.

The following table indicates expenditures by the City for ERS and PFRS and the Board of Education for ERS and TRS for FY21-22 through FY24-25, as well as amounts budgeted in FY25-26. The amounts set forth in the following table include installment payments made by the City for pension obligation payments previously amortized by the City.

	Actual FY 21-22	**Actual FY 22-23**	**Actual FY 23-24**	**Actual FY 24-25**	**Budget FY 25-26**
City (ERS and PFRS) [1]	$61,145,187	$64,822,529	$69,998,424	$74,478,393	$76,875,538
Board of Education (ERS) [2]	10,373,593	11,446,022	9,995,590	9,764,462	10,939,000
Board of Education (TRS) [2]	21,755,194	23,960,254	24,589,980	27,553,251	27,347,309
Local Pension Fund & Fire Disability	3,002,861	5,488,688	3,800,599	4,028,415	4,270,700

(1) Excludes Community Development and City Grant Funds

(2) Excludes Special Aid and School Lunch Funds

Source: City of Yonkers.

GASB 68 Accounting and Financial Reporting for Pensions

The City and the BOE participate in the New York State Retirement System. As discussed above, these are cost-sharing multiple employer defined benefit plans. Under the requirements of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions", effective beginning with financial statements as of June 30, 2015, cost-sharing employers such as the City and BOE were now required to report in their entity-wide financial statements a net pension liability (or asset), pension expense and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan.

Statement No. 68 expanded disclosures in the notes to the financial statements and the required supplementary information (the "RSI"). The note disclosures now include 1) a description of the plan(s) and the benefits provided, 2) the significant assumptions employed in the measurement of the net pension liability (or asset), 3) descriptions of benefit changes and changes in assumptions, 4) assumptions related to the discount rate and the impact on the total pension liability (or asset) of a one percentage point increase or decrease in the discount rate and 5) the net pension liability (or asset) and deferred inflows and outflows of resources. The RSI must also provide ten year historical information (when available) regarding the entity's proportionate share of the net pension liability (or asset) and a schedule of the entity's contributions.

The City and BOE are provided with the above information by the New York State Retirement System and have incorporated this information into their audited financial statements for the year ended June 30, 2025. The City reported a net pension liability of $53,261,641 and the BOE a net pension liability of $38,007,354 (for a total of $91,268,995) for their proportionate shares of the net pension liability of ERS. The City also reported a liability of $292,923,247 for its proportionate share of the net pension liability of PFRS. The BOE reported a net pension asset of $46,377,228 for its proportionate share of the net pension asset of TRS.

More detailed information about the City and BOE's pension plan reporting in accordance with the provisions of GASB 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3, I in the City's audited financial statements for June 30, 2025. A link to the audited financial statements for such period is contained in Appendix B attached hereto. References to website addresses presented herein are for informational 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.

Life, Health and Dental Insurance

The City provides life, health and dental insurance for all active employees and provides continuing health insurance coverage for substantially all City employees retired from City service. It is the City's practice to fund these insurance premiums as billed. Along with covering retirees for their Part B Medicare premiums as per New Yok Civil Service Law, the City also reimburses certain widows or widowers of retirees for the cost of Part B premiums.

In FY20-21 through FY24-25, inclusive, the City expended $67.5 million, $71.2 million, $79.8 million, $89.1 million, and $94.4 million respectively, in premiums and reimbursement for active employees, eligible retirees and other beneficiaries. The amount budgeted in the City's FY25-26 Adopted Budget for Life and Health Insurance is $100.8 million.

In FY20-21 through FY24-25, inclusive, the BOE's General Fund expended $87.9 million, $92.9 million, $101.4 million, $109.4, and $121.3 million respectively, in premiums and reimbursement for active employees, eligible retirees and other beneficiaries. The BOE FY25-26 General Fund's Adopted Budgets for Life and Health Insurance is $126.8 million.

GASB 75 and Other Post Employment Benefits (OPEB)

The City and the Board of Education provide post-retirement healthcare benefits to former employees. In addition, the City is required to pay the difference in pay between a disabled firefighter's pension payment and the current salary for a firefighter until the retiree reaches the age of 62. These benefits are each funded on a pay as you go basis. Under the requirements of the Governmental Accounting Standards Board (GASB), Statement No. 75, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" (GASB 75), all governmental entities are required to report the estimated cost of the accrued liability for such post-retirement benefits.

In addition to providing pension benefits, the City and the BOE provide certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City and the BOE may vary according to length of service. The cost of providing post-employment health care benefits is shared between the employer and the retired employee. Substantially all of the City's and BOE's employees may become eligible for those benefits if they reach normal retirement age while working for the City or BOE. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

The City's total OPEB liability of $2,806,792,498 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023. Of that total OPEB liability, the City's municipal liability is $1,278,225,305 and the BOE's total OPEB liability of $1,528,567,193 were both measured as of June 30, 2025, and were both determined by an actuarial valuation as of July 1, 2023.

Debt Service

Debt service costs for bonds and capital notes for both the City and the Board of Education (all funds excluding Community Development) was $80.1 million in FY20-21, $107.5 million in FY21-22, $94.3 million in FY22-23, $94.9 million in FY23-24, and $98.3 million in FY24-25. The FY25-26 budgeted amount is $90.4 million.

Board of Education

The BOE's Consolidated Fund operations are funded primarily from the City's budget appropriations and from State Aid.

The following table provides the City's annual contribution to the BOE and the amounts received by the BOE from the additional sales tax collected by the City pursuant to Chapter 67 of the Laws of 2015, from State and Federal aid and from other sources, for each of the last five (5) fiscal years and the amounts budgeted for the current fiscal year.

Year	**City Contribution**	**Additional Sales Tax**	**State and Federal**	**Other Sources**
2020-21	$270,800,000	$17,800,000	$331,400,000	$5,700,000
2021-22	283,000,000	19,900,000	357,300,000	11,500,000
2022-23	288,000,000	19,800,000	384,600,000	3,600,000
2023-24	291,200,000	20,400,000	395,200,000	2,000,000
2024-25	298,500,000	21,000,000	440,400,000	2,300,000
2025-26(1)	298,300,000	21,000,000	470,700,000	2,000,000

(1) Budgeted.

As a matter of City policy, the Board of Education is credited with the full amount of taxes levied by the City for school general operating purposes regardless of any deficiency in tax collections. (See "*Board of Education*" under "*Related Entities*" under "*THE GOVERNMENT OF YONKERS*" and "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*PROPERTY TAXES*" herein.)

The State enacted legislation (Chapter 67 of the Laws of 2015) which authorizes the City to increase its sales and compensating use tax by one half of one percent (2.5% of the 8.375% rate to 3.0% of the 8.875% rate). According to the terms of such legislation, the City is required to use the revenues generated by the increase in the sales and compensating use tax rate for the support of education, unless the City Council votes, on an annual basis to use such additional revenue for a different purpose of the City. Pursuant to this legislation, the City was authorized to begin collecting the additional one half of one percent sales and compensating use tax commencing on September 1, 2015. Chapter 160 of the Laws of 2025 extended the authorization period to November 30, 2027.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances. Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the current administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other medicaid rules.

The State's 2021-22 Enacted Budget and the State's 2022-23 Enacted Budget included significant amounts of federal funding. To date, school districts have received significant funding because of the COVID-19 pandemic from federal stimulus packages and reinstatement of State Foundation Aid, however, the additional federal funding ceased after the 2023-24 fiscal year.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the Financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's current fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline), the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State, including the BOE.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

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

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools - as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER* v. *State of New York* has been filed recently on behalf of the State's public school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE* v. *State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments.

On October 14, 2021 Governor Kathy Hochul announced that the State has reached an agreement to settle and discontinue the New Yorkers for *Students' Educational Rights* v. *New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to the State's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require the State to fully fund the Foundation Aid formula that was put into place following the historic *CFE* cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, the State has never fully funded Foundation Aid. The new settlement requires the State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the

FY 2022 Enacted State Budget approved in April, 2021, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted this commitment into law. With Foundation Aid fully phased in, the BOE received $282.8 million in FY25.

Charter School Operations

There is one locally-operated charter school (the "Charter School") open to residents residing in the City. The Charter School is separately chartered by the Board of Regents of the State and is not subject to the control or supervision of the City or the BOE.

Under the Charter School Act, Article 56 of the New York Education Law, the BOE is required to pay a State-set tuition rate to the Charter School for students residing in the City who are enrolled in the Charter School. The amount to be paid to charter schools is based on various regulations, enrollment levels, rate of change in district's expenditures, and economic information related to the home school district of the children enrolled in charter schools. Currently, school districts in the State, including the BOE, are required to pay tuition amounts that fluctuate annually with the approved operating expense per pupil of the home school district. The tuition payable equals the product of the set tuition per student and the full-time-equivalent enrollment of the students in the charter school.

Charter school tuition payments are a significant expense to the BOE. The BOE made tuition payments to the Charter School in the aggregate amount of $13.8 million for FY20-21, $14.8 million for FY21-22, $15.4 million for FY22-23, $16.4 million for FY23-24, and $18.5 million for FY24-25. FY25-26 is budgeted at $21.5 million based on a projected enrollment of 1,120 students. See also "*State Aid to Education*" herein.

The Charter School began a new High School Charter School in FY19-20. Enrollment was expected to grow by one class for each fiscal year FY 20-21 through FY22-23. The budget was increased in FY21-22 for the cost of an additional 40 students in the amount of $1.1 million. In addition to the Charter School located in City, approximately 245 residents are budgeted to attend 47 different charter schools located in Mount Vernon, the Bronx, and Manhattan at a budgeted cost of $4.7 million based on projected enrollment totals.

In the event the BOE fails to make any required payment to the Charter School, the State Comptroller may deduct delinquent amounts from State Aid otherwise payable to the BOE and pay such amounts to the Charter School.

Four Year Financial Plan for FY25-26 through FY28-29

The discussion below is based, in part, on projections and/or forward-looking statements related to FY25-26 through FY28-29. No assurance can be given that the budget estimates and/or forward-looking statements discussed below will be realized. The accuracy of the budget estimates and/or forward-looking statements contained in this section cannot be verified until after the close of such Fiscal Years and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring City and BOE expenditures, (3) the ability of the City and the BOE to meet spending reduction initiatives, (4) the amount of state and federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new state and federal legislation or initiatives, among others.

Pursuant to Executive Order No. 3, dated April 9, 2012, the City annually issues a four-year financial plan. The City released the Four Year Financial Plan for FY25-26 through FY28-29 (the "Plan") in August 2025. A copy of said Plan is attached hereto as Appendix G. The City has prepared the projected financial information set forth herein to present the plan for the City's FY25-26 through FY28-29. The prospective financial information contained in the Plan was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. However, in the view of the City's management, such financial information was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the City. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information.

Neither the City's independent auditors, nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The City used current financial information, historical trends, anticipated cost increases and projected changes in service delivery in developing the Plan. The assumptions and estimates underlying the prospective financial information in the Plan are inherently uncertain and, though considered reasonable by the management of the City as of the date of preparation of the Plan, are subject to a wide variety of significant business, economic, and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the City or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

The Plan uses the FY25-26 Adopted Budget as the baseline for the future projections. The FY25-26 Adopted Budget continues to use "one-shot" practices to balance the Operating Budget, such as pension contribution payment amortization authorized by the State for Police and Fire Retirement and BOE Employee Retirement, borrowing to fund tax certioraris and Textbooks, and the utilization of available fund balance. For FY25-26, $57.6 million of the City's General Fund balance was used to balance the City's budget, and $25.6 million of the Education Fund balance was used to balance the BOE's Consolidated Funds budget.

The FY26-27 through FY28-29 projections and resulting budget gaps assume that the City will cease amortizing the costs of pensions and make full payments for Employee Retirement.

While fund balance was used to balance the FY25-26 budget, the FY26-27 through FY28-29 projections assume no use of General Fund balance, as the City cannot be certain of future availability. However, available fund balance, to the extent that expense savings and/or additional revenue are generated and available, as well as, audited fund balance as of FY24-25, will be part of the gap closing solution for the FY26-27 and beyond.

Major assumptions included in the Plan:

- Although actual rates of inflation for outer years are not known, and although annual tax base growth factors could allow for a greater than 2% real property tax levy increase while remaining inside the 2% maximum allowed under the requirements of Tax Levy Limit Law, (see "*Tax Levy Limit Law*" under "*PROPERTY TAXES*" herein) the plan projects real property taxes and payments in lieu of taxes to grow by 2% each year. In the Plan, the tax levy is projected to increase $9.0 million in FY26-FY27, $9.22 million in FY27-28, and $9.4 million in FY28-29.

- Payments in Lieu of Taxes (PILOTs) increase by $511.5 thousand in FY26-27, $521.7 thousand in FY27-28, and $532.2 thousand in FY28-29. The Plan assumes the growth in PILOTs will continue to be used in the tax levy cap calculation as an offset to the allowable tax levy growth.

- BOE State Aid funding is projected to increase in areas, such as Foundation Aid which is based on projected selected student counts, wealth statistics, and state averages, and in reimbursable type aids because of increased eligible expenses. However, the district has received $12.0 million in Additional Aid, a.k.a. "bullet aid" during the final stages of the New York State budget adoption over the past few years. Since there is no guarantee of this funding continuing, the plan does not include the $12.0 million. Overall, BOE State Aid funding is expected to decrease by $1.8 million in FY26-27, increase by $11.2 million in FY27-28, and increase by $8.0 million in FY28-29.

- Sales and Use Tax Revenues are projected to increase by 2.5% annually in the outer years FY26-27 through FY28-29, as applied to the 1.5% City Sales Tax, the 1.0% City Special Sales Tax, and the 0.5% Sales Tax for Education.
- BOE Basic Operating Expenses are projected to increase, on average, by $33.6 million each year in the plan. Collectively bargained contracts run through FY26-27. The plan includes contractual increases at a steady headcount for FY26-27 but does not include any proprietary amounts for the outer years of FY27-28 and FY28-29.
- The City's projected Salaries do not include any proprietary amount as a contingency for unsettled contracts throughout the plan.
- The Financial Plan includes a Capital Improvement/Bond Issuance Plan, and resultant changes to Debt Service are reflected in each year.
- The Plan does not include any pension borrowing.
- The Plan reflects an approximate 8% annual increase to health care benefit expenses for the City and an approximate 7.0% annual increase for the BOE.

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CITY'S FOUR YEAR FINANCIAL PLAN FOR FY26 THROUGH FY29

(000's omitted)

	FY 2026 Adopted	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection
Revenues				
Property Taxes	$ 452,174	$ 461,218	$ 470,442	$ 479,851
Special Taxes	233,361	239,851	247,040	256,143
State & Federal Funding	113,609	113,609	113,609	113,609
City Departments	55,279	55,185	55,293	55,623
Other Revenues	57,942	49,001	48,906	49,228
Appr. Fund Balance (General)	57,568	-	-	-
Total Revenues - General Fund	**$ 969,933**	**$ 918,863**	**$ 935,289**	**$ 954,454**
Library Fund	$ 354	$ 96	$ 96	$ 96
Water Fund	54,126	55,509	57,298	59,532
Sewer Fund	12,145	12,349	12,395	12,746
Total City Revenue	**$ 1,036,558**	**$ 986,818**	**$ 1,005,078**	**$ 1,026,828**
Board of Education	512,425	485,005	496,165	504,144
Total Revenues - All Funds	**$ 1,548,983**	**$ 1,471,823**	**$ 1,501,244**	**$ 1,530,972**
Expenditures				
City Departments	$ 403,736	$ 407,258	$ 408,963	$ 412,460
Fringe Benefits	221,859	269,580	277,251	290,485
Special Items	45,991	32,527	33,034	33,554
Board of Education	773,789	819,250	846,412	874,496
Subtotal	**$ 1,445,375**	**$ 1,528,615**	**$ 1,565,661**	**$ 1,610,996**
Debt Service	103,608	107,966	117,700	121,220
Total Expenditures	**$ 1,548,983**	**$ 1,636,582**	**$ 1,683,361**	**$ 1,732,216**
Revenues vs. Expenditures	**$ -**	**$ (164,759)**	**$ (182,117)**	**$ (201,244)**

Budget Gap Mitigation Measures

The Plan projects shortfalls of approximately $164.8 million, $182.1 million, and $201.3 million for FY26-27 through FY28-29, respectively. In particular, the City projects out-year budget gaps of $88.9 million, $84.0 million, and $79.2 million, while the BOE budget gaps over the same period are projected at $75.8 million, $98.1 million, and $122.0 million.

Budget gaps will be closed with the use of fund balance, enhanced revenue programs, cost containment actions, and other gap closing measures. As noted earlier, the FY26-27 through FY28-29 projections assume no use of general fund reserves because future availability is uncertain. However, the use of available fund balance, to the extent that it is produced, will be part of future budget-balancing solutions.

The Mayor and the City Council are committed to addressing the projected shortfalls and structural imbalances in the operating budget in a responsible manner, and will continue to work together to develop the appropriate mitigation plans. The fiscal problems facing the City are not unique to the City and cannot be solved simply by cutting current costs significantly. A review of the categories of expenditures - Departmental Expenditures and Fringe, Special Items, the BOE, and Debt Service - and their associated costs reveals that many significant expenses are mandated or beyond the control of the City. For instance, the City cannot decrease its contribution to the BOE under the Maintenance of Effort (MOE) requirement unless for a major hit to the economy which produces substantially lower budgeted revenues. The City cannot easily decrease its Debt Service expense, as the expense is based on prior years' bonding, and repair and maintenance of critical infrastructure is a priority. The largest expense of the Special Items, the Reserve for Uncollected Taxes, must be calculated based on a formula specified by the Act, and cannot be reduced as a budget item.

The following gap closing measures identify and quantify possible actions that the City could pursue to close the projected budget gaps. The measures provide recurring revenues or recurring expenditure savings and would help the City eliminate part of the structural balance in its operating budget.

- Resident Income Tax Surcharge: The Income Tax Surcharge imposed by the City is currently at a rate of 16.75% of the net State income tax, and was increased from 15% to 16.75% as part of the FY14-15 Adopted Budget. Pursuant to Chapter 535 of the Laws of 1988, the maximum rate that the City can impose by local law on resident income is 19.25% of the net State tax. An increase in the rate from 16.75% to 19.25% could generate an additional $9.1 million in revenue annually for the City with additional amounts in the first year of implementation if made retroactive to January 1. For a description of the Income Tax Surcharge, see "*Income Tax Surcharge*" under "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.

- Non-Resident Income Tax Surcharge: The City's income tax for non-residents is basically 0.5% of NYS Wages (net of allowances offered if making under 30,000 from wages) earned in Yonkers while being employed or self-employed for the pro-rated portion of the year. If this rate was increased to 0.75%, it may result in approximately $6 million in additional revenue. This change would require State Legislation. Budgeting for this increase would need to be done conservatively in the first year considering that non-residents currently get the offer of paying resident taxes if lower. Since the resident tax is based on income net of deductions, and the non-resident tax is based on gross income, situations can occur where non-residents could pay the reduced resident rate rather than the 0.5% of gross wages.

- Real Property Transfer Tax: The Real Estate Transfer Tax assessed on the gross sale amount of real estate in the City, which is paid by the seller upon the transfer of the real property, is currently at 1.5%. An increase in this tax to the maximum allowed (3.0%) could generate additional annual revenues of approximately $12.0 million annually, provided that the positive economic backdrop for collections, such as, a strong real estate market and relatively low interest rates, continues. For a description of the Real Estate Transfer Tax, see "*Real Property Transfer Tax*" under "*Revenues*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.

- Real Property Tax: Each 1% increase in the real property tax rate imposed by the City would generate an additional $4.4 million in revenue for the City. The City's ability to increase real property taxes is constrained by City's Constitutional Tax Limit and the Property Tax Cap which would require a super-majority Council vote to override it's limit. (See "*Proposed Assessment Revaluation*" under "*DISCUSSION OF FINANCIAL OPERATIONS*" herein.)

- Self-Insured Health Benefits Plan: Many cities and counties, i.e. the City of Syracuse and Westchester County, have been able to better control increases in health insurance costs by becoming self-insured. While savings would only be minimal in the short run because of the need for costly stop loss insurance for a newly established self-insured plan (without a track history of claims for catastrophic cases to evaluate), eventually this option could provide significant savings, especially if stop loss insurance could be discontinued. Alternately, the City can investigate health insurance carriers that offer commensurate services to the current provider (NYSHIP) at a lower cost.

- Increase Fire Public Safety Program Fee: The cost to run the program which requires multi-dwelling parcels to pay a safety fee for inspections and fire prevention has greatly increased since the last fee increase. The current program cost equates to an additional $3.3 million in fees rates were set to equal expenses.

- Property Revaluation: A revaluation project, along with the continued improvement in market values, could reduce the annual amounts paid for successful certiorari challenges by approximately 60%.

- Create a new Refuse District Fund, with its own dedicated fee structure, to ensure that all users, including tax-exempt entities, pay their fair share for refuse collection and disposal. In 2025, Westchester County increased its costs to eliminate waste to the local municipalities which makes the need for a fairer structure based on waste removal even greater. The fee structure would be set upon prospective changes to costs to provide the level of service that would be offered.

- Include a gross receipts tax on mobile telecommunications under utility gross receipts tax similar to the City of New York. (Would require State legislation.) Basic assumptions assume this change could bring an additional $1.3 million revenue. The loss from Cable Franchise Fees revenue, which has dropped over the past decade as residents “cut the cord” and use streaming services over cable boxes, can be mitigated by including mobile phones in the telephone utility tax.

- Extend the Real Estate Transfer Tax and Mortgage Recording Tax to cooperative apartments. (Would require State legislation.)

- Lobby the State for an adjustment in the Private and Public Excess Cost reimbursement formulas to assist with the growing demands for additional Special Education services or provide an infrastructure grant to assist the district in expanding its special education services. The most recent court decisions require that Special Needs students are offered the right to attend school until graduation or until they reach the age of 22. Currently, New York State only reimburses the district for students up to their 21st birthday thus providing no reimbursement for the possible final year of the student’s education.

- Lobby the State to continue to increase the Regional Cost Index embedded inside the Foundation Aid for Westchester County districts. For the first time since the inception of the formula, Westchester County was pulled out of the Hudson Valley Region which had lumped the county with others as far north as Sullivan and Ulster Counties. The change in the Regional Cost Index from 1.314 to 1.351 was a first step. If the Regional Cost Index was changed to the rate that the Rockefeller Institute’s report suggested by using the CWIFT index, 1.554, all things being equal, would produce an additional $50 million in annual foundation aid for the district.

- Increased Gaming Revenues from MGM Resorts International Casino. At the time the plan was developed, MGM submitted an application to receive a full gaming license from the State for its Empire City Casino site. Projections were that the City would receive approximately $35 million in gaming revenue if the full gaming license was granted to MGM. This projection was based on the City receiving 10% of the projected $350 million in gaming revenue received by the State. The $35 million that had been projected to be received by the City or BOE would not have been additional funds but as a replacement for the current $19.6 million the BOE currently receives. The plan did not include any additional revenue from the casino above the current $19.6 million as the timing of fully ramping up to the $35 million was in question. The City and MGM had negotiated a Community Benefit Agreement to provide increased revenues to the City if MGM receives a full gaming license; however, MGM recently withdrew its application for a full gaming license and will remain as a vendor for the State owned Video Lottery Terminals ("VLT").

- Savings from continued merging of BOE and City functions: The recent merger of BOE and City functions resulted in stronger financial and administrative departments, and also generated cost savings from improved efficiencies and improved operations. Additional services can be identified for sharing/merger, with commensurate improvement in efficiency and operations.

Notwithstanding the above gap closing measures, enacted budgets for the fiscal years covered in the Plan may include non-recurring revenues and/or expense reductions to close the anticipated budget shortfalls. Such measures, while they may be necessary, would not contribute to elimination of structural deficit. It is likely that a combination of increases in revenues (taxes and fees) and spending cuts, or other forms of cost containment, will be required to close the structural deficit.

In order to properly and effectively address the projected shortfalls and eliminate the structural imbalances in the City's operating budget, the City will have to develop multifaceted mitigation plans with the assistance of various stakeholders, including the public, City employees and their union representatives, local businesses, the BOE, property owners, and State officials.

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CITY INDEBTEDNESS

Certain Features of Debt Authorization

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur capital indebtedness by the enactment of the State Local Finance Law, subject to certain constitutional provisions. The City is prohibited from giving or loaning any money or property to or in aid of any individual or private corporation or private undertaking, or giving or loaning its credit to or in aid of any of the foregoing or any public corporation. The City may contract indebtedness only for City purposes. The City generally authorizes construction and financing of facilities which are of service to the citizens on a City wide basis. Certain capital projects are subject to regulation and approval of applicable commissions and agencies. In addition, the City is authorized to issue bonds, with maturities generally not exceeding five years, to pay judgments and claims.

Each bond ordinance requires approval by at least a two-thirds vote of the City Council. The Local Finance Law also provides a twenty day statute of limitations after publication of a summary of an adopted bond ordinance together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond ordinance except for alleged constitutional violations.

The City is authorized by the State Constitution to contract debt for objects or purposes which the State Legislature has determined to have a "period of probable usefulness" and the maximum maturity of such debt may not exceed the period of probable usefulness of the object or purpose or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which it is contracted. Serial bonds must mature in annual installments and may be issued to finance any object or purpose for which a "period of probable usefulness" has been determined by the State Legislature. With the exception of serial bonds issued under certain housing and urban renewal programs, no annual installment of a serial bond may be more than 50% in excess of the smallest prior installment unless the City Council provides for substantially level or declining debt service payments in the manner prescribed by the State Legislature. Except for certain short term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness is required to be paid in annual installments commencing no later than two years after the date such indebtedness has been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted.

Each bond ordinance usually authorizes the construction, acquisition or installation of the object or purpose to be financed (or identifies the bonds to be refunded), sets forth the plan of financing or refinancing, and specifies the maximum maturity of the bonds subject to the legal (constitutional, Local Finance Law and case law) restrictions relating to the applicable periods of probable usefulness.

A condition precedent to the incurrence of capital indebtedness is the adoption of a bond ordinance in conformity with the provisions of the Local Finance Law, which law requires that the City estimate the maximum cost of, and amount to be expended for, the particular object or purpose to be financed. After the expiration of the period ending July 15, 2027, the Local Finance Law requires that the City provide not less than 5% of the cost of certain objects or purposes to be financed from current funds, either budgeted or received from proceeds of capital note issues. The City may avoid the necessity of current fund down payments by determining that the bonds to be issued shall mature over a period not to exceed one half the period of probable usefulness of the object or purpose to be financed. In addition, there is no requirement for a current fund down payment with respect to projects having a useful life not in excess of five years, as well as water system improvements, capital improvements estimated to be self-sustaining, improvements to docks, wharfs, and piers, and certain other types of improvements.

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

Except for Tax Increment Financing described below, all indebtedness contracted by the City pursuant to the Local Finance Law constitutes a general obligation of the City, and as required by the State Constitution and applicable law, the City pledges its faith and credit for the payment of the principal of and interest on all such City indebtedness.

Special Ordinance adopted on March 26, 2019 by the City Council provides that any bond ordinance adopted after March 26, 2019 shall be deemed repealed four years after the date of adoption, except to the extent of indebtedness theretofore contracted, meaning that any bonds or notes issued must be issued within four years after adoption of the bond resolution, and provides the City Council an approval role in the determination by the Commissioner of Finance and Management Services to issue bond anticipation notes of the City.

Tax Increment Financing

A 1983 amendment to the State Constitution permitted the State Legislature to authorize municipalities, including the City, to contract indebtedness for the purpose of redeveloping economically unproductive, blighted or deteriorated areas, without a pledge of the municipalities' faith and credit. Such indebtedness is to be excluded from the calculation of the debt incurring power of the municipality and is to be secured by a pledge of the incremental increases in real estate taxes resulting from such redevelopment.

Subsequent to this Constitutional amendment, the State Legislature amended the State's General Municipal Law to permit municipalities to issue tax increment bonds or tax increment bond anticipation notes, payable from and secured by increases in real property taxes for redeveloped areas. The statute prohibits a municipality from pledging its faith and credit or the faith and credit of the State to the payment of principal of or interest on tax increment bonds or tax increment bond anticipation notes. The City to date has not issued any tax increment bonds or tax increment bond anticipation notes.

Debt Limit

The State Constitution limits the amount of indebtedness which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five fiscal years. Certain indebtedness is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limits; accordingly debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the City's authority to issue debt subject to the limit. Such exclusions are authorized by the Constitution and include the following:

(i) tax anticipation notes, revenue anticipation notes and budget notes, to the extent such obligations are retired within five years of their original issuance;

(ii) indebtedness (commonly referred to as "self-sustaining debt") contracted for public improvement or service, which provides sufficient annual revenue after paying annual operating expenses of the improvement or service, to pay at least 25% of the annual interest and principal installments due on such indebtedness. The indebtedness is excluded, after approval by the State Comptroller, in a proportion equal to the proportion of annual debt service covered by net revenues of the improvement or service for which it was contracted. Under State law, the revenues from such improvement or service, for the period of the exclusions, must be used solely for debt service on the excluded indebtedness and operating and other costs of the improvement or service or deposited in an account to be used for such purposes; and

(iii) indebtedness contracted for supply of water.

The following table shows the debt contracting power of the City within the debt limit as of the date set forth therein.

STATEMENT OF DEBT-CONTRACTING POWER

	As of January 14, 2026
Debt-Contracting Limitation:	
Nine Per Centum of five-year average full valuation of taxable real property	$ 2,460,569,103
Outstanding Indebtedness:	
Revenue Anticipation Notes	-
Bond Anticipation Notes	5,500,000
Serial Bonds	579,885,000
Total Indebtedness	585,385,000
Less: Exclusions	
Debts created after January 1, 1980 to provide for water supply improvements: Bonds	37,253,044
Revenue Anticipation Notes	-
Appropriations (FY 2025-26)	18,517,214
Total Exclusions	55,770,258
Net Indebtedness	529,614,742
Margin of Debt Contracting Capacity	$ 1,930,954,361
Percentage of Debt Contracting Capacity Exhausted	21.52%

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The following table shows the overlapping debt of the City as of December 31, 2024. Overlapping debt is the City's allocation of Westchester County debt.

STATEMENT OF OVERLAPPING DEBT
as of December 31, 2024

Unit	City's Allocation of County Debt	City's % Allocation of Total
General County Purposes	$ 93,093,557	11.30%
Sewer Districts	46,237,274	9.23
Water Districts	3,932,854	20.76
Refuse Districts	1,681,397	14.78
Total Debt	$144,945,082	10.70%

Source: County of Westchester

Debt Ratios

The following table sets forth certain debt ratios based upon the City's direct indebtedness as of January 14, 2026 and overlapping indebtedness as of December 31, 2024.

	Amount	Per Capita(1)	Ratio to Assessed Value of Taxable Property(2)	Ratio to Estimated Full Value of Taxable Property(3)
Gross Direct Debt	$585,385,000	$2,774	124.66%	1.93%
Net Direct Debt (4)............................	529,614,742	2,510	112.78%	1.75%
Net Direct and Overlapping Debt	674,559,824	3,196	143.65%	2.23%

(1) Calculated based upon estimated population of the City for 2024 (Census Bureau) of 211,040.
(2) The assessed valuation for Board of Education purposes for the 2025-2026 Fiscal Year is $469,597,873.
(3) The full valuation of the City for the 2025-2026 Fiscal Year, based on the State Special Equalization Ratio of 1.55% established by the State Office of Real Property Services is $30,296,636,968.
(4) Net of exclusions

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Debt Service Schedule

The following table shows the debt service requirements to maturity on the City's outstanding general obligation bonded indebtedness reflecting payments made through June 30, 2025. This amount does not include the Bonds, short term debt of the City, State loans payable, energy performance contract debt and Joint Schools Construction Board debt.

Annual Debt Service Requirements(1)(2)(3)

Maturing During FY End June 30th	Principal	Interest	Total
2026	$ 54,900,000.00	$ 27,904,453.00	$ 82,804,453.00
2027	50,415,000.00	25,004,584.00	75,419,584.00
2028	48,815,000.00	22,804,937.00	71,619,937.00
2029	43,635,000.00	20,615,701.00	64,250,701.00
2030	45,755,000.00	18,513,384.00	64,268,384.00
2031	46,055,000.00	16,379,334.00	62,434,334.00
2032	46,450,000.00	14,253,456.00	60,703,456.00
2033	33,875,000.00	12,411,343.00	46,286,343.00
2034	35,480,000.00	10,810,646.00	46,290,646.00
2035	35,485,000.00	9,248,144.00	44,733,144.00
2036	37,050,000.00	7,683,509.00	44,733,509.00
2037	31,280,000.00	6,132,125.00	37,412,125.00
2038	25,145,000.00	4,737,125.00	29,882,125.00
2039	19,415,000.00	3,585,750.00	23,000,750.00
2040	16,040,000.00	2,709,675.00	18,749,675.00
2041	16,760,000.00	1,986,900.00	18,746,900.00
2042	15,030,000.00	1,229,725.00	16,259,725.00
2043	9,105,000.00	486,125.00	9,591,125.00
2044	3,115,000.00	183,250.00	3,298,250.00
2045	1,050,000.00	26,250.00	1,076,250.00
Totals:	$ 614,855,000.00	$ 206,706,417.00	$ 821,561,417.00

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(1) Does not include principal and interest payments made by the City since June 30, 2025. (See "*Debt Limit*" under "*CITY INDEBTEDNESS*" herein)

(2) A summary of the principal and interest for the City's energy performance contract(s) is set forth herein under "Energy Performance Contract" and in the Financial Statements of the City for the Fiscal Year ended June 30, 2025, a link to which is set forth in Appendix B to the Official Statement.

(3) Interest may not foot due to rounding.

On May 30, 2025, the BOE received an interest-free loan in the amount of $5.0 million from the State of New York pursuant to Chapter 178 of the Laws of New York, 2024. In accordance with the terms of such loan, the State will reduce a portion of the State aid payments to be made by the State to the BOE in each subsequent year until the principal amount of the loan is satisfied. The amount to be deducted annually from the BOE's State aid payment is approximately $166,667 in each of the years 2024-25 through 2053-54.

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Trend of Bonded Indebtedness

The following table sets forth the gross amount of bonded indebtedness outstanding at the end of each of the last five (5) fiscal years.

OUTSTANDING LONG TERM INDEBTEDNESS

FY Ending June 30:	Amount
2021	577,540,000
2022	634,375,000
2023	702,475,000
2024	653,845,000
2025	614,855,000

Outstanding Short-term Indebtedness

On December 4, 2025, the City issued its $5,500,000 General Obligation Bond Anticipation Notes-2025. Such Note matures on December 3, 2026.

Cash Flow, Capital and Tax Certiorari Financings of the City

In the past, the City has issued revenue anticipation notes to finance cash flow deficits that occur during its fiscal year. The City monitors its cash flow needs on an on-going basis. The City did not issue revenue anticipation notes during FY21-22 through FY24-25, inclusive. An ordinance authorizing the issuance of not to exceed $140.0 million revenue anticipation notes was adopted by the City Council on May 28, 2025. The City currently does not expect to issue revenue anticipation notes in the current fiscal year; however, the City continues to monitor its cash position closely and will make a final determination.

The following table provides a summary of revenue anticipation notes borrowings by the City for the last five fiscal years.

Revenue Anticipation Note Borrowing History

Fiscal Year End June 30th	Issue Date	Amount Issued	Maturity Date
2021	12/10/2020	$65,000,000	06/30/2021
2022	N/A	N/A	N/A
2023	N/A	N/A	N/A
2024	N/A	N/A	N/A
2025	N/A	N/A	N/A

The City has not issued tax anticipation notes for the past five years. On May 28, 2025, the City Council also adopted an ordinance authorizing the issuance of not to exceed $150.0 million tax anticipation notes during the FY25-26.

As of January 15, 2026, the City had authorized and unissued indebtedness for capital purposes of the City of $191,499,588. As of January 15, 2026, the City had authorized and unissued indebtedness for the refunding of outstanding debt of the City of $63,000,000. As of January 15, 2026, the City had authorized and unissued indebtedness of $54,300,000 for BOE capital purposes and the acquisition of equipment for the BOE. As of January 15, 2026, the City has authorized and unissued indebtedness for the payment of various tax certiorari judgments, compromised claims and settled claims of $60,000,000. These amounts are inclusive of authorizations for the Bonds. The Bonds are being issued pursuant to the foregoing authorizations and other existing authorizations of the City. (See "*Authorization for the Bonds*," herein).

The Special Ordinance adopted on March 26, 2019 further states that any bond ordinance adopted after March 26, 2019 shall be deemed repealed four years after the date of adoption, except to the extent of indebtedness theretofore contracted, meaning that any bonds or notes issued must be issued within four years after adoption of the bond resolution, and provides the City Council an approval role in the determination by the Commissioner of Finance and Management Services to issue bond anticipation notes of the City.

Energy Performance Contract

The following table shows the debt service requirements to maturity on the City's outstanding energy performance contract lease financing which closed on October 31, 2025.

Annual Debt Service Requirements(1)(2)(3)

Maturing During FY End June 30th	Principal	Interest	Total
2026	$ 0.00	$ 0.00	$ 0.00
2027	487,081.42	1,799,805.00	2,286,886.42
2028	1,005,582.43	1,168,450.41	2,174,032.84
2029	1,048,979.16	1,125,053.68	2,174,032.84
2030	1,094,248.72	1,079,784.12	2,174,032.84
2031	1,141,471.93	1,032,560.91	2,174,032.84
2032	1,190,733.08	983,299.76	2,174,032.84
2033	1,242,120.16	931,912.68	2,174,032.84
2034	1,295,724.87	878,307.97	2,174,032.84
2035	1,351,642.94	822,389.90	2,174,032.84
2036	1,409,974.20	764,058.64	2,174,032.84
2037	1,470,822.80	703,210.04	2,174,032.84
2038	1,534,297.37	639,735.47	2,174,032.84
2039	1,600,511.23	573,521.61	2,174,032.84
2040	1,669,582.61	504,450.23	2,174,032.84
2041	1,741,634.82	432,398.02	2,174,032.84
2042	1,816,796.51	357,236.33	2,174,032.84
2043	1,895,201.85	278,830.99	2,174,032.84
2044	1,976,990.85	197,041.99	2,174,032.84
2045	2,062,309.51	111,723.33	2,174,032.84
2046	1,064,293.54	22,722.67	1,087,016.21
Totals:	$ 28,100,000.00	$ 14,406,493.75	$ 42,506,493.75

The City is also in the process of evaluating an energy performance contract for the BOE. The projected amount of such contract is $23,000,000.

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Capital Plan of the City

The City annually prepares a Capital Budget setting forth the capital needs of the City for the forthcoming fiscal year. The following table summarizes the City's Capital Plan for FY22-23 through FY25-26.

Department	FY22-23 Amended	FY23-24 Amended	FY24-25 Amended	FY25-26 Amended
Education	$10,000,000	$30,000,000	$15,400,000	$24,300,000
Corp Counsel	0	43,000	0	103,000
Engineering	12,854,000	9,030,000	15,885,000	26,450,749
Finance	0	470,000	250,000	300,000
Fire	7,805,155	2,728,343	1,748,705	6,522,895
Housing and Buildings	0	60,000	0	3,770,000
Information Technology	3,284,948	1,699,000	156,250	1,713,125
Library	0	2,000,000	0	4,726,776
Museum	0	200,000	1,000,000	2,169,290
Office for the Aging	0	0	0	211,650
Parks, Recreation & Conservation	21,476,000	12,560,000	8,935,000	15,341,000
Planning and Development	11,450,000	6,550,000	13,700,000	11,910,000
Police	7,366,125	2,500,000	1,195,000	2,439,503
Public Works	8,341,095	24,740,750	13,313,131	58,127,024
Totals:	$82,577,323	$92,581,093	$71,583,086	$158,085,012

BOE School Facilities Reconstruction Project

State legislation enacted on September 29, 2016 as Chapter 355 of the Laws of the 2016 Laws of New York and known as the Yonkers City School District Joint Schools Construction and Modernization Act (the "Modernization Act") sought to provide the City and the BOE with increased flexibility to meet the needs of its school children by providing alternative financing mechanisms that would facilitate access to adequate capital for the financing of new school facilities and the modernization of existing school facilities in the City.

While the Modernization Act does not provide the City with additional financial assistance from New York State to accomplish its objectives, the Modernization Act does authorize the establishment of the Yonkers Joint Schools Construction Board ("YJSCB"), a 9-member board composed of the Mayor, the President of the BOE, the Superintendent of the Yonkers Public Schools, a designee of the Yonkers Council of Parent Teachers Association, a designee of the City Council majority party, a designee of the City Council minority party, and 3 individuals, not employed by the City or the City School District, jointly designated by the Mayor and the Superintendent. The YJSCB held its organizational meeting on January 28, 2019.

The Modernization Act grants certain powers to the YJSCB with respect to directing and overseeing the rehabilitation and reconstruction of existing school facilities as well as the construction of new school buildings. The Modernization Act permits the issuance of debt in the principal amount of not to exceed $523 million for the purposes described above. The Modernization Act allows projects undertaken pursuant to the legislation to be financed through the City of Yonkers Industrial Development Agency (YIDA) and/or any successor agency, and establishes a process for the intercept of State aid for the payment of the bonds issued by the YIDA. The Modernization Act requires that, among other things, that the YJSCB prepare a Phase I plan (the "Modernization Plan") for submission to and approval by the New York State Department of Education prior to undertaking any of the projects included in the Modernization Plan. The YJSCB prepared and submitted its Modernization Plan to the State, and the Modernization Plan was approved by the State.

A bill was approved by both houses of the State Legislature during the 2017 legislative session and signed into law by the Governor (the "Double MCA Statute"). The Double MCA Statute authorizes two multi-year cost allowances in a five-year period for the computation of State building aid for three new BOE school construction projects authorized pursuant to the Modernization Act. Additional multi-year cost allowances could not be reset for the affected buildings for a period of ten-years after establishment of the first maximum cost allowance. The financial impact of the Double MCA Statute is estimated to be $100 million. Specifically, the City's "local share" of the $347.5 million cost of constructing the three new schools is $245.6 million, with the balance paid by the State. Under this legislation, the City's "local share" is estimated to be $144 million.

On September 19, 2021, the YIDA issued its $21,675,000 School Facility Revenue Bonds (New Community School Project), Series 2021 to provide initial financing for one of the projects identified in the Modernization Plan: the design and construction of a new pre-kindergarten through 8th grade school at the site of the former St. Denis school and church (the "New Community School Project"). Construction of the New Community School Project is currently underway. The City issued its School Bonds-2022D to finance this construction. On December 6, 2022, the YIDA issued its $46,240,000 School Facility Revenue Bonds (New Community School Project), Series 2022 to provide the remainder of the financing related to the New Community School Project.

The Modernization Act and the Double MCA Statute provide a framework for addressing the BOE's $2.0 billion capital construction needs, but these statutes do not change the State building aid reimbursement formula and future increases in New York State building aid and/or other forms of State assistance will be needed before the City and the BOE can fully implement all phases of the Modernization Plan. The City is currently exploring various alternatives with stakeholders to reduce the "local share" of all phases of the Program.

The City has begun planning for the construction of a new school. Planning costs associated thereto in the amount of $3,000,000 were financed initially by bond anticipation notes issued by the City. Such bond anticipation note was renewed in 2025. (See "*Purpose of the Notes*," herein.)

GASB 87 Leases

Under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 87, "Leases", the City is required to recognize lease liabilities and intangible right-to-use lease assets (lease assets) in its government-wide financial statements for its lease obligations.

At the commencement of the leases, the City will need to measure the lease liabilities at the present value of the payments expected to be made during the lease terms. Subsequently, the lease liabilities are to be reduced by the principal portion of the lease payments made. The lease assets are to be measured as the initial amount of the lease liabilities, adjusted for lease payments made at or before the lease commencement dates, plus certain initial direct costs. Subsequently, the lease assets are to be amortized on a straight-line basis over their useful lives. Key estimates and judgments related to leases will include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease terms, and (3) lease payments.

The City will utilize the interest rates charged by the lessors as the discount rates. When the interest rate charged by a lessor is not provided, the City will generally have to use its estimated incremental borrowing rate as the discount rate for leases.

The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and purchase option prices that the City would be reasonably certain to exercise. The City would also need to monitor changes in circumstances that would require a remeasurement of its leases and will also be required to remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

For the fiscal year ended June 30, 2025, the City reported right-to-use leased buildings and equipment, net of accumulated amortization, of $92,824,232. The City also reported lease liabilities of $97,829,870 related to these right-to-use lease assets at June 30, 2025.

PROPERTY TAXES

The City derives its power to levy ad valorem real property taxes from Section 10 of Article VIII of the State Constitution. The City is responsible for levying taxes for City and Board of Education purposes. The City's property tax levying powers, other than for debt service and certain other purposes, are limited by the State Constitution to two percent of the five year average full valuation of taxable real property of the City. (See "*Revenue*s" under "*DISCUSSION OF FINANCIAL OPERATIONS*" and "*LITIGATION*" herein.) On June 24, 2011, the Tax Levy Limit Law was enacted, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the City, without providing an exclusion for debt service on obligations issued by municipalities and fire districts, including the City.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the City had been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the City for fiscal years commencing July 1, 2012, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City for City purposes, including the payment of bonds and notes of the City and interest thereon, is subject to certain statutory limitations imposed by the Tax Levy Limit Law. Such statutory limitations do not apply to the City's power to increase its annual tax levy for Board of Education purposes; however, the power of the City to levy real estate taxes on all the taxable real property within the City for City purposes is subject to the Tax Levy Limit Law.

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy for City purposes over the tax levy of the prior year for City purposes by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

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

COMPUTATION OF CONSTITUTIONAL TAX LEVYING AND DEBT-CONTRACTING LIMITATION

Fiscal Year Ending June 30:	Assessed Valuation [1]	State Special Equalization Ratio [2]	Full Valuation [3]
2022	$458,510,509	1.86%	$24,651,102,634
2023	460,131,897	1.75	26,293,251,257
2024	466,882,200	1.74	28,295,890,909
2025	469,449,710	1.64	29,901,255,414
2026	469,597,873	1.55	30,296,636,968
Total Five-Year Full Valuation			$136,698,283,521

Five-Year Average Full Variation	27,339,656,704
Tax Levying Limitation: 2% of Average Full Valuation	546,793,134
Adopted Total Levy for FY25-26 (includes BID districts)	457,050,623
Total Exclusions for FY25-26	82,157,540
Adopted Total Levy for FY25-26 Subject to Limit	374,893,083
Tax Margin	171,900,051
Percent of Tax Limitation Exhausted	68.56%
Debt-Contracting Limitation: 9% of Average Full Valuation	$ 2,460,569,103

(1) Includes: (a) property of veterans exempt for general City purposes but taxable for school purposes pursuant to Sec. 458 of State Real Property Tax Law; (b) property of owners 65 years or over with children attending public schools exempt for general City purposes but taxable for school purposes pursuant to Sec. 467 of State Real Property Tax Law; and (c) Special Franchises.

(2) Final Special Equalization Ratios established by State Office of Real Property Tax Services and provided to the City.

(3) Determined by dividing Assessed Valuation by State Special Equalization Ratio.

Source: City Officials

The State Office of Real Property Services annually establishes State Equalization Rates for the City and all localities in the State which are determined by statistical sampling of market sales/assessment studies. The Equalization Rates are used in calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations. The debt contracting and real property taxing limitations are based on a percentage amount of average full valuation. The City determines the assessed valuation for taxable real properties. The State Office of Real Property Services determines the assessed valuation of special franchises and the taxable ceiling of railroad property, and these results are incorporated into the City's assessment. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Assessments are made on certain properties which are taxable for school purposes but which the City exempts for general municipal purposes.

In response to State court decisions regarding the constitutionality of debt contracting limitations, the State legislature authorized Special Equalization Ratios to be used in the computation of tax levying and debt contracting limitations for those affected entities. Such Special Equalization Ratios are based upon a trend of market sales/assessment studies which lag current data by several years. Such studies may not accurately reflect current trends in real property market values. The preceding table indicates the recent five year trend of assessed valuations, the Special Equalization Ratios assigned to the City by the State and full valuation implied thereby.

Preparation of the City assessment roll is the statutory responsibility of the City under the State Real Property Tax Law. The last City wide reassessment of all properties was undertaken in 1954; however, the Assessment Department of the City undertakes inspections of properties to ensure that new construction or improvements or demolitions are reflected in the annual roll of taxable properties.

The following table, which is as of July 24, 2025 indicates the composition of total valuation of all properties in the City for three fiscal years and depicts the trend of taxable valuations by major category, tax exempt properties and special franchises.

Type of Property	2025	2024	2023
Vacant Land	$9,528	$9,002	$8,615
Residential	275,709	276,300	279,626
Apartments	45,029	44,867	42,635
Commercial	92,640	91,390	94,571
Industrial	1,838	1,811	1,921
Miscellaneous	1,618	1,618	1,617
Utilities	14,772	15,758	14,311
Special Franchise	29,822	28,058	25,836
Total Taxable-City	$470,956	$468,804	$469,133
Veteran's Exempt	248	297	370
Total Taxable-School	$471,204	$469,101	$469,503
Wholly Exempt	229,178	238,973	237,115
Partially Exempt	19,033	20,131	17,733
Total Assessment Rolls	$719,415	$728,206	$724,351

Source: City's Assessment Department.

Tax Levy

Real property taxes are levied annually by the City for City and Board of Education operating purposes (within the taxing limitations described above) and for capital debt (not constrained by the tax levying limitation).

As a matter of City policy, the BOE is credited with the full amount of taxes levied by the City for school general operating purposes regardless of any deficiency in tax collections.

The following table provides the amount of the City's State Constitutional tax limit that has been used by the City for each of the past five (5) years and the amount used for the current fiscal year.

FY	% of Constitutional Tax Limit Exhausted(1)
2020-21	79.7%
2021-22	73.6
2022-23	69.8
2023-24	69.8
2024-25	65.3
2025-26	68.6

(1) Based upon final assessment rolls.

The following table indicates the total real property tax rates levied within the City for FY21-22 through FY25-26.

	FY25-26	FY24-25	FY23-24	FY22-23	FY21-22
Full Valuation(1)	$30,296,636,968	$29,901,255,414	$28,295,890,909	$26,293,251,257	$24,651,102,634
Assessed Valuation-City(1)	469,351,947	468,985,795	467,064,884	459,813,648	458,024,265
Assessed Valuation- BOE(1)	469,562,618	469,283,006	467,443,389	460,259,989	458,556,063
Levy for City Purposes(2)	174,732,739	161,879,427	144,438,622	129,710,496	127,544,433
Levy For Education Purposes(2)	277,441,586	277,462,663	270,558,784	267,379,050	263,180,943
Rate per $1,000 Assessed Valuation-City(3)	372.29	345.17	309.25	282.09	278.44
Rate per $1,000 Assessed Valuation-Education	590.85	591.25	578.81	580.93	573.93
Total Tax Rate (Assessed Valuations per $1,000)	963.14	936.42	888.06	863.02	852.37
Total Tax Rate (Full Valuation per $1,000)(1)	$14.92	$14.70	$14.65	$15.10	$15.85

(1) Figures are calculated based upon State Special Equalization Ratios provided each fiscal year covering the current fiscal year and preceding four fiscal years and by using the assessed valuation amounts set forth in the final assessment roll for each year which may vary from assessed valuations used to establish the final tax rates.

(2) Does not include BID levy.

(3) Tax Rates as published in the annual Adopted Budget which were based on the most recent daily assessed valuation at the time of adoption of such Adopted Budget. Final tax bill tax rates can vary from the Adopted Budget tax rates due to changes in taxable assessed valuation that may occur during the period between budget adoption and actual tax invoice creation date.

Tax Collection Procedure and History

Ad valorem real estate property taxes become payable upon levy of such taxes by the City Council. Since FY76-77, taxes were payable in three equal installments; the first installment payable thirty days after the mailing of the tax bill (after adoption of the budget and therefore usually due in July) and subsequent installments on October 6 and January 6. Taxes must be paid on or before each installment date to avoid penalties. Penalties are assessed for delinquencies at a rate of 15% per annum.

Real estate for which unpaid taxes are more than one year delinquent is subject to the sale of a tax lien certificate, giving the purchaser of such certificate a superior claim to the property. The owner of the property may redeem the tax lien certificate within two years of sale of such certificate by paying the delinquent taxes. If the certificate is unredeemed after two years, the holder of the certificate can institute foreclosure proceedings against the property. In instances in which there has been no purchaser of such certificate, leaving the City as its holder, the City institutes foreclosure proceedings after the required two year waiting period. Due to the COVID-19 pandemic the City has temporarily suspended its foreclosure and tax lien sales.

The General Fund accounts for the full receipt of the tax levy, including the portion of the levy raised for the Board of Education and that portion of the levy deposited in the Debt Service Fund for the payment of debt service. The total assessed valuation roll for general City tax purposes partially exempts certain properties (owned and occupied by veterans and senior citizens) which are assessed for school purposes. All provisions for uncollected taxes are charged against the general City budget. The Board of Education receives its tax levy for operations in full from the City.

The City also collects the applicable share of real property taxes and sewer district taxes levied by the County. Sixty percent of such County taxes is payable by the City to the County on May 25 of each year and the balance of forty percent of such taxes is payable on October 15 of such year. The City is required to pay to the County the total amount of County taxes, including any amounts that are uncollected. The City bears the burden of enforcement procedures and any subsequent collections are accounted for as City revenues.

In the City's revenue structure, the total ad valorem real property tax levy is considered as revenue realized by the City. Delinquencies in tax collection are treated as an expenditure and an appropriation is made as a reserve for uncollected taxes pursuant to a formula required by the Act which takes into account the actual tax collection performance of prior years, including County taxes, and applies it to the current tax levy. The Act requires that in all future fiscal years the reserve for uncollected taxes must not be less than the percentage required to be appropriated in each year.

The following table sets forth the tax collection record of the City for FY2020-21through FY2024-25 and the amount received to date for FY25-26.

TAX COLLECTION RECORD

Fiscal Year Ending June 30:	Total Ad Valorem Real Property Tax Levy [1]	Amount Collected During Year of Levy [2]	Percent Collected During Year of Levy	Total Collected	Percent Collected
2021	$391,815,589	$383,264,638	97.82%	$390,647,447	99.70%
2022	390,725,376	384,191,900	98.33	389,640,033	99.72
2023	397,089,546	388,290,620	97.78	394,564,820	99.36
2024	414,997,406	405,433,260	97.70	411,319,525	99.11
2025	439,342,090	427,547,890	97.32	433,366,330	98.64
2026 [3]........	452,174,325	N/A	N/A	N/A	N/A

[1] See also "*LITIGATION*" herein.
[2] Adjusted to reflect uncollected taxes only, as tax bills include delinquent water rents and frontage charges.
[3] Budgeted

The following table sets forth the budget provision for reserve for uncollected real property taxes and actual amount uncollected (including County taxes) during the past five (5) years and the amounts uncollected for the current fiscal year.

RESERVE FOR UNCOLLECTED TAXES

Year Ended June 30:	Reserve Appropriation	Actual[1]	Reserve (Deficit)
2021	$12,073,551	$ 9,379,220	$ 2,694,331
2022	10,882,538	10,178,839	(703,699)
2023	8,333,339	9,255,518	(922,179)
2024	9,641,547	11,326,865	(1,685,318)
2025	13,973,902	15,997,646	(2,023,744)
2026[2]	14,359,226	N/A	N/A

[1] Actual uncollected taxes reflect all unpaid items on the tax bills, including delinquent water rents and frontage charges.
[2] Budgeted

Major Taxpayers

The following table of major taxpayers indicates the distribution of taxable properties based on the FY25-26 tax levy.

TWENTY-FIVE LARGEST PAYERS OF CITY PROPERTY TAXES

Fiscal Year beginning July 1, 2025

OWNER	**CITY TAXABLE[1]**	**CITY TAXES LEVIED [2]**	**PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUE [3]**
Con Edison	$39,514,991	$38,058,468.43	8.42%
Brooks Shopping Center LLC	5,442,700	5,242,082.08	1.16%
City Of New York	2,914,800	2,807,360.47	0.62%
Morris Builders LP	2,178,784	2,098,474.02	0.46%
NYIP OWNERS V LLC	2,089,485	2,012,466.58	0.45%
Crestwood Lake	1,708,465	1,645,490.98	0.36%
Hudson North LLC	1,486,050	1,431,274.20	0.32%
SNH Yonkers Tenant Inc.	1,400,000	1,348,396.00	0.30%
UE Yonkers II LLC	1,382,675	1,331,709.60	0.29%
AAC Cross County Mall LLC	1,265,300	1,218,661.04	0.27%
Central Plaza Associates LLC	1,147,000	1,104,721.58	0.24%
Hudson Park Investors LLC	1,010,500	973,252.97	0.22%
Westchester Towers	1,010,338	973,096.94	0.22%
Verizon New York Inc.	974,926	938,990.23	0.21%
Miroza T2 LLC	919,160	885,279.76	0.20%
Fleetwood Park Corp.	880,000	847,563.20	0.19%
Kawasaki Rail Car Inc	870,903	838,801.52	0.19%
Tuckahoe Owners LLC	861,500	829,745.11	0.18%
Sadore Lane Gardens	809,100	779,276.57	0.17%
Midland Ave Owners Corp.	748,682	721,085.58	0.16%
AAM Yonkers B Hotel LLC	700,000	674,198.00	0.15%
City of Yonkers	675,800	650,890.01	0.14%
Riverdale Avenue LLC, PPF SS 390	670,640	645,920.21	0.14%
Main Street Lofts Yonkers LLC	633,000	609,667.62	0.13%
iPark Riverdale LLC	616,000	576,834.72	0.13%

(1) The 2025 Taxable Assessed Values for FY25-26.
(2) This is calculated using the FY25-26 City/School Tax Rate of $963.14.
(3) The Total 2024 Taxable Assessed Values as of July 11, 2024 for the City is $468,804,049 and $469,101,260 for the BOE.

Source: City's Assessment Department.

The City has entered into agreements with certain tax exempt entities which provide for payments in lieu of taxes to the City. These payments totaled $26.6 million for FY20-21, $28.1 million for FY21-22, $29.2 million for FY22-23, $22.6 million for FY23-24 and $24 million for FY24-25. The FY25-26 Adopted Budget includes a $25.6 million estimate.

Tax Certiorari Proceedings and Proposed Assessment Revaluation

In common with other municipalities, the City continues to be served with numerous real estate tax certiorari petitions contesting the validity of tax assessments upon real property. See "*Cash Flow, Capital and Tax Certiorari Financings of the City*" under "*CITY INDEBTEDNESS*" and "*Tax Certiorari Proceedings*" under "*LITIGATION"* herein for a description of the tax certiorari proceedings pending against the City and the amount of obligations authorized to finance any judgments or settled claims involving the City. The City intends to defend itself vigorously against all such claims and actions.

Expenditures for all such claims (including administrative costs) in each of the fiscal years 2020-21 to 2025-26, inclusive, is shown below.

Fiscal Year	Amount
FY21	$6,500,000
FY22	7,500,000
FY23	500,000
FY24	500,000
FY25	500,000
FY26	500,000(1)

(1) FY26 budget amount.

GAAP requires the City to record the full bond proceeds in the year of closing. Therefore, the City accrues certiorari expense in the General Fund so there is no impact of the bond transaction on the General Fund balance should the bond proceeds not be fully spent by the end of the fiscal year. As of December 31, 2025, the City has remaining on its balance sheet a liability of $2,684,159.52 to satisfy future claims related to prior periods.

The City has previously proposed the undertaking of a complete reassessment/revaluation of the City's properties. The ultimate cost of the revaluation is estimated at $6.0 million. The FY12-13 approved capital budget included $3.0 million for this project. Presently, the City has signed contracts with Tyler Technologies to conduct the reassessment project and Michael Haberman Associates, Inc. to monitor the reassessment project; however, this project has been postponed indefinitely.

No assurance can be given as to the City's ultimate liability on existing and future refund claims. Furthermore, these amounts do not include litigation relating to real estate taxation other than challenges to assessments.

ECONOMIC AND DEMOGRAPHIC FACTORS

The City is the most populous city in Westchester County and encompasses an area of approximately 18.3 square miles, and is located in the southwestern section of the County. The City is bordered on the south by the Riverdale section of the Bronx, on the east by the Town of Eastchester, the Villages of Bronxville and Tuckahoe, and the City of Mount Vernon, on the north by the Village of Hastings on Hudson and the Town of Greenburgh, and on the west by the Hudson River.

Economy

The City has a well-developed commercial and industrial base and has been able to attract and retain a variety of manufacturing, service, and retail enterprises. The City serves as the headquarters of many robust businesses, including American Specialties Inc., Consumer Reports, American Refining Sugar, Inc., Empire City Casino by MGM Resorts, Hudson Scenic Studio, Webster Bank (formerly Sterling National Bank), Kimber

Manufacturing, Liberty Lines, Peco Pallets and Yonkers Contracting, Inc. In addition, the City is the location of major corporations such as Kawasaki Rail Inc., V Band Corporation, Five Star Premier Residences, Thyssenkrupp Materials NA and a FedEx distribution Center.

Retail destinations with a strong regional draw are located within the City, such as the Cross County Shopping Center, the Austin Avenue complex, The Mall at Cross County, and the Ridge Hill Village. In addition to shopping centers, the City has over 20 commercial corridors and neighborhood shopping districts, the largest of which are the Downtown Yonkers/Getty Square central business district, and the Central Park Avenue, McLean Avenue and South Broadway commercial corridors.

For more than a century, the City has been characterized as a "hard working, ethnically diverse urban community." The traditional industrial base of the 19th century has evolved into a multi-faceted modern economy providing approximately 100,000 local employment opportunities. The City has a mix of over 18,000 businesses, primarily in the industrial, services, and retail sectors. These firms employ approximately 20% of Westchester County's employment base.

Employment Sector	Total Employed	Percent of Employment Base
Management, business, science, and arts occupations	40,869	38.7%
Service occupations	24,933	23.5%
Sales and office occupations	21,487	20.3%
Natural resources, construction, and maintenance occupations	9,056	8.6%
Production, transportation and material moving occupations	9,381	8.9%
Total	105,726	100.0%

Source: U.S. Census Bureau. "Occupation by Class of Worker for the Civilian Employed Population 16 Years and Over." *American Community Survey, ACS 5-Year Estimates Subject Tables, Table S2406*, 2023, https://data.census.gov/table/ACSST5Y2022.S2406?q=S2406&g=860XX00US10701,10703,10704,10705, ,10710. Accessed on August 20, 2025.

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MAJOR NON GOVERNMENTAL EMPLOYERS IN THE CITY

Name of Employer	Number of Employees
St. John's Riverside Hospital	1,926*
St. Joseph's Hospital	1,078*
Rising	1,000**
Sarah Lawrence College	793**
Liberty Lines	753*
Empire City at Yonkers Raceway	700*
Elizabeth Seton	620*
Consumers Report	593**
Kawasaki Rail Inc	500*
Macy's	417**
Lionsgate	342**
American Sugar Refining Inc	300*
Julia Dyckman "Andrus" Memorial	279*
Cintas	238*
Stew Leonard's of Yonkers LLC	204*

* Provided by Employers as of June 30, 2025
** Yonkers IDA 2024 Annual Report

Unemployment Rates

The following table sets forth the annual City, County, State and national unemployment rate percentages for each of the last five (5) calendar years and the City, County, State and national unemployment rate percentages for the annual averages.

Year	City(1)	Westchester County(1)	New York State(1)	United States(2)
2021	6.3%	4.8%	6.9%	5.4%
2022	4.0	3.1	4.3	3.7
2023	4.0	3.4	4.2	3.6
2024	3.8	3.3	4.3	4.0
2025(3)	3.7	3.2	4.0	4.2

(1) Data Source: NYS Department of Labor, Labor Statistics, Local Area Unemployment Statistics Program. US Bureau of Labor Statistics.
(2) Not seasonally adjusted.
(3) Average of first six months of 2025 from data source in Note (1).

Population Characteristics

POPULATION

The City is the State's third largest city and the largest city in the County. Like many communities adjacent to New York City, the City's population has increased slightly since 1980. According to the records of the United States Department of Commerce, Bureau of the Census, the City's population decreased slightly between 2000 and 2010; however, based upon current estimates, the City's population has experienced growth between 2010 and 2020.

Year	City	Westchester County	New York State
1960	190,634	809,000	16,782,000
1970	204,297	894,000	18,237,000
1980	195,351	866,599	17,558,072
1990	188,082	860,452	17,990,455
2000	196,086	923,459	18,976,457
2010	195,976	949,113	19,378,102
2020	211,569	1,004,457	20,201,249

Source: U.S. Census Bureau.

Personal Income

INCOME

2023

	City	Westchester County	New York State	United States
Median Household Income	$ 81,097	$ 114,457	$ 82,095	$ 77,719
Per Capita Income	$ 42,770	$ 68,531	$ 49,520	$ 40,722

Source: U.S. Census Bureau, American Community Survey. 2022:ACS 1-Year Estimates Detailed Tables, TableID S1901 and B19301.
Median Household Income: U.S. Census Bureau. "Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901, 2023. Accessed on August 20, 2025.
Per Capital Info: U.S. Census Bureau. "Per Capita Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Detailed Table B19301, 2023. Accessed on August 20, 2024.

MEDIAN HOUSEHOLD INCOME

Year	Under-$24,999	$25,000-49,999	$50,000-99,999	Over $100,000
City	18.4%	15.2%	24.0%	42.3%
Westchester County	12.3	11.2	20.3	56.2
New York State	16.3	15.3	25.2	43.3
United States	15.1	17.2	28.4	39.3

Source: Median Household Income: U.S. Census Bureau. "Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1901, 2023. Accessed on August 20, 2025.

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Construction Activity

The table below indicates building permits issued for new construction, alterations and repairs for the last five (5) years and the number of permits issued through August 15, 2025.

BUILDING PERMITS

Calendar Years 2021 - 2026

Year	Number of Permits	Estimated Value of Construction
2021	1,790	$470,142,028
2022	2,195	537,567,870
2023	1,959	358,544,795
2024	1,757	214,532,925
2025	1,919	224,976,843
2026[(1)]	70	6,864,855

(1) Current Data through January 15, 2026
Source: City Bureau of Housing and Buildings.

Development/Redevelopment Activities

The City continues several marketing campaigns, including “Hollywood on the Hudson” promoting the growth of the film and television industry in Yonkers, and the Generation Yonkers marketing campaign to drive business and residents to the City. The marketing initiative promotes the natural beauty, cultural diversity, residential and economic development opportunities available in the City through a campaign targeted primarily at millennials and empty-nesters. The program is now funded by the City and is a task of the Department of Planning and Development.

Ludlow. The City is working with developers, such as Ginsburg Development Companies (“GDC”), to facilitate development and improvement of the Ludlow neighborhood. A City-issued RFP for the purchase and development of 150 Downing Street served as a catalyst for development activity; GDC was the successful respondent to the Downing Street RFP. Thereafter, GDC’s plans for development expanded beyond the Downing Street site to other locations within the Ludlow neighborhood. Because GDC specializes in transit-oriented development (“TOD”) projects, it purchased 70 Pier Street from the City. These properties are within walking distance of the Metro-North Hudson Line Ludlow train station. The environmental and zoning actions to facilitate the TOD development were completed in 2022. Construction of the 70 Pier Street project is complete and sitework for the 150 Downing Street development in underway. The total redevelopment of the Ludlow neighborhood is estimated to create in the range of 800 new dwellings. In addition, the City is nearing completion of design and environmental work for a new Hudson River waterfront park. The project will serve as an access point to the Hudson River in southern Yonkers for the public to use and enjoy. A combined $30 million in City and County funds have been approved for this project.

Downtown Yonkers Waterfront. The City continues the revitalization of its downtown and adjacent waterfront along the Hudson River. Since 2012, thousands of new residential units have been approved or built. Showing the strength in the downtown area, developer RXR has completed the occupancy of both towers of Sawyer Place, consisting of 442 units overlooking Daylighting I. Construction of the Extell development, which will consist of 1,395 dwelling units upon completion, is underway, with a portion of the development nearing lease-up. Rose Development is in the midst of the construction of the 440 units approved at their site. Both developments will extend the Yonkers waterfront promenade, creating increased public access to the Hudson River waterfront.

On January 11, 2022, one of the largest modern-built production campuses in the northeast, Lionsgate Studios Yonkers, opened. This $100-million studio is located in the heart of the 24-acre iPark Hudson campus owned by National Resources and features two sound stages, both 20,000 square feet, and a smaller stage, spanning 10,000 square feet. The campus features 100,000 square feet of office and support space along the City's waterfront and is managed by Great Point Studios. The "Hollywood on the Hudson" campaign continues to be an enormous success. The Lionsgate Studio has expanded to a second set of studios across adjacent Warburton Avenue. Lionsgate, in concert with their local partner, Great Point Studios, plans a new studio at the former Leake & Watts campus in southwest Yonkers. When completed, the City expects to have 22 sound stages up and running in the near future. In addition, Lionsgate Phase II will consist of a partnership with Syracuse University to renovate a new school dedicated to filming.

North of the Lionsgate/Great Point Studio complex, another media-based project is nearing completion at the Southern Westchester Executive Park in the northwest of the City. MediaPro Studios, a sports and Spanish language content provider, has completed construction of the building and is currently completing site work. The studio space has received a TCO and is already being used as a studio space.

An approximately six-acre lot located in the City's downtown, which is presently improved mainly as a surface parking lot, is being redeveloped as mixed-use development. Zoning, master plan, and environmental approvals for this parcel have been granted. The developer of this site acquired other parcels in the vicinity, including the Teutonia site. The City, in collaboration with the developer, is working towards the development of these parcels as approximately 3,500 residential units, which includes two, 41-story waterfront residential towers at the Teutonia site on Buena Vista Avenue.

Other recent openings include: Avalon Bay with 609 units, of which 60 units are set aside for low/moderate income families under the City's Affordable Housing Ordinance, and 57 Alexander with 440 units; a 25-story tower at 44 Hudson Street, being built by Azorim, is under active construction; an eight-story, 125-unit apartment building on nearby 56 Prospect Street, is expected to open in 2025; and the construction of a new 10-story, 76-unit affordable housing development at the corner of Riverdale Avenue and Main Street known as the St. Clair, which is nearing completion.

Nepperhan Valley. The Nepperhan Valley is Yonkers industrial core. The zoning allows a wide variety of commercial and industrial uses and Yonkers has become a home for those uses that want a Westchester address but are not welcome in other communities in Westchester County. The City worked with local owners of approximately 1.2 million square feet of former carpet mill buildings to promote artist's studios and other artisan based industrial uses in the former Alexander Smith Carpet Mills to rebrand the district into the "CMAD", the Carpet Mills Arts District. The City has also expanded the zoning for the area to allow for ground floor retail that is complimentary to the artists and artisans and also allows for restaurants in the area. The Nepperhan Valley is becoming the home for services for the movie and TV industry with spaces being used for small media studios as well as becoming the home to specialty service providers like movie-filming cars and a special effects house.

Cross County Shopping Center. The Cross County Shopping Center has completed a major renovation and expansion totaling $350.0 million. Cross County Shopping Center is owned by Brooks Shopping Centers, LLC. In October 2020, the retail giant Target signed a 40-year lease to occupy the 130,000 square foot space vacated by Sears. Target opened October 2023. In 2021, the BR Zoning District that covers the Cross County Shopping Center, was amended to allow satellite college facilities as a permitted use. Since then, the satellite campus for Westchester Community College was approved to relocate into a larger space within the shopping center above the Target space in the former Sears building and the build out of the college space is nearing completion.

Ridge Hill Village. Ridge Hill Village is an 80-acre, mixed-use outdoor lifestyle center located on the New York State Thruway (I-87) that opened in the spring of 2011. Current retailers on site include: a National Amusements 12-screen movie theater; Dicks Sporting Goods; the Cheesecake Factory; the Yard House; LL Bean; The Container Store; Guitar Center; T.J. Maxx; Uniqlo; H & M; L.A. Fitness; and The Apple Store. There are several restaurants, stores and destinations including Texas de Brazil, Public Pizza, Starbucks, Whole Foods, Muse Paint Bar, and iFly, an indoor skydiving simulator. LEGOLAND Discovery Center, SkyZone and Hapik are open for play as are newcomers Monster Mini-Golf, D1 Training, Court 16 Tennis and Pickleball. New restaurants include Shake Shack and Casa Fuego. Medical services are provided at Westmed and include an urgent care facility, as well as other general medical services. A Lowes Home Center opened in 2017. Construction is underway on a new Wayfair Store that will replace the vacated Lord and Taylor department store that closed its doors in 2021 due to the impacts of the COVID-19 pandemic. Ridge Hill was recently purchased by Nuveen/North American properties and recent major renovations include a new park and lounge area replacing the water fountain on the northern end of the property and a renovated and expanded central square with a new movie screen and additional seating area. Additionally, a new 17 story multifamily residential building with 282 units is currently in the approval process.

Empire City Casino by MGM Resorts. In January 2013, Empire City Casino completed a new $50 million expansion designed by Studio V Architecture that added 66,000 square feet to the casino. The expansion featured a porte-cochère sculptural entrance; the largest window in the Northeast, a 300-foot long and 27-foot high depiction of the New York City skyline made entirely of nails; a new gaming floor with nearly 700 slot machines; and two new restaurants. In January 2019, Empire City was purchased by MGM for $850 million. The current MGM management team has held community charrettes to determine what the enhanced site should include. The City has worked with MGM to formulate a new casino zone, which was submitted to and approved by the City Council. The creation of the new casino zone was integral to MGM's application to New York State for a full gaming license.

The State has authorized the issuance of three new casino licenses for the downstate region. MGM submitted an application for one of these licenses; however, MGM recently withdrew its application for a full gaming license and will remain as a vendor for the State owned Video Lottery Terminals ("VLT"). It had been widely expected that Empire City would have qualified for one of the three licenses. At this point, Empire City's plans for the future expansion of the casino, as well as the construction of a hotel, performance venue, associated dining and retail are on hold.

Central Park Avenue. Central Park Avenue is a multi-mile stretch of roadway running through the City that serving as the address of a large number and diverse array of shopping centers, big box retailers, locally owned businesses, service providers, entertainment, restaurants, and other commercial, business, and office land uses. Central Park Avenue is an incredibly vibrant and essential commercial corridor in the City. This area continues to attract further development, new businesses, and additional investment, including a Chuck E. Cheese restaurant, a Chick-fil-A and a newly constructed self-storage facility with ground floor retail. The self-storage facility is expected to be completed in 2026.

Former Mulford Gardens Site. Long Island-based Titan Real Estate Development is seeking approval for a 340 unit development as well as 20,000 square feet of commercial space on a vacant property near Ashburton Avenue in central Yonkers. The land was once part of the Mulford Gardens public housing project, which was razed due to its deteriorated condition. The project received planning approvals.

Hospitality Industry. In the past decade, the City has seen a dramatic increase in hotel construction from two to a total of six. The long existing Ramada Inn and Royal Regency Hotel on Tuckahoe Road that underwent a major renovation, have been joined by the newly constructed Residence Inn by Marriott and most recently the Courtyard by Marriott in the South Westchester Executive Park in NW Yonkers, the Hyatt Place in the Cross County Shopping Center and a second Hampton Inn along Tuckahoe Road. In total there are now more than 1,000 hotel rooms in Yonkers.

Qualified Opportunity Zones. In early 2018, three census tracts in the southwest part of the City were designated qualified opportunity zones pursuant to the Tax Cuts and Jobs Act enacted in 2017. The designation as a qualified opportunity zone allows for certain incentives that are designed to spur investment, job creation and economic develop within these zones. The original QOZ program is expected to sunset as scheduled on December 31, 2026, however, starting July 1, 2026, a new QOZ program is expected to begin.

Grants. The City has awarded grants and loans to local small businesses through its Yonkers Business Assistance Program (YBAP), collaboration between the Yonkers Industrial development Agency (YIDA) and the Community Development Block Grants (CDBG) managed by the City's Planning and Development Department. The YBAP was created to assist Yonkers businesses that have been negatively impacted by the COVID-19 pandemic. The program has supported more than 30 businesses since it launched in July 2020. The Yonkers CDBG program has supported 70 businesses totaling $700,000 since it launched in July of 2020.

SERVICES AVAILABLE TO CITY RESIDENTS

Utilities

The City is serviced by the Consolidated Edison Company of New York for electric and natural gas service. Electric power costs in the City have risen in recent years, reflecting the trend in the entire Consolidated Edison region. The City is party to an agreement with the Power Authority of the State of New York (PASNY) for the purchase of power and energy for all of its municipal purposes and consequently has not experienced recent increases in its utility costs. The County of Westchester Public Utility Service Agency has negotiated an agreement with the PASNY to purchase low cost hydroelectric power which is distributed through Consolidated Edison to residential consumers in an effort to lower the cost of electric power. Businesses certified in the Empire Zone are eligible for five percent reductions of their Con Edison and Verizon charges.

The City purchases its water supply from the New York City water system. All of the City's residents reside in one of five County sewer districts financed by County special assessments levied upon benefited real property. Sewage treatment is provided by the County owned sewage treatment plant. The City is responsible for the maintenance of the public sewers within the City. A small area of the City, primarily in the northwest section, is not serviced by sanitary sewers.

Transportation

The City is served by the New York State Thruway and a system of interconnecting parkways, all of which provide access to the major commercial and industrial areas of the New York metropolitan area. The State has constructed a system of arterial highways for which the State and federal government have committed monies for extension and improvement. The City also is served by two commuter railways: the Metropolitan Transportation Authority (MTA) Hudson and Harlem Lines connect the City to the region's center. Amtrak also serves the City in connecting to the regional and national system. Bus services in the City are operated by Westchester County. During 2018, the City rolled out a pilot bike-sharing program, which continues to be used in large numbers throughout the City.

Educational, Cultural and Recreational Facilities

There are six colleges located in the City: Sarah Lawrence College with a campus extending over 33 acres in the eastern portion of the City; Westchester Community College, which is located in the Cross County Shopping Center; the Cochran School of Nursing; St. Joseph's Seminary; the Academy for Jewish Religion and Saint Vladimir's Orthodox Theological Seminary.

There are 40 operating public schools in the City under the administration of the Board of Education. The City is also served by approximately 19 parochial and private schools and one charter school. Facilities of the public, parochial and private schools supplement the City's recreational facilities.

There are three branches of the Yonkers Public Libraries, which obtain a majority of their funding from the City. The Hudson River Museum and Planetarium, located in the City, presents a wide variety of exhibits, programs and courses and is currently funded through private and County sources as well as City funding. The

City owns the building and grounds of this facility and leases them to the Museum. The City is currently funding extensive capital improvements to the facility.

The City also maintains over 80 parks, totaling 420 acres of parkland (which includes Untermyer Park and Gardens), 10 parks with outdoor fitness equipment, 54 playgrounds, 52 basketball courts, 53 ball fields, 24 tennis courts, 6 pickle ball courts, 10 senior citizen centers, 2 greenhouses, 1 indoor pool, a half mile track, a skating rink, a skateboard park, 3 picnic pavilions, 25 service buildings, a rifle and pistol range, an animal shelter, and six community centers. In addition, the JFK Marina now allows entry access to small crafts and there are docking stations at the City Pier. The City Pier is currently undergoing some upgrades. Lastly, the County of Westchester maintains two golf courses and three parks within the City.

Medical Facilities and Social Services

There are two hospitals located in the City: St. John's Riverside and St. Joseph's Medical Center. The City does not own or operate any hospitals. Since 1971, other health facilities, including clinics and nursing services, and food and restaurant inspection services in the City have been administered by the County's Department of Health at no cost to the City. In addition to providing health care services, the County is responsible for funding and administering social service programs in the City. These are generally categorized by the State as "Economic Assistance and Opportunity" programs and include Medicaid, Aid to Families with Dependent Children, and home relief programs. The City contracts with a private emergency ambulance service that is staffed by certified medical technicians.

Financial Institutions

Thirteen banking institutions and two savings and loan associations with over 45 bank offices are located in the City. Sterling National Bank and SUMA Federal Credit Union are headquartered in the City. Other banks with offices in the City include: JP Morgan Chase, HSBC, Bank of America, New York Commercial Bank, Wells Fargo Bank, Citibank, Citizen's Bank, TD Bank, Webster Bank and The Westchester Bank. In July 2024, Municipal Credit Union opened a branch in downtown Yonkers. The savings and loan associations include: First Federal Savings and Loan and Ridgewood Savings Bank.

Communications

The City is served by New York metropolitan newspapers, radio and television stations. In addition, the City has a daily newspaper, The Journal News, and a weekly newspaper, Yonkers Rising. There are several radio stations in the County which serve the City. Cablevision of Westchester, a private corporation, provides cable television service for the City, including a local access channel which provides a daily half hour news program. Verizon also offers cable television service.

LITIGATION

The City, the Board of Education and their respective officers and employees are defendants in several hundred lawsuits and other legal proceedings arising out of alleged constitutional violations, torts, breaches of contract and other violations of law. The Law Department of the City, headed by the Corporation Counsel, has reviewed the status of pending litigation and reports that other than as set forth below, while the ultimate outcome of certain of the proceedings and claims is not currently predictable, there is no reason to believe at this time that adverse determination in any or all of them would have a material effect on the City's financial condition.

Tax Certiorari Proceedings

In common with other municipalities, the City continues to be served with numerous real estate tax certiorari petitions contesting the validity of tax assessments upon real property. The number of tax assessment protests filed is 2,701 for FY19-20, 2,944 for FY 20-21, 2,802 for FY 21-22, 1,971 for FY22-23, 2,237 for FY23-

24, 2,083 for FY24-25, 2,203 for FY 25-26, and 2,314 for FY 26-27. The protest period for FY 27-28 will commence on November 1, 2026 and continue through November 15, 2026.

In most cases, the due date for payment of tax refunds without interest is 60 days from the date of service upon the City of the court order confirming the settlement. The estimate provided above is similar to amounts paid in recent fiscal years and is made despite continued success by the City during the course of litigation to exclude interest on the payment of the settled refunds that would result in a substantial savings to the City.

The City estimated a requirement of approximately $500,000 for FY 25-26 to cover the anticipated cost of independent appraisal analyses and outside counsel services required for the defense of the tax challenges. The City expects to continue to fund settlements and certiorari related expenses through the issuance of bonds and bond anticipation notes in the foreseeable future or until a City-wide revaluation is undertaken. Therefore, the City Council has adopted a bond ordinance authorizing the issuance of bonds by the City in an amount not to exceed $15.0 million for FY 25-26 to finance refunds on tax certiorari claims.

END OF APPENDIX A

APPENDIX B

LINK TO COMBINED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS FOR SELECTED INDIVIDUAL FUNDS

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/P11899073.pdf

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

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APPENDIX C

SUMMARY OF SALE ORDINANCE

The Sale Ordinance contains various covenants and security provisions related to the Bonds, certain of which are summarized herein. Reference should be made to the Sale Ordinance for a full and complete statement of its provisions, including the definition of certain words and terms not defined herein.

Definitions (Section 101)

Act means the Act of the Legislature of the State of New York known and cited as "The Special Local Finance and Budget Act of the City of Yonkers", constituting chapter 488 of the State Laws of 1976 and the acts amendatory thereof or supplemental thereto heretofore adopted.

Added Debt Service Percentage means, with respect to a fiscal year, the percentage obtained by dividing the total amount of interest payable during such fiscal year on revenue anticipation notes, budget notes and urban renewal notes of the City issued during such fiscal year by the balance obtained by subtracting the amount of the appropriation for such year for a reserve for uncollected taxes from the total amount of City Taxes levied and assessed for such year and then remaining uncollected.

Bonds mean any of the General Obligation Serial Bonds-2026A, School Serial Bonds-2026B, the General Obligation Serial Bonds-2026C (Federally Taxable), General Obligation Refunding Bonds-2016D.

City Taxes means all taxes on real property levied and assessed by the City based on the valuation thereof, but not any rent, rate, fee, special assessment or other charge based on benefit or use.

Comptroller's Certificate means a certificate signed by the Commissioner of Finance & Management Services.

Debt Service Fund means the special debt service fund described by Section 407 of the Sale Ordinance.

Debt Service Percentage means, with respect to a fiscal year, the percentage obtained by dividing the total appropriation in the budget for such year for Special Debt Service by the balance obtained by subtracting the amount of the appropriation for such year for a reserve for uncollected taxes from the total amount of City Taxes levied and assessed for such year.

Depositary means any bank, trust company or national banking association having the qualifications of a Paying Agent under Section 701 of the Sale Ordinance and maintaining an office in the City selected by the Fiscal Agent as a depositary of moneys or securities held under the provisions of the Sale Ordinance.

Fiduciary means the Fiscal Agent or a Paying Agent.

Fiscal Agent means the State Comptroller or any bank, trust company or national banking association appointed pursuant to Section 709 of the Sale Ordinance.

Investment Obligation means any of the following securities legal for the investments of City funds at the time of purchase thereof: (A) direct obligations of or obligations guaranteed by the United States of America; (B) any bond, debenture, note, participation or other similar obligation issued by any of the following agencies: Government National Mortgage Association, Federal Land Banks, Federal Home Loan Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Tennessee Valley Authority, United States Postal Service, Farmers' Home Administration, Export Import Bank and Federal Financing Bank; (C) any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by a federal

Agency backed by the full faith and credit of the United States of America other than as provided in (A) hereof; (D) any other obligation of the United States of America or any federal Agency which may then be purchased with funds belonging to the State or which are legal investments for savings banks in the State; (E) Public Housing Bonds issued by Public Housing Authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or Project Notes issued by Public Housing Authorities or Project Notes issued by Local Public Agencies, in each case, fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; and (F) deposits in interest bearing time deposits or certificates of deposit fully secured by obligations described in (A), (B), (C), (D), or (E) hereof.

Obligations means bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, capital notes, budget notes, urban renewal notes and all other securities of the City now outstanding or hereafter issued.

Registration Agent means the City Comptroller or any Paying Agent designated by the City in accordance with the provisions of Section 701 of the Sale Ordinance as an agent for the registration and conversion of Bonds.

Sales Tax means the additional one percent sales and use tax authorized to be imposed by the City pursuant to Section 1210 of the Tax Law of the State of New York or the initial one percent of any sales and use tax authorized to be imposed by the City.

Special Debt Service means, with respect to a fiscal year, the amount required for the punctual payment of (a) all principal due to be coming due and payable in said year with respect to any serial bonds (including the Bonds), tax anticipation notes, revenue anticipation notes, capital notes or budget notes of the City, and all principal amortization for said year required by law with respect to bond anticipation notes or urban renewal notes or other securities of the City and (b) all interest due or becoming due and payable in said year with respect to any Obligations of the City.

Application of Proceeds and Investment (Sections 301, 302, 303 and 304)

The proceeds of sale of the Bonds are required to be deposited with the Fiscal Agent in special and separate bank accounts. No monies may be withdrawn therefrom unless there is filed with the Fiscal Agent a written requisition therefor. Pending such withdrawals, moneys in such accounts are to be invested in Investment Obligations on behalf of the City by the Fiscal Agent in the manner provided by the Local Finance Law. Any moneys remaining in any such account following completion of the various purposes for which the Bonds are issued will be applied in accordance with applicable provisions of the Local Finance Law.

Covenants by the City (Sections 401, 402, 403 and 404)

The City covenants with the Fiscal Agent and with the holders of the Bonds that it will comply in all respects with the provisions of the Act and the Sale Ordinance, that it will duly and punctually pay the principal of every Bond and the interest thereon, and that it will follow certain budgetary procedures mandated by the Act. (See Appendix D – "*Summary of Act*".)

Restrictions on Issuance of Certain Obligations (Section 405)

The City is prohibited from further issuance of certain tax receivable notes, and is also prohibited from the issuance of any revenue anticipation note or any other form of indebtedness in anticipation of the receipt of the Sales Tax proceeds, unless all proceeds of sale of such notes are to be paid into the Debt Service Fund.

Certification of Debt Service Percentage and Added Debt Service Percentage (Section 406)

Within ten days following the adoption of the budget of the City for any fiscal year commencing after the issuance of the Bonds, but in no event later than the first day of such fiscal year, the City is required to file with the Fiscal Agent a Comptroller's Certificate setting forth the Debt Service Percentage and the amounts used in the calculation thereof. Prior to the issuance of any revenue anticipation notes, urban renewal notes or budget notes, the City is required to file with the Fiscal Agent a Comptroller's Certificate stating the Added Debt Service Percentage and related amounts used in the computation thereof as of the time immediately following the issuance of such revenue anticipation notes, urban renewal notes or budget notes.

Debt Service Fund (Sections 407 and 408)

The City covenants to continue and maintain with the Fiscal Agent the special fund which is known as the "Debt Service Fund", established in 1976, and which operates in the following manner:

Deposit of Taxes--Immediately upon receipt of any payment of or on account of any City Taxes levied and assessed for any fiscal year commencing after the issuance of the Bonds, the City is required to remit such payment to the Fiscal Agent or to its Depositary. Of each payment so received, the Fiscal Agent is required to deposit into the Debt Service Fund the portion thereof equal to the sum of (i) the Debt Service Percentage of the total payment remitted, (ii) the Added Debt Service Percentage of the total payment remitted, and (iii) the total amount of principal and interest due or to become due on any tax anticipation notes of the City then outstanding. Any remainder is paid over to the City Comptroller.

Deposit of Proceeds of Tax Anticipation Notes--The proceeds of any tax anticipation notes issued by the City during any fiscal year commencing after the issuance of the Bonds are also required to be paid to the Fiscal Agent or to its Depositary. Of such proceeds, the Fiscal Agent is required to deposit into the Debt Service Fund the portion thereof equal to the Debt Service Percentage of the total proceeds, and pay over the remainder to the City Comptroller.

Deposit of Sales Tax Revenues--All revenues derived from the imposition of the Sales Tax are to be deposited directly into the Debt Service Fund by the State Comptroller.

Deposit of Other Revenue--All revenues in anticipation of which the City has issued revenue anticipation notes are required to be paid to the Fiscal Agent, or to its Depositary, for deposit into the Debt Service Fund.

Application and Investment of Debt Service Fund (Sections 409 and 410)

Moneys in the Debt Service Fund are to be held in trust for the benefit of the holders of all outstanding Obligations of the City, including the Bonds. The Fiscal Agent is directed to withdraw from the Debt Service Fund all amounts required for payment of Special Debt Service during each fiscal year, including principal of and interest on tax anticipation notes and interest on revenue anticipation notes, urban renewal notes and budget notes of the City issued during such fiscal year, and cause the amounts withdrawn to be made available to meet such payments as and when due. The Fiscal Agent, however, may not, during any fiscal year, withdraw moneys from the Debt Service Fund for the payment of (a) the principal of any revenue anticipation note, urban renewal note or budget note issued during such fiscal year or (b) the principal of, or interest on, any bond, bond anticipation note or capital note issued during such fiscal year unless either (i) such note is a revenue anticipation note, all the proceeds of which were paid into the Debt Service Fund upon the issuance thereof, or (ii) moneys for such payment are deposited in the Debt Service Fund in addition to amounts required by and after satisfying the requirements described above under the subheadings Deposit of Taxes and Deposit of Sales Tax Revenues.

The City may not, during any fiscal year, issue any Obligations (other than tax anticipation notes and revenue anticipation notes, or other indebtedness, in anticipation of the receipt of the Sales Tax) having a maturity of principal or interest due and payable in such fiscal year unless such Obligations provide by their terms that no such principal or interest shall be payable from the Debt Service Fund unless either (a) provision for payment in full of such principal or interest is included in the calculation of Special Debt Service, or (b) the City deposits in the Debt Service Fund moneys sufficient to provide for the payment of such principal or interest. If seven days prior to the due date of any Special Debt Service the amounts held in the Debt Service Fund are not sufficient to pay all of said Debt Service, the Fiscal Agent is required to give notice to the City Comptroller of the amount of such insufficiency.

Pending the withdrawals described above, moneys in the Debt Service Fund are to be invested in Investment Obligations in the manner provided by the Local Finance Law.

Excess Amounts Paid Over to City (Section 411)

If at any time during a fiscal year commencing after the issuance of the Bonds, the moneys in the Debt Service Fund exceed the total of (a) the unpaid amount of all Special Debt Service due or to become due at or prior to the first day of July next ensuing, including interest on revenue anticipation notes, urban renewal notes and budget notes of the City issued during such fiscal year, and (b) the unpaid amount of all principal and interest payable with respect to all tax anticipation notes then outstanding, the Fiscal Agent is required to pay over to the City Comptroller the amount of such excess.

Filing, Review and Approval of Documents (Section 412)

The City is required to file with the Fiscal Agent its proposed budget, adopted budget, the Justification Documents and all other documents required to be so filed by the Act or the Sale Ordinance (each in this Section called a "Document"). Any Document must be filed at least five business days (or such shorter period as may be satisfactory to the Fiscal Agent) prior to the effectiveness or implementation thereof or of any matter justified thereby. The Fiscal Agent is required to review all Documents and to approve or disapprove each Document. Such action is evidenced by the filing with the City Clerk of either a copy of such Document with the Fiscal Agent's approval endorsed thereon or a certificate stating the reasons for its disapproval. The Fiscal Agent may not approve any Document unless such Document complies with the Act and the Sale Ordinance, and, in the case of any Justification Document, sets forth facts and actions forming the basis for the matters sought to be justified. The City cannot take any action with respect to which a Document is required to be filed unless and until it is approved by the Fiscal Agent.

Negative Pledge (Section 413)

The City will not issue any bonds or any other evidence of indebtedness or execute other contracts secured by a pledge of the revenues, moneys and securities in or payable to the Debt Service Fund. Further, the City will not create or cause to be created any lien or charge upon the revenues, moneys and securities in or payable to the Debt Service Fund.

Accounts, Reports and Certificates (Section 414)

The City will keep, or cause to be kept, proper records and accounts in which complete and accurate entries shall be made of all its transactions relating to all Funds and Accounts of the City. The books and accounts of the City will be audited annually by a certified public accountant, and such audit will be filed by the City with the Fiscal Agent. The accountant is required to report any default by the City in the fulfillment of any terms, covenants or provisions of the Sale Ordinance.

Tax Covenant (Section 415)

The City covenants with the holders of the Bonds that it will (a) comply with the provisions and procedures contained in the Arbitrage and Use of Proceeds Certificate delivered concurrently with the delivery of the Bonds which, if complied with, will meet the requirements with respect to the exclusion of interest paid on the Bonds from gross income under the Internal Revenue Code of 1986, as amended, and (b) do and perform all acts and things necessary or desirable to assure that interest paid on the Bonds is excludable from gross income under such code.

Authentication by Fiscal Agent (Sections 501 and 502)

No Obligations other than bonds, bond anticipation notes and capital notes may be issued by the City until they are authenticated by the Fiscal Agent, and such obligations may be authenticated only upon receipt by the Fiscal Agent of (a) a copy of each Supplemental Sale Ordinance, if any, amending the Sale Ordinance; (b) a copy of each ordinance or resolution of the City authorizing the issuance of such Obligations and fixing and determining the date, maturity dates, rate or rates of interest thereon, the place or places of payment thereof, the terms and manner of redemption thereof, and all other matters necessary with respect thereto; (c) the written order of the City as to the authentication and delivery of such Obligations, stating the amount of the proceeds of sale thereof and directing the application of such proceeds; (d) a certificate of the City Comptroller stating the Added Debt Service Percentage for the fiscal year in which such Obligations are issued computed as of the time immediately following the issuance of such Obligations; (e) if such Obligations are tax anticipation notes, a certificate of the City Comptroller stating the total amount of City Taxes levied and assessed for the fiscal year in which such tax anticipation notes are issued less the amount or amounts set forth in the budget for such fiscal year as a reserve for uncollected taxes; (f) if such Obligations are revenue anticipation notes, a Comptroller's Certificate stating the particular revenues in anticipation of which such revenue anticipation notes are to be issued; (g) if such Obligations are budget notes, a certified copy of the budget of the City and a Justification Document setting forth the facts and circumstances necessitating the issuance of such budget notes, the purpose for which the proceeds thereof are to be used, and that there are no funds otherwise available to pay for such purpose; and (h) if such Obligations are tax anticipation notes or notes issued in anticipation of Sales Tax revenues, the total proceeds thereof.

Restrictions on Issuance of Tax Anticipation Notes and Budget Notes (Section 503)

No tax anticipation notes shall be issued by the City in anticipation of the collection of taxes levied for such fiscal year in any amount which exceeds the total amount of City Taxes levied and assessed for such year less the amount or amounts set forth in the budget for such year as a reserve for uncollected taxes. No budget notes shall be issued by the City for the purpose of paying any wage and salary increases or increases in pension payments that take effect during such fiscal year pursuant to collective bargaining agreements executed after the adoption of any budget of the City for such fiscal year. Further, the City may not issue budget notes during any fiscal year for any purpose if the amount of such notes, aggregated with the amount of all other budget notes issued by the City during such fiscal year, exceed in principal amount five per centum (5%) of the amount of the budget of the City for such fiscal year.

Certification of Debt Service (Section 504)

Upon or prior to the issuance of any Obligations, the City shall file with the Fiscal Agent a Comptroller's Certificate stating with respect to said Obligations (a) the principal amount and date or dates of maturity thereof, (b) the rate or rates of interest thereon, (c) the place or places where such Obligations are payable, and (d) if such Obligations are subject to redemption, the terms and conditions of such redemption. Upon calling any Obligations for redemption prior to maturity, the City shall notify the Fiscal Agent of the Obligations to be so redeemed and the date of such redemption.

Application and Investment of Proceeds of Sale of Certain Obligations (Sections 505, 506 and 507)

The proceeds of all bonds, bond anticipation notes and capital notes issued by the City are required to be deposited with the Fiscal Agent or with its Depositary in a special and separate bank account and held in trust and expended only for the purpose for which such bonds, bond anticipation notes or capital notes were issued.

No moneys shall be withdrawn from such account unless there is filed with the Fiscal Agent a written requisition. Pending such withdrawals, moneys in any such account are to be invested in Investment Obligations in the manner provided by the Local Finance Law. Any moneys or Investment Obligations attributable to proceeds of bonds remaining in any such account five years after the issuance of such bonds are required to be deposited by the Fiscal Agent into the Debt Service Fund.

The Fiscal Agent is required to deposit and pay into the Debt Service Fund the portion of the proceeds of any tax anticipation notes equal to the sum of (i) the Debt Service Percentage and (ii) the Added Debt Service Percentage, and to pay over the remainder to the City Comptroller.

All proceeds of sale of any revenue anticipation notes, or any other form of indebtedness issued in anticipation of the receipt of the Sales Tax, shall be remitted to the Fiscal Agent, or its Depositary, for deposit into the Debt Service Fund.

Remedies and Abrogation of Right to Appoint Trustee (Section 601)

The provisions of Section 16 of the Act (see Appendix D – "*Summary of Act*") are fully applicable to the Bonds and the holders thereof, with the following exceptions: (i) the right or privilege of the holders of the Bonds to appoint a trustee in the manner provided in Section 16 is abrogated by the Sale Ordinance, and all of the rights, powers and duties of such trustee are vested in the Fiscal Agent; and (ii) the right of the Fiscal Agent to declare all Bonds due and payable pursuant to subdivision (B) of Section 16 of the Act is abrogated.

Events of Default (Section 602)

Each of the following constitutes an Event of Default under the Sale Ordinance: (1) Failure of the City to make payment of principal of or interest on the Bonds or any issue of Obligations, whether at maturity or upon call for redemption, which continues for a period of thirty days; or (2) failure or refusal by the City to comply with the provisions of the Act or the Sale Ordinance, or default by the City in the performance of any contract or covenant made with the holders of the Bonds or any issue of Obligations which continues for 45 days after written notice of such default to the City by the Fiscal Agent or the holders of five per cent of the principal amount of the bonds; or (3) filing by the City of a petition seeking a composition of indebtedness under any applicable law or statute of the United States of America or of the State of New York or the filing by the City of a petition pursuant to the bankruptcy provisions of federal law.

Enforcement by Fiscal Agent (Section 603)

Upon the happening and continuance of any Event of Default the Fiscal Agent may, and upon written request of the holders of twenty five percent in principal amount of the Bonds or such Obligations then outstanding shall, exercise all or any of the powers of any such holders set forth below and in addition (a) bring suit for any principal or interest then due with respect to the Bonds or such Obligations; (b) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the holders of the Bonds or such Obligations, including any right to require the City to assess, levy and collect taxes adequate to carry out the provisions of any agreement with the holders of the Bonds or such Obligations and to perform its duties under the Act; (c) bring suit upon the Bonds or such Obligations; (d) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the holders of the Bonds or such Obligations; and (e) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds or such Obligations.

Covenant as to Rights of Holders of Certain Obligations (Section 604)

The City covenants with the Fiscal Agent and with the holders of the Bonds that it will not authorize any Obligations under ordinances or resolutions of the City (a) which do not provide for the abrogation of the right of the holders of such Obligations to appoint a trustee pursuant to the provisions of Section 16 of the Act, or (b) which provide for or confer upon the Fiscal Agent, the holders of such Obligations or any trustee, as referred to in Section 16 of the Act, the right to declare all such Obligations due and payable pursuant to subdivision (B) of Section 16 of the Act.

Enforcement by Holders (Section 605)

Any holder of Bonds, whether or not then due and payable or reduced to judgments, either on his own behalf or on behalf of all persons similarly situated, may (a) by original or ancillary mandamus, mandatory or other injunction, any other order, process or decree, or any other suit, action or proceeding at law or in equity, enforce all contractual or other rights of such holder or holders, including any right to require the City to assess, levy, collect and apply taxes to carry out the provisions of any agreement with such holder or holders, and perform, its duties under the Act or the Sale Ordinance; (b) by any action, suit or other proceeding, require the City to account as if it were the trustee of an express trust for such holder or holders; and (c) by action, suit or other proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of such holder or holders.

Restriction on Action by Holders (Section 606)

No holder of any Bond has the right to institute any suit, action or proceeding for the enforcement of any provision of the Sale Ordinance unless either (a) such holder previously shall have given to the City and the Fiscal Agent written notice of the Event of Default on which such suit, action or proceeding is to be instituted requesting the Fiscal Agent to institute such suit, action or proceeding, and further, that the Fiscal Agent shall have refused or neglected to comply with such request within a reasonable time, or (b) such holder previously shall have obtained the written consent of the Fiscal Agent to the institution of such suit, action or proceeding, and such suit, action or proceeding is brought for the ratable benefit of all holders of all Bonds and coupons.

Limitation on Powers of Fiscal Agent (Section 607)

Nothing contained in the Sale Ordinance shall be deemed to give the Fiscal Agent the power to vote the claims of Bondholders in any bankruptcy proceeding or to accept or consent to any plan or reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any such holder or to give consent on behalf of any such holder to any modification or amendment of the Sale Ordinance.

Right to Enforce Payment of Bonds Unimpaired (Section 608)

Nothing contained in the Sale Ordinance shall affect or impair the right of the holder of any Bond to enforce the payment of the principal of and interest on his Bond or the obligation of the City to pay the principal of and interest on each Bond to the holder thereof at the time and place stated in said Bond.

Resignation and Removal of Fiscal Agent (Sections 707 to 709)

The State Comptroller may not resign as Fiscal Agent until the City Council shall have appointed a successor and such successor Fiscal Agent shall have accepted such appointment. Any successor Fiscal Agent may at any time resign and be discharged of its duties by giving not less than sixty days' written notice to the City and the State Comptroller. Except for the State Comptroller, any Fiscal Agent may be removed at any time by an ordinance of the City Council adopted by a two thirds vote and approved in writing by the State Comptroller. Upon such resignation or removal, the City is required to appoint as Fiscal Agent a bank or trust company or a national banking association doing business and having its principal office in the Borough of Manhattan, City and State of New York, having a combined capital and surplus aggregating not less than $100,000,000, and having trust powers, provided, however that a willing and able entity meeting the requirements can be found. Any appointment of a new Fiscal Agent is subject to the written approval of the State Comptroller.

Powers of Amendment (Sections 802 and 803)

Any modification or amendment of the Sale Ordinance and of the rights and obligations of the City and of the holders of the Bonds may be made with the written consent of the Control Board and of the holders of at least two thirds in principal amount of the Bonds outstanding at the time such consent is given; provided, however, that no such modification or amendment shall permit a change in the terms of maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the rate of interest thereon or the requirements for the discharge and satisfaction of the obligations of the City without the consent of the holder of such Bond, or without the consent of all the holders, shall reduce the percentage or otherwise affect the description of the Bonds, or shall change or modify any of the rights or obligations of any fiduciary without the filing with the Fiscal Agent of its written assent thereto.

Amendments Not Requiring Bondholders' Consent (Section 806)

The Sale Ordinance may be amended for any of the following purposes without Bondholders' consent: (1) to add covenants or agreements to be observed by the City; (2) to add limitations or restrictions to be observed by the City; (3) to surrender any right, power or privilege reserved to or conferred upon the City by the Sale Ordinance; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Sale Ordinance; and (5) to insert such provisions clarifying matters or questions arising under the Sale Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Sale Ordinance.

Defeasance (Section 901)

The covenants, agreements and other obligations of the City to the Bondholders shall be discharged and shall be of no further force and effect if at any time: (A) there is on deposit in a separate trust account with the Fiscal Agent sufficient moneys or direct obligations of the United States of America or the State, the principal of and interest on which will provide moneys to pay punctually when due at maturity in accordance with their terms, the principal and interest due or to become due on the Bonds on the maturity date thereof, (B) irrevocable instructions from the City to the Fiscal Agent for such payment of such principal and interest with such moneys have been given, and (C) notice to the holders of the Bonds of the provisions for payment made herein shall have been given and the Fiscal Agent shall have received irrevocable instructions to pay the Bonds on the maturity.

Regulations Regarding Investment of Funds (Section 905)

Investment Obligations purchased as an investment of moneys in any fund established under the Sale Ordinance shall be deemed at all times to be part of such Fund, and the interest thereon and any profit arising on the sale thereof shall be credited to such Fund, and any loss resulting on the sale thereof shall be charged to such Fund. In computing the amount in any such Fund for any purpose hereunder, such Investment Obligations shall be valued at the lower of cost or market price thereof, exclusive of accrued interest.

APPENDIX D

SUMMARY OF ACT

The Act contains various covenants and security provisions, certain of which are summarized herein. Reference should be made to the Act for a full and complete statement of its provisions, including the definition of certain words and terms not defined herein.

The Act authorized the City to issue the Series 1976 Bonds generally to pay the costs of uncompleted capital projects, to fund outstanding short term debt, and to fund accumulated deficits of the City. The provisions of the Act shown below are those which are applicable to the City with respect to the issuance of each series of bonds. Each series of bonds are in parity with all other outstanding debt obligations of the City. In addition, the special provisions relative to each series of bonds will remain in force and effect notwithstanding the redemption of the Series 1976 Bonds, or redemption or maturity of any other bonds issued by the City.

Definitions (Section 2)

Base Year means, with respect to a budget, the fiscal year next preceding the fiscal year in which the budget is required to be prepared and adopted.

Current Year means, when used in reference to a budget, estimate, or computation, the fiscal year in which the budget is required to be prepared and adopted, being the fiscal year next preceding the budget year.

Debt Service Fund means the special fund established in 1976, which the City covenants to continue and maintain with the Fiscal Agent, as further described in Section 11 of the Act.

Fiscal Agent means the State Comptroller, or with the approval of the State Comptroller, any bank or trust company having the powers of a trust company in the State.

Justification Document means a written certificate setting forth facts determined and actions completed forming an existing basis for a reasonable expectation that amounts of receipts will actually be collected or realized or amounts of appropriations will be sufficient for expenditures therefor.

Special Debt Service means, with respect to a fiscal year, the amounts required for the punctual payment of (a) all principal due or becoming due and payable in said year with respect to any bonds, tax anticipation notes, revenue anticipation notes, capital notes or budget notes of the City, and all principal amortization for said year required by law with respect to bond anticipation notes or urban renewal notes or other securities of the City, and not specifically mentioned in clause (b) of this subdivision, and (b) all interest due or becoming due and payable in said year with respect to any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, capital notes, budget notes or urban renewal notes or other securities of the City not specifically mentioned herein.

Bond Proceeds (Section 5)

The proceeds from the sale of each series of bonds must be deposited with the Fiscal Agent in special and separate bank accounts. The proceeds are to be held in trust and expended only for the objects and purposes for which such bonds were issued. No moneys may be withdrawn from such an account unless there is filed with the Fiscal Agent a written requisition of the City Council or the City's Chief Fiscal Officer or his authorized deputy setting forth (a) the item number of the requisition; (b) the account to be charged; (c) the name of the person (including the holder of a note payable to bearer, of the amount due by deposit with the paying agent designated on such note) to whom payment is due; (d) the amount to be paid; and (e) a statement to the effect that the obligation in the stated amount has been incurred by the City and is a proper charge against such account. Pending such withdrawals, the moneys are to be invested for and on behalf of the City by the Fiscal Agent upon instructions from the City's Chief Fiscal Officer or his authorized deputy pursuant to the State Local Finance Law.

Budget Appropriations (Section 6)

In each budget year, appropriations are required for: (a) amounts to fund expenditures required by law; (b) amounts to pay Special Debt Service outstanding at the beginning of the budget year; (c) amounts for payment of judgments or settled claims unpaid at the beginning of the budget year and amounts properly attributable as a reserve therefor; (d) amounts estimated for payment of interest on tax anticipation notes and revenue anticipation notes to be issued and to mature during the budget year; (e) amounts for all other expenditures for the general support and current expense of the government of the City; (f) a required reserve for uncollected taxes; and (g) the liquidation of prior deficits of the City.

If the exact amount for appropriations is not known, the City is required to use the amount of appropriation in the Base Year or the Current Year, whichever is less, unless a Justification Document is filed with the Fiscal Agent. Uncollected taxes must be reserved in an amount not less than the amount uncollected in the Base Year divided by the amount collected and then multiplied by the total tax levy payable during such year. Appropriations for deficits are required to be in the aggregate amount of fund deficits during the Base Year. A schedule of cash expenditures and receipts on a monthly basis for the budget year is required to be attached and made a part of each budget.

For each budget year subsequent to the first budget year, a certificate of the Chief Fiscal Officer of the City is required to be attached setting forth actual cash expenditures and receipts for the Base Year. A Justification Document is required to be filed with the Fiscal Agent for any substantial variation between such certificate and schedule.

Budget Receipts (Section 7)

In computing the amount of ad valorem real property taxes to be levied, the City cannot deduct from appropriations or estimate the receipt of moneys in any amount for which the City Council by resolution does not declare will be received or collected prior to the end of the budget year. The City may make such deductions or estimates for moneys other than or in excess of: (a) operating surpluses of prior years not in excess of the aggregate of fund balances, (b) state or federal aid under any program not exceeding the amount received during the Base Year or any larger amount certified thereto, (c) collection of real property taxes unpaid and remaining payable not in excess of the amount of delinquent taxes collected on account of the Base Year divided by the amount delinquent on the first day of the Base Year and then multiplied by the total amount of delinquent taxes payable on the last day of the Base Year, and (d) revenues other than revenues realized by the levy of ad valorem real property taxes not in excess of such revenues collected in the Base Year or properly attributable to the Current Year, whichever is greater, or certain such revenues for which Justification Documents have been filed with the Fiscal Agent.

For each budget year, an accountant's certificate is required to be attached to the budget stating that the inclusion of budget receipts is properly attributable to the budget year. With respect to each budget year, the City Council is required to levy the amount of ad valorem real property taxes required by the budget including provisions for uncollected taxes and deficits in excess of the difference between the aggregate amount of appropriations and aggregate estimated receipts for the budget year in accordance with any limitations of the Act.

Transfer of Appropriations (Section 8)

No transfer of any appropriation is to be allowed for amounts to fund and pay expenditures required by law, special debt service, judgments or settled claims, interest on tax anticipation notes and revenue anticipation notes and reserves for uncollected taxes. No transfer of any appropriation made in a budget for any purpose shall be authorized or made or shall take effect at any time unless a Justification Document and a resolution of the City Council is filed with the Fiscal Agent stating a finding that the unencumbered balance of the appropriation equals or exceeds the budgeted expenditure for such appropriation after such transfer. After any amount of appropriation is transferred, the amount of the appropriation to which the transfer is made shall be deemed to be increased by the amount of the transfer. No transfer of any appropriation is to be allowed for any appropriation for expenditures with respect to capital projects unless the bond ordinance authorizing the financing of the capital project is increased by the amount of the transfer and provision made to finance the appropriation with the use of general operating funds.

Emergency, Supplemental or Other Appropriations (Section 9)

No emergency, supplemental or increased appropriations are to be made in any budget year except if by transfer of appropriation (see "*Transfer of Appropriations*" above) or if for the payment of expenditures for which there are unanticipated revenues or receipts from the State or United States certified thereto by the source thereof.

Other Financial Needs (Section 10)

Nothing in the Act limits the power of the City to authorize the expenditure of the proceeds of serial bonds, bond anticipation notes or budget notes.

However, the City is not permitted to issue any budget notes unless a Justification Document is filed with the Fiscal Agent setting forth the facts and circumstances necessitating the issuance of such notes, and that there are no other funds available to pay for the purpose for which such notes are issued. Budget notes are not permitted to be issued to pay any wage increase or increase in pension payments resulting from a collective bargaining agreement executed in a fiscal year after the adoption of the budget for such year. Budget notes issued in a fiscal year are required to be limited to not more than five percent of the budget for such year.

Special Debt Service Fund and Fiscal Agent (Section 11)

Upon the issuance of the Series 1976 Bonds, a special debt service fund was established and is maintained with the Fiscal Agent. In each fiscal year, the City Comptroller is required to certify to the Fiscal Agent a percentage obtained by dividing the balance obtained by subtracting the amount of the appropriation for a reserve for uncollected taxes from the total amount of ad valorem real property taxes levied into the total appropriation for Special Debt Service. Payments of ad valorem real property taxes are remitted to the Fiscal Agent who is required to retain and deposit into the Debt Service Fund the Debt Service Percentage of the total amount so remitted. After the required amount of taxes is deposited in the Debt Service Fund, the Fiscal Agent is required to remit the remainder to the City. Amounts in excess of the debt service due prior to the next fiscal year are to be remitted to the City.

Revenues derived from the imposition of the additional one percent sales tax are deposited into the special debt service fund.

No tax anticipation notes are to be issued unless such notes are countersigned and authenticated by the Fiscal Agent. The proceeds of tax anticipation notes are to be paid to the Fiscal Agent simultaneously with such authentication. The Fiscal Agent is required to deposit into the special debt service fund a percentage of the proceeds equal to the Debt Service Percentage and the remainder of the proceeds are to be remitted to the City. The Fiscal Agent is required to deposit into the Debt Service Fund, amounts of real property taxes remitted to the Fiscal Agent until such amounts equal the principal and interest on the notes. No tax anticipation notes are to be issued in any amount which exceeds the amount of taxes levied less the amount budgeted as the reserve for uncollected taxes.

No revenue notes, urban renewal notes or budget notes are to be issued unless such notes are countersigned and authenticated by the Fiscal Agent. The City Comptroller is required to certify to the Fiscal Agent a percentage obtained by dividing the balance obtained by subtracting the amount of the appropriation for a reserve for uncollected taxes from the total amount of real property taxes remaining uncollected by the total amount of interest payable on such notes for the fiscal year (the "Added Debt Service Percentage"). The Fiscal Agent is required to deposit into the Debt Service Fund the Added Debt Service Percentage of real estate property taxes remitted to the Fiscal Agent.

The Fiscal Agent is required to withdraw from the Debt Service Fund from time to time the amounts required to pay all special debt service as it becomes due, the principal and interest on tax anticipation notes and the interest on revenue anticipation notes and budget notes. (See Appendix C – "*Summary of Sale Ordinance – Application and Investment of Debt Service Fund*".) The special debt service fund is maintained for the benefit of the holders of City obligations and is not permitted to be used for any other purpose and is not to be subject to any order, judgment, lien, execution, attachment, setoff or counterclaim by any other creditor of the City.

Miscellaneous Provisions (Section 14)

No indebtedness evidenced by bonds or notes authorized pursuant to the Act is to be contracted by the City unless in addition to providing for the payment of principal thereof and interest thereon, the faith and credit of the City shall be pledged. The provisions of Title 6 A of Article II of the Local Finance Law and the provisions of Section 3 A of the General Municipal Law do not apply to the City or any bonds or notes issued by it. (See "*SPECIAL RIGHTS AND REMEDIES*" herein). Notwithstanding any provision of the City Charter or any other law, funds not immediately required for the purpose for which such funds were accumulated are not permitted to be diverted or used for the purpose for which obligations have been authorized.

Special Covenants to Secure Bonds and Performance of the Act (Section 15)

In the discretion of the City, any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, urban renewal notes or budget notes are permitted to be authorized under ordinances and resolutions which provide for certain covenants to protect and safeguard the security and rights of holders of such obligations. Such ordinances or resolutions may contain covenants as to: (a) the establishment and maintenance of the special debt service fund; (b) the powers and duties of the Fiscal Agent; (c) the execution of any credit agreement with the Fiscal Agent for the benefit of the holders of such obligations; (d) requirements for the filing, review and correction of budgets, Justification Documents and other matters; (e) compliance with the provisions of the Act including further restrictions on the powers, rights and duties of the City to assure prompt payment of its debt and operating obligations; and (f) conditions which would give use to an event of default permitting the Fiscal Agent to assert actions and remedies on behalf of holders of such obligations. (See Appendix C – "*Summary of Sale Ordinance – Enforcement by Fiscal Agent*".)

Rights and Remedies of the Holders of City Obligations (Section 16)

Holders of any bonds, bond anticipation notes, tax anticipation notes, revenue anticipation notes, urban renewal notes or budget notes are required to have certain rights and remedies in addition to any right and remedies under law, subject to the ordinance authorizing such obligations. (See "*SPECIAL RIGHTS AND REMEDIES*" herein.)

State Pledge and Agreement (Section 17)

The State pledges to and agrees with the holders of obligations of the City issued pursuant to the Local Finance Law and the Act the performance of certain acts. (See "*State Pledge and Agreement*" under "*SPECIAL RIGHTS AND REMEDIES".*) The City is authorized and directed to include this pledge in any ordinance authorizing the issuance of obligations.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES A, SERIES B AND SERIES D BONDS

Hawkins Delafield & Wood LLP
140 Broadway- 42nd floor
New York, New York

The City Council of the
City of Yonkers, in the
County of Westchester, New York

Dear Ladies and Gentlemen:

We have served as Bond Counsel to the City of Yonkers (the "City"), in the County of Westchester, a municipal corporation of the State of New York (the "State"), and have examined a record of proceedings relating to the authorization, sale and issuance of $_____________ [General Obligation Serial Bonds-2026A], [School Serial Bonds-2026B][General Obligation Refunding Bonds-2026D] (the "Series _ Bonds") of the City. The Bonds are issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, various bond ordinances adopted by the City Council and approved by the Mayor authorizing the issuance of bonds of the City to provide funds required by the City for the purpose(s) referred to therein, in accordance with the provisions of the Special Local Finance and Budget Act of the City of Yonkers, constituting Chapter 488 of the New York Laws of 1976, as amended (the "Act"), and the ordinances of the City adopted by the City Council on January __, 2026, entitled: "Ordinance of the City of Yonkers, New York, adopted January __ , 2026, determining the terms, form and details of issuance of $87,355,000* General Obligation Serial Bonds-2026A, $25,270,000* School Serial Bonds-2026B and $7,045,000 General Obligation Serial Bonds-2026C (Federally Taxable) of the City, directing their private sale, and providing for the rights of the holders of said bonds and other obligations of the City" and "Ordinance of the City of Yonkers, New York, adopted January __ , 2026, determining the terms, form and details of issuance of $57,030,000* General Obligation Refunding Bonds-2026D of the City, directing their private sale, and providing for the rights of the holders of said bonds and other obligations of the City" (collectively, the "Sale Ordinance"), and are entitled to the benefits of the Act and the Sale Ordinance. Reference to the Act and the Sale Ordinance, and any and all modifications thereto is made for a description of the nature and extent of such benefits, and the rights and remedies of the holders of said bonds.

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Sale Ordinance.

The City is issuing its [$87,355,000 General Obligation Serial Bonds-2026A], [$25,270,000 School Serial Bonds-2026B] and [$57,030,000 General Obligation Refunding Bonds-2026D] (collectively, the "Composite Obligations") on the date hereof. The Composite Obligations, together with the Series _ Bonds, are treated as a single issue for Federal tax purposes. We have served as bond counsel with respect to the issuance of the Composite Obligations and will render our respective opinions with respect to the exclusion of interest on the Composite Obligations from gross income for Federal income tax purposes in substantially the form of paragraph 10 below and subject to the same conditions and limitations set forth herein. Noncompliance with such conditions and limitations may cause interest on both the Composite Obligations and the Series _ Bonds to become subject to Federal income taxation retroactive to their respective dates of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

The Bonds are issued only in fully registered form without interest coupons, in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, an automated depository for securities and clearing house for securities transactions. Purchases of ownership interests in the Bonds will be made in book-entry form, in denominations of $5,000 or integral multiples thereof, not exceeding the aggregate principal amount of Bonds maturing in such year. The Bonds are lettered [AR][BR][DR] and sequentially numbered consecutively upward by year of maturity.

The Act provides, among other things, for the establishment by the City of a special debt service fund (the "Debt Service Fund"), for the deposit in the Debt Service Fund of (a) certain percentages of the tax on real property levied and assessed by the City based upon valuation (the "Ad Valorem Real Property Tax") upon receipt of such tax by the City (such percentages to be determined in accordance with the Act and the Ordinance) and (b) the one percent sales and use tax imposed pursuant to Section 1210 of the Tax Law, constituting Chapter 60 of said Consolidated Laws, and collected on behalf of the City by the State, upon receipt by the Comptroller of the State (the "State Comptroller") after deduction therefrom of the reasonable costs of the State in the collection, administration and distribution thereof (such tax after such deduction being herein called the "Sales Tax"), for procedures with respect to budgetary appropriations and receipts and certain other matters related to the financial management of the City, for the State Comptroller to be the fiscal agent (the "Fiscal Agent") to maintain the Debt Service Fund (and other capital accounts of the City into which proceeds of bonds, including the Bonds, or notes in anticipation thereof, are deposited) and to have the powers and duties set forth in the Sale Ordinance, for the rights and remedies of holders of the Bonds as established in the Sale Ordinance and for the inclusion of the foregoing matters set forth in the Act as covenants of the City in the Sale Ordinance. In addition, the Act authorizes and directs the inclusion in the Sale Ordinance of a pledge and agreement of the State (the "State Pledge and Agreement") with respect to the Act, the Sale Ordinance and the State Pledge and Agreement, as more particularly set forth in the Act (including, among other things, that the State will not repeal, reduce or suspend (a) the power or duty of the City to perform its responsibilities under the Act pursuant to the Sale Ordinance or (b) the rights and remedies of the registered owners of the Bonds to enforce the Sale Ordinance or to enforce the State Pledge and Agreement, consent to suit and defenses of sovereign immunity and power having been given and waived, respectively, by the State, and will not otherwise exercise sovereign power contrary to or inconsistent with the Sale Ordinance).

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

1. The City validly exists as a municipal corporation of the State constituting a political subdivision thereof with the good, right and lawful authority and power to adopt the Sale Ordinance, issue the Bonds thereunder, and to perform the obligations and covenants contained in the Sale Ordinance and the Bonds.

2. The Act is valid with respect to all provisions thereof material to the subject matters of this opinion letter. The adoption and performance of, and compliance with, all of the terms and conditions of the Sale Ordinance and the Bonds, and the execution and delivery of the Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

3. The Sale Ordinance has been duly and lawfully adopted, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms, and any other authorizations, approvals or certificates required with respect to the Sale Ordinance have been obtained by the City. The Sale Ordinance validly includes the covenant by the City to maintain the Debt Service Fund with the State Comptroller, as Fiscal Agent, or with a successor Fiscal Agent, upon the approval by the State Comptroller. The City has validly covenanted and may be required, upon collection of the Ad Valorem Real Property Tax and the Sales Tax, to deposit or cause to be deposited in the Debt Service Fund the proceeds of the Sales Tax and the percentages required by, and determined pursuant to the Act and the Sale Ordinance, of the Ad Valorem Real Property Tax collected. All monies on deposit in the Debt Service Fund may be applied only to the purposes and on the terms and conditions permitted by the Sale Ordinance, including payment of the principal of and interest on bonds heretofore issued by the City, the Bonds and certain other obligations hereafter issued by the City.

4. The Bonds have been duly and validly authorized and issued by the City pursuant to the laws of the State, including the State Constitution, the Act, the Local Finance Law, and the Sale Ordinance. The Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended.

5. The Bonds are entitled to the equal benefit, protection and security of the provisions, covenants and obligations of the Sale Ordinance and of the Act.

6. Pursuant to the Act and the Sale Ordinance, the City has validly covenanted to comply with the Act, and the State Comptroller has been validly appointed the Fiscal Agent for the purposes and with the rights, powers and duties set forth in the Act and the Sale Ordinance.

7. The City has validly included the State Pledge and Agreement in the Sale Ordinance. The State Pledge and Agreement is a valid and legally binding pledge and agreement of the State enforceable against the State in accordance with its terms.

8. Pursuant to the State Constitution, the State is without authority to restrict the power of the City to levy taxes on real estate for the payment of interest on or principal of the Bonds. Neither the Act nor the State Constitution or other laws specifically restrict or preclude the State or the City from repealing, suspending or reducing the Sales Tax.

9. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

10. Under existing statutes and court decisions, and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

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

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

In rendering the opinion in this paragraph 10, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Bonds, and

(ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

Except as stated in paragraphs 10 and 11 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. Furthermore, we express no opinion as to the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of the interest on the Bonds.

We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement our opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or for any other reason.

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

Very truly yours,

APPENDIX F

FORM OF OPINION OF BOND COUNSEL FOR THE SERIES C BONDS

Hawkins Delafield & Wood LLP
140 Broadway- 42nd Floor
New York, New York

The City Council of the
City of Yonkers, in the
County of Westchester, New York

Dear Ladies and Gentlemen:

We have served as Bond Counsel to the City of Yonkers (the "City"), in the County of Westchester, a municipal corporation of the State of New York (the "State"), and have examined a record of proceedings relating to the authorization, sale and issuance of the City's $57,030,000* General Obligation Serial Bonds-2026C (Federally Taxable) (the "Bonds"). The Bonds are issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, a bond ordinance adopted by the City Council and approved by the Mayor authorizing the issuance of bonds of the City to provide funds required by the City for the purpose(s) referred to therein, in accordance with the provisions of the Special Local Finance and Budget Act of the City of Yonkers, constituting Chapter 488 of the New York Laws of 1976, as amended (the "Act"), and an ordinance of the City adopted by the City Council on the date referred to therein, entitled: "Ordinance of the City of Yonkers, New York, adopted January __, 2026, determining the terms, form and details of issuance of $87,355,000* General Obligation Serial Bonds-2026A, $25,570,000* School Serial Bonds-2026B, and $7,045,000* General Obligation Serial Bonds-2026C (Federally Taxable) of the City, directing their private sale, and providing for the rights of the holders of said bonds and other obligations of the City" (the "Sale Ordinance"), and are entitled to the benefits of the Act and the Sale Ordinance. Reference to the Act and the Sale Ordinance, and any and all modifications thereto is made for a description of the nature and extent of such benefits, and the rights and remedies of the holders of said bonds.

The Bonds are dated, mature, are payable, bear interest and are subject to redemption as provided in the Sale Ordinance.

The Act provides, among other things, for the establishment by the City of a special debt service fund (the "Debt Service Fund"), for the deposit in the Debt Service Fund of (a) certain percentages of the tax on real property levied and assessed by the City based upon valuation (the "Ad Valorem Real Property Tax") upon receipt of such tax by the City (such percentages to be determined in accordance with the Act and the Sale Ordinance) and (b) the one percent sales and use tax imposed pursuant to Section 1210 of the Tax Law, constituting Chapter 60 of said Consolidated Laws, and collected on behalf of the City by the State, upon receipt by the Comptroller of the State (the "State Comptroller") after deduction therefrom of the reasonable costs of the State in the collection, administration and distribution thereof (such tax after such deduction being herein called the "Sales Tax"), for procedures with respect to budgetary appropriations and receipts and certain other matters related to the financial management of the City, for the State Comptroller to be the fiscal agent (the "Fiscal Agent") to maintain the Debt Service Fund (and other capital accounts of the City into which proceeds of bonds, including the Bonds, or notes in anticipation thereof, are deposited) and to have the powers and duties set forth in the Sale Ordinance, for the rights and remedies of holders of the Bonds as established in the Sale Ordinance and for the inclusion of the foregoing matters set forth in the Act as covenants of the City in the Sale Ordinance. In addition, the Act authorizes and directs the inclusion in the Sale Ordinance of a pledge and

* Preliminary, subject to change.

agreement of the State (the "State Pledge and Agreement") with respect to the Act, the Sale Ordinance and the State Pledge and Agreement, as more particularly set forth in the Act (including, among other things, that the State will not repeal, reduce or suspend (a) the power or duty of the City to perform its responsibilities under the Act pursuant to the Sale Ordinance or (b) the rights and remedies of the registered owners of the Bonds to enforce the Sale Ordinance or to enforce the State Pledge and Agreement, consent to suit and defenses of sovereign immunity and power having been given and waived, respectively, by the State, and will not otherwise exercise sovereign power contrary to or inconsistent with the Sale Ordinance).

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

1. The City validly exists as a municipal corporation of the State constituting a political subdivision thereof with the good, right and lawful authority and power to adopt the Sale Ordinance, issue the Bonds thereunder, and to perform the obligations and covenants contained in the Sale Ordinance and the Bonds.

2. The Act is valid with respect to all provisions thereof material to the subject matters of this opinion letter. The adoption and performance of, and compliance with, all of the terms and conditions of the Sale Ordinance and the Bonds, and the execution and delivery of the Bonds, will not result in a violation of or be in conflict with any term or provision of any existing law.

3. The Sale Ordinance has been duly and lawfully adopted, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms, and any other authorizations, approvals or certificates required with respect to the Sale Ordinance have been obtained by the City. The Sale Ordinance validly includes the covenant by the City to maintain the Debt Service Fund with the State Comptroller, as Fiscal Agent, or with a successor Fiscal Agent, upon the approval by the State Comptroller. The City has validly covenanted and may be required, upon collection of the Ad Valorem Real Property Tax and the Sales Tax, to deposit or cause to be deposited in the Debt Service Fund the proceeds of the Sales Tax and the percentages required by, and determined pursuant to the Act and the Sale Ordinance, of the Ad Valorem Real Property Tax collected. All monies on deposit in the Debt Service Fund may be applied only to the purposes and on the terms and conditions permitted by the Sale Ordinance, including payment of the principal of and interest on bonds heretofore issued by the City, the Bonds and certain other obligations hereafter issued by the City.

4. The Bonds have been duly and validly authorized and issued by the City pursuant to the laws of the State, including the State Constitution, the Act, the Local Finance Law, and the Sale Ordinance. The Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law").

5. The Bonds are entitled to the equal benefit, protection and security of the provisions, covenants and obligations of the Sale Ordinance and of the Act.

6. Pursuant to the Act and the Sale Ordinance, the City has validly covenanted to comply with the Act, and the State Comptroller has been validly appointed the Fiscal Agent for the purposes and with the rights, powers and duties set forth in the Act and the Sale Ordinance.

7. The City has validly included the State Pledge and Agreement in the Sale Ordinance. The State Pledge and Agreement is a valid and legally binding pledge and agreement of the State enforceable against the State in accordance with its terms.

8. Pursuant to the State Constitution, the State is without authority to restrict the power of the City to levy taxes on real estate for the payment of interest on or principal of the Bonds; however, the Tax

Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. Neither the Act nor the State Constitution or other laws specifically restrict or preclude the State or the City from repealing, suspending or reducing the Sales Tax.

9. The enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

10. Interest on the Bonds is included in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

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

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 10 and 11 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters relating to the Bonds.

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

Very truly yours,

APPENDIX G

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

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

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

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

"Issuer" shall mean the City of Yonkers, in the County of Westchester, a municipality of the State of New York.

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

"Underwriter" shall mean Raymond James & Associates, Inc., as Representative of the Underwriters.

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

"Securities" shall mean the $87,355,000* General Obligation Serial Bonds-2026A; $25,270,000* School Serial Bonds-2026B; $7,045,000* General Obligation Serial Bonds-2026C (Federally Taxable) and $57,030,000* General Obligation Refunding Bonds-2026D, as further described in the Sale Ordinance adopted by the City Council on January __, 2026.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly to the EMMA System:

(i) no later than 240 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for such fiscal year if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be

* Preliminary, subject to change.

compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933; and

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

(1) principal and interest payment delinquencies;

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

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

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

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

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

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

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

(9) defeasances;

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

(11) rating changes;

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

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

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

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

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

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

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

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

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

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

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

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of the ______ day of _________, 2026.

CITY OF YONKERS

By ____

Commissioner of Finance and Management Services
and Chief Fiscal Officer

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APPENDIX H

FOUR YEAR FINANCIAL PLAN FOR THE FY2025-2026 THROUGH FY2028-2029

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Mayor Mike Spano

City of Yonkers

Four Year
Financial Plan

Fiscal Year 2026 - Fiscal Year 2029

Prepared by the
Office of Management and Budget
August 2025

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Introduction

The Financial Plan discussion is based, in part, on projections and/or forward-looking statements related to FY26 through FY29. No assurance can be given that the budget estimates and/or forward-looking statements discussed below will be realized. The accuracy of the budget estimates and/or forward-looking statements contained cannot be verified until after the close of such Fiscal Years and the completion of the related audits. In addition, the accuracy of all projections and forward-looking statements is dependent on a number of factors, including: (1) general economic factors that affect local source revenues such as sales taxes and individual income taxes, (2) the effectiveness of monitoring City and BOE expenditures, (3) the ability of the City and the BOE to meet spending reduction initiatives, (4) the amount of state and federally mandated expenditures, (5) year-end accruals of revenues and expenses, and (6) the implementation of new state and federal legislation or initiatives, among others.

The statements contained in this Financial Plan and the Supporting Schedules hereto that are not purely historical are forward looking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” ”should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “projects,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Financial Plan are based on information available on the date of this Financial Plan release, and the City assumes no obligation to update any such forward-looking statements. The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Financial Plan and such variations may be material, which could affect the projected budget gaps and fund balance projections.

Overview

For all fourteen budget years of the current administration, a balanced budget has been passed with certification from the State Comptroller’s Office thus providing the most safeguards for a municipal budget in New York State. The FY26 Budget was adopted on May 28, 2025.

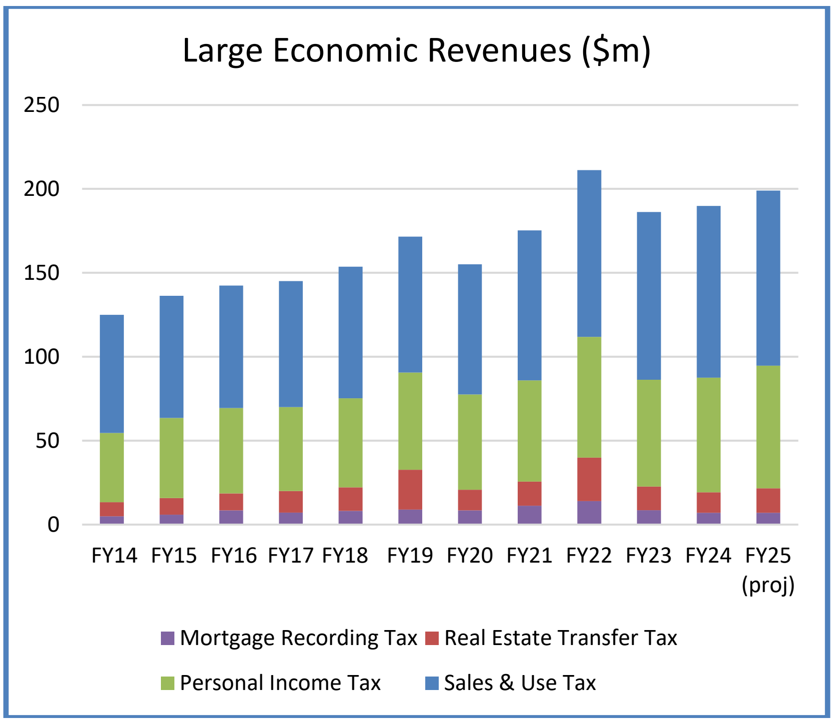
The city continues to grow in resident and visitor population through both residential and commercial development and is now the 3rd largest city in New York State with a population of 211.6k people according to the 2020 U.S. Decennial Census. Development, both planned and constructed, continues to be strong, and population growth is expected to continue. This growth has resulted in an increase in the city’s real property valuations and income base which bode well for future tax collection growth. Exclusive of coronavirus affected fiscal years, which contained an initial period of subdued economic activity followed by a strong rebound enhanced by a temporary period of large federal stimulus dollars, the city’s economically sensitive revenues have shown consistent annual growth demonstrated mostly in its personal income tax collections. This has occurred even though mortgage rates, which typically follow the U.S. Treasury 10 year note yields, have remained elevated above the most recent inflation metrics creating a lack of available real estate inventory as homeowners choose not to leave their existing low interest mortgage liabilities putting downward pressure on the city’s mortgage tax and real estate transfer tax counterfactual maximization. At the time of writing, the 30-year mortgage rate is 6.8% which is 3% higher than the average loan rates from the period of 2012 to 2021. This has altered the normal cycle of turnover in the housing market and basically eliminated refinancing tax revenue. The good news is that in spite of relatively higher mortgage rates, demand to live in Yonkers continues to increase and lower inventories have led to higher home prices in Yonkers. Higher average transaction amounts have somewhat offset revenue loss from a drop in the number of transactions. If or when a period of lower mortgage rates does occur (normally through a period of national economic weakness or reduced inflation), increased supply should spur affordability, increase activity, create more refinancing, and potentially offer a strong catch-up period of housing related tax collections which could provide additional stability to overall revenues during a downturn in the economy. This counter-balancing effect, along with the diversity of the city's employer base and a growing population, should assist the city in achieving stable revenue returns throughout the years of the financial plan.

A historical look at the past 11 years, FY14 through FY25 projected, for the large economic revenues appears below in Table 1 and Chart 1.

Table 1

Revenues ($ mil)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 (proj)
Sales & Use Tax	70.4	72.8	73.0	75.1	78.4	80.9	77.6	89.4	99.4	99.9	102.3	104.3
Real Estate Transfer Tax	8.4	9.9	10.1	12.9	14.0	23.8	12.3	14.4	25.9	14.1	12.2	14.6
Personal Income Tax	41.3	47.7	50.8	50.0	53.0	57.9	56.7	60.3	71.9	63.6	68.3	73.1
Mortgage Recording Tax	4.9	5.9	8.5	7.1	8.2	8.9	8.5	11.2	14.0	8.6	7.0	7.0
Total	125	136.3	142.4	145.1	153.6	171.5	155.1	175.3	211.2	186.2	189.8	198.95

Chart 1



While increased residential and business development in Yonkers is creating organic growth, the primary driver of increased annual revenues is the ongoing reduction in the purchasing power of the dollar which generally drives up the cost of goods and higher worker wages resulting in greater nominal tax bases. This is occurring today even during a period of monetary conditions deemed as "somewhat tight" by many economists. The same causation also affects city spending levels and unfortunately, policy measures or growth plans in the city which have been successful, cannot offer much mitigation to increased mandated spending.

As often occurs with municipal budgets, inflationary pressures can lag since cost structures e.g., pension rates, health care premiums, and collective bargaining contracts, are set in advance and slow to react. Adjusting to a new level of expense while revenues plateau under economic slowness can be challenging. To successfully combat this challenge, the goal for the 3rd largest city in New York is to attract new higher income earners and create a backdrop through education, job preparedness, corporate development, and increased affordable housing stock to increase annual disposable income levels throughout the city. While the city has demonstrated the ability to create fund balance reserves during expansionary periods and appropriate those reserves prudently to serve as a bridge over stressful budget periods, the longer-term solution is to continue to grow the economic base by attracting strategic investment partners and fostering the skillsets of residents to fit future employment needs, while continuing to explore efficiencies in providing services.

Changes in federal spending and increases in tariffs have the potential to alter how municipal budgets throughout the country operate. With regards to changes in federal funding, this effect can be felt by either a direct reduction in federal dollars to a city or school district, or indirectly through a trickle-down effect where states pass along their challenges down to their municipalities, or both. Although the final effects on Yonkers are still uncertain, cities and school districts are not planning for increased support. With regards to tariffs, preliminary results indicate that vendors have increased their prices but with tariff percentages fluctuating depending on fluctuating country specific deals, final effects are still pending. In anticipation of this uncertainty, the FY26 Adopted Budget included a $15.0 million special contingency account. Under the Special Local Finance and Budget Act of 1976, the city would not be able to dip into reserves for unbudgeted expenses making the contingency a requirement to help protect vital city services. If the final impact is mitigated through circumstance or management, the unspent portion of the contingency can revert back to reserve status.

The FY26 - FY29 Financial Plan uses the FY26 Adopted Budget as the basis for the FY27 through FY29 fiscal year projections. The FY26 Adopted budget relies on actions not normally considered as best practice, including bonding for tax certioraris, bonding for school district textbooks and equipment, participating in the State's pension smoothing plan for Police and Fire Retirement, and appropriating reserves. The FY26 Adopted Budget transfers $298.3 million to the school district for operational and debt service expenditures while budgeting $24.3 million for school district construction and additional items. The outer years show funding gaps which will be further analyzed in the Financial Plan Summary.

The ultimate goal is to return fiscal stability to the City and to remove the structural imbalance that has existed for many years. This can be accomplished by increasing recurring revenues to meet recurring expenditure appropriations under the budgeting conservativeness of the Special Local Finance and Budget Act of 1976 by maintaining a sound fund balance policy; budgeting annual contingency reserves; and exiting short term balancing techniques, such as, bonding for tax certioraris and other items with short periods of probable usefulness. Across-the-board expenditure cuts, and the potential loss of programs and services, are not a long-term solution to structural deficits. Economic development and the increased local revenue and state sharing revenue that it can bring, as well as improved cost-efficiency of operations, must be the focus of governance, as it is under the current administration, in order to help eliminate the annual structural imbalance plaguing the City.

Investors should note that the City's bondholders are afforded the unusual protection of having a significant portion of the City revenues intercepted by the State Comptroller who controls the City's bond proceeds to ensure payment of annual debt service liabilities.

On the following page, there is a discussion of overall revenues and expenditures, along with the assumptions used in formulating projections. The subsequent Section B provides projection details, including a summary of revenues and expenditures and other backup.

Financial Plan Summary

Budget Gaps

Schedule B-1 lays out the budget gaps, before gap closing measures. **The City projects outer year FY27 - FY29 budget gaps (Chart 2) of $88.9m, $84.0m, and $79.2m, while the School District budget gaps over the same period (Chart 3) are projected at $75.8m, $98.1m, and $122.0m, respectively.**

Chart 2

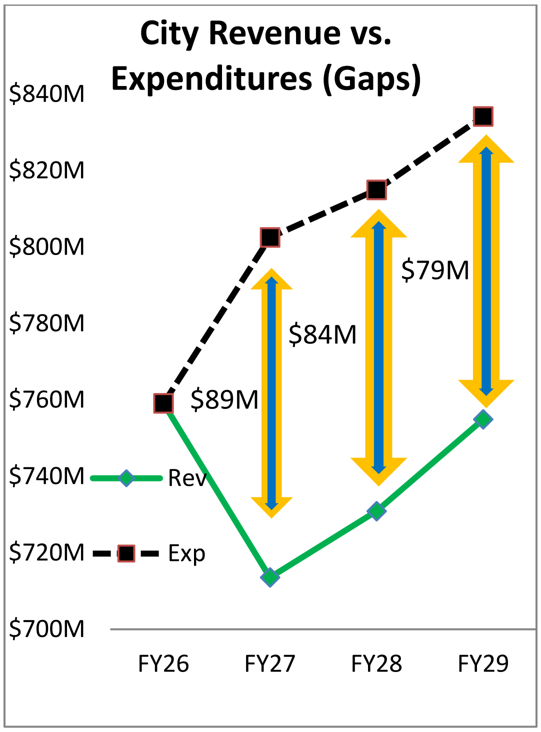
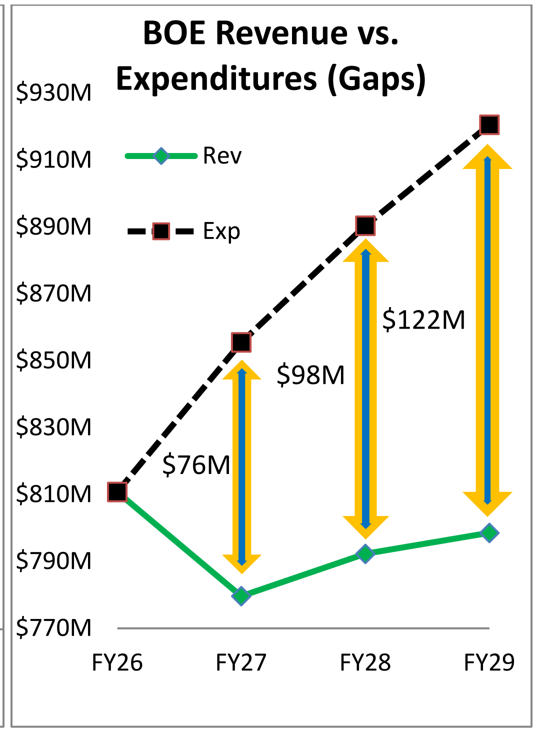


Chart 3

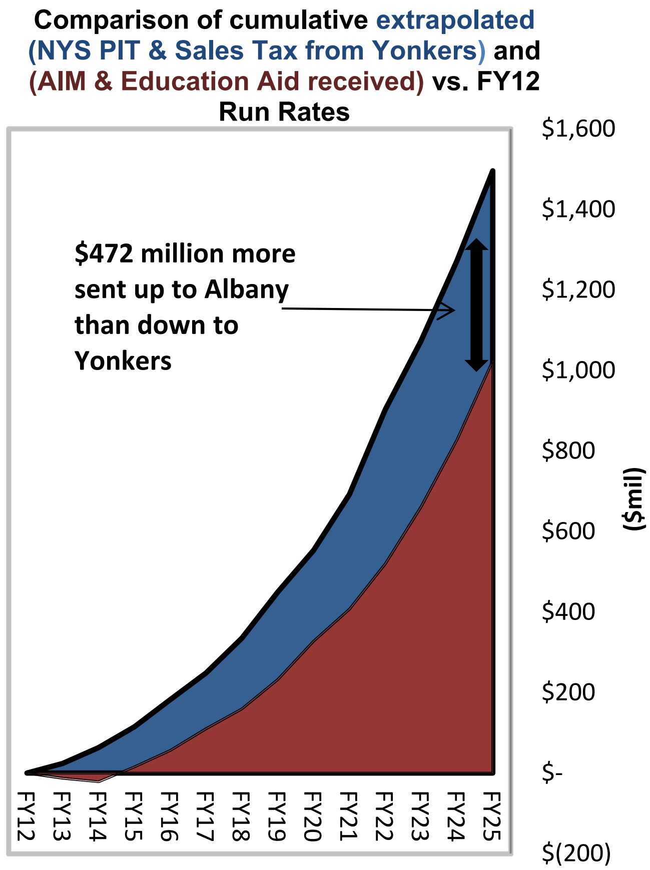


Budget gaps will be closed with the use of fund reserves, enhanced revenue programs, pension smoothing, cost containment actions, and other gap closing measures, some of which are detailed later in the Plan. The FY27 - FY29 summary projections assume no appropriations of city and school district reserve funds to indicate a structural look in the outer years. However, the use of available fund reserves, to the extent that it exists and is produced, will be part of future budget-balancing solutions if necessary.

Revenues

In the $1.55 billion FY26 Adopted Budget, the major sources of revenue for combined City and School District operations are State and Federal Aid ($598.5 million or 38.64%) and Property Taxes ($452.2 million or 29.19%). City-anticipated State and Federal Aid is $113.6 million (7.33% of total revenue) for FY26. The City's Aid and Incentives to Municipalities (AIM) funding from New York State was increased in FY25 on a temporary basis by $5 million after remaining flat at approximately $108 million since FY12 which was down from the advanced amount of $132 million received in FY11. While the improved Yonkers economy generates additional sales and income tax revenue for the State, the flow of funds back to the City, through both AIM and education funding for the school district, has not been commensurate. For example, Chart 4 is a comparison of extrapolated New York State portion of Yonkers Personal Income Tax and Sales Tax versus AIM and NYS education funding over the last thirteen years. The blue area represents the cumulative fund flow loss to Yonkers.

Chart 4



In the February, 2022 Report titled "Aid and Incentives for Municipalities: New York State's Local Revenue Sharing Program,"[1] the Office of the New York State Comptroller states that "the State has an opportunity – and a responsibility – to meet its longstanding commitment to provide a meaningful level of support to its local governments through revenue sharing." Consistent with this opinion, there have been attempts by the legislative branches to increase AIM through their one house budgets proposals. Finally, after more than a decade of no increases, a new "Temporary Municipal Assistance" was added to the FY25 NYS Adopted Budget in a total amount of $50 million for all cities. If this $50 million appropriation was allocated on a pro rata basis, based on current AIM distributions per city, Yonkers would have received $8.4 million (16.72%) However, the legislation had a maximum of $5 million for each city with the difference being further allocated across other recipients not at the cap. So, even when additional support down to cities was provided, it was 1) less than the $8.4 million that would have been expected based on current allocations of AIM and 2) not a permanent aid since it was labeled as "Temporary Municipal Assistance." This was quite unfortunate for Yonkers considering that it continues to bear the cost of investment to make the city a sought after destination which is evident by its growing population all the while the State reaps the benefits of increased tax revenue with no commensurate reciprocation to Yonkers.

School District State and Federal Aid for FY26 is $484.9 million (31.3% of total revenue). This is an increase of $36.65 million above FY25 Adopted primarily from an increase in Foundation Aid of $28.7 million and additional amounts for reimbursable aids, such as, building aid, special education high-cost aids, and transportation aid.

[1] https://www.osc.state.ny.us/files/local-government/publications/2022/pdf/revenue-sharing-aim-2022.pdf

Beyond the above 67.8% of revenue from State and Federal Aid, and Property Taxes, the remaining 32.2% of revenues are comprised mainly of Sales Tax (8.08%), Income Tax Surcharge (4.77%), Water and Sewer revenues (3.88%), Departmental Revenues (3.60%), and Appropriated Fund Balance (6.25%).

Increased development and the resulting population growth require that additional municipal and school district services be provided. Unfortunately, these additional services come at increased costs. Since the State has benefited greatly by the increased economic base of the city without commensurate reciprocity, as referenced above, the city has become more dependent on property taxes, and economically sensitive revenues, such as housing-related taxes, income tax, and sales tax, and the act of appropriating fund balance reserves. Monetary factors which have been depreciating the purchasing power of the dollar, not only increase nominal economically sensitive revenues, but also drive-up expenditure costs, such as, health insurance, wage inflation, and vendor costs. Property Tax increases are subject to annual legal limits which may require a super majority vote to exceed and the issue of becoming more reliant on economically sensitive revenues is two-fold. One, for the most part, only the revenues suffer during an economic slowdown while the expenditures stay elevated without programmatic reductions. Two, if reserves which in the past have been primarily borne out of better than budgeted economically sensitive revenues are not re-generated, absorbing reductions in revenue in future budget years becomes even more difficult without sufficient shock absorbers. Therefore, in the long-term, recurring revenues and cost efficiencies must be implemented to avoid additional budgetary risk. Major revenue projections and assumptions are as follows:

Property Tax Levy

The Property Tax Cap Law defines the allowable tax levy growth factor as the product of the lesser of (a) one plus an inflation factor calculated by the New York State Comptroller, or (b) one and two-one-hundredths and (c) the prior year's Tax Levy adjusted for the budget year's tax base growth factor. In FY26, Yonkers adopted a budget which was inside the Tax Cap maximum and did not require a super majority vote.

The Financial Plan assumes an allowable tax levy growth of 2.0% in outer years FY27 through FY29 and assumes that the city will remain inside the annual tax cap maximum. Although the recently announced tax base growth factor of 1.002 for Yonkers in FY27 could potentially allow for a 2.2% tax levy increase while remaining inside the tax cap in FY27, the inflation factor for FY27 has not yet been announced so the plan conservatively uses only 2% growth.

In the Plan, Property Tax revenues increase by $9.04 million in FY27, $9.22 million in FY28, and $9.41 million in FY29. Property tax collections in the Financial Plan will continue to reflect the offset of increased Payments in Lieu of Taxes (PILOTs), as prescribed by the Property Tax Cap Law.

Sales and Use Tax

Currently an 8.875% sales and use tax is imposed on all retail sales in the City. Revenues from that tax are apportioned 4.0% to the State, 2.5% to the City, 0.5% to the Yonkers School District (subject to approval of the Yonkers City Council), 1.5% to the County, and 0.375% to the Metropolitan Transportation Authority.

Both the City's 2.5% portion of the Sales and Use Tax, and the education portion of 0.5%, reached all time high budgeted levels in FY25 at a combined $126.3 million ($105.3m COY, $21.0m BOE). However, projected FY25 actual amounts are slightly below budget by $1.0 million at $125.3 million budget ($104.3m COY, $20.9 BOE) and the FY26 Adopted budget was conservatively set at an amount of $125.1 million ($104.28m COY, $20.86m BOE).

The Financial Plan continues this conservatism by increasing FY27, FY28 and FY29 by a nominal growth rate of 2.0% each year. The plan's projected rate of growth for the outer years is slightly below the States projection of approximately 2.8% growth for each year in the NYS FY2026 Enacted Financial Plan.[2]

[2] https://www.budget.ny.gov/pubs/archive/fy26/en/fy26fp-en.pdf

Utilities Gross Receipts Tax

A 3.0% Utilities Gross Receipts Tax is charged to Yonkers customers of Con Edison and telephone utilities, and remitted to the City by those entities. Utilities Gross Receipts revenue is generally affected positively by increases in Con Edison power production/delivery rates, and negatively by decreased economic activity and reduced landline telephone customers. The Financial Plan increases the FY26 Adopted amount of $11.87 million by approximately 3.5% annual growth in the outer years.

Real Estate Transfer Tax

A 1.5% Real Estate Transfer Tax is collected by the City of Yonkers upon the sale or transfer of real property. Actual transfer tax collections had been fueled by strong residential housing resale and housing/commercial development over the last several years, from $5.9 million in FY12 to a peak of $25.9 million in FY22 which included some large parcel sales. With mortgage rates increasing from historically low levels, FY23 housing sales slowed and revenue declined to $14.1 million. Continued upward pressure on mortgage rates in FY24 which had caused a decrease in inventory, further reducing revenues even $12.2 million. The FY25 projection of $14.6 million, which is above the $12.0 million budget, indicates some green shoots in this tax while the lingering effects of higher mortgage rates continue to produce actuals that are below potential for a city with growing real estate prices and strong housing demand. The Financial Plan assumes that as mortgage rates recede slowly over time, activity will slowly increase as both additional sellers and buyers enter the market, creating sales. The plan projects a 4.2% increase in FY27, a 4.0 % increase in FY28, and an 11.5% increase in FY29 when activity is projected to return to normalcy as the pent-up activity gets resolved.

Mortgage Recording Tax

A mortgage recording tax at the rate of $0.50 per $100 of mortgages is collected for the City by the County under New York State Tax Law §253. The City also enacted in the FY1994 Budget a City of Yonkers mortgage recording tax at an additional rate of $0.50 per $100 of mortgages, so the combined tax rate is 1.0%.

Mortgage recording tax receipts were $14 million in FY22 which was a peak year for activity. With the increase in mortgage rates, not only did housing sales activity slow, but the refinance market declined to only a trickle as most existing homeowners have mortgages below prevailing rates. In FY23, revenue declined to $8.6 million; and because of continued increases in mortgage rates throughout FY24, revenue declined to $7.0m. The Financial Plan assumes that mortgage rates will slowly decline with housing prices rising slightly, leading to a gradual comeback in mortgage tax receipts in the outer years with FY29 being the highest in the plan. The plan assumes a growth of 7.0% in FY27 (possibility for refinancing to restart), 9.82% in FY28 (possibility for refinancing to continue), and 17.88% in FY29 as real estate activity increases.

Hotel Room and Occupancy Tax

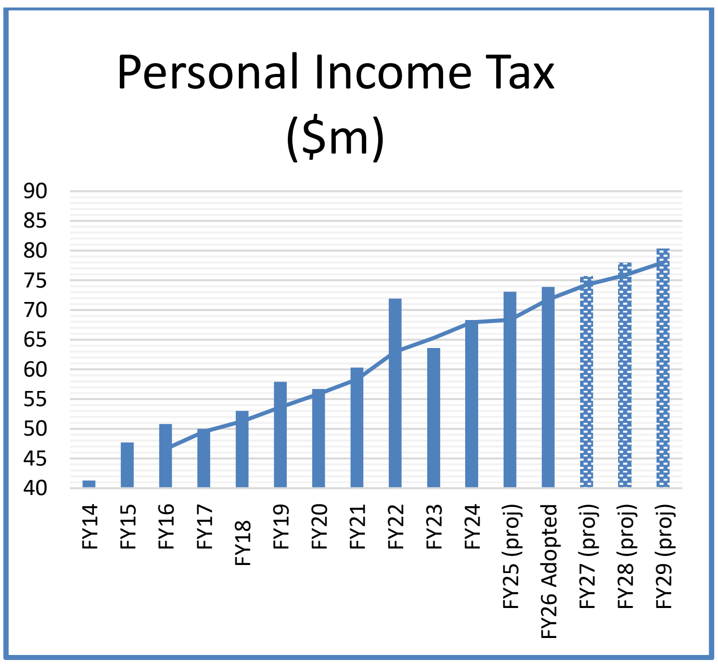
Since August 2015, the City has collected a tax of 3% for occupancy of a room in a hotel or motel in the City. Currently eight locations contribute to the tax revenue. Hotel tax revenue was $1.1 and $1.0 million in FY18 and FY19, respectively. Due to travel restrictions and tax-exempt occupants caused by Covid-19, revenue dropped to $848k in FY20 and to $744k in FY21. Renewed activity combined with the lifting of travel restrictions lifted collections to $996k in FY22. That strong rebound continued in FY23 tax receipts ending at $1.2 million. For FY24, revenue was $1.2 million. In the FY25 Adopted Budget, a change in legislation increased the Hotel Room and Occupancy Tax in Yonkers from 3% to 5.875%. The FY25 Adopted Budget included this newly adopted rate and the revenue is projected at $2.3 million. The FY26 Adopted Budget kept the tax equal to FY25 projected at $2.3 million, and the Plan conservatively assumes that this amount will remain flat in the outer years.

Personal Income Tax Surcharge

New York State collects for and remits to Yonkers a personal income tax (PIT) surcharge of (a) 16.75% of a Yonkers resident's New York State tax payment or (b) 0.5% of a non-resident's gross income. Amounts withheld from both resident and non-resident paychecks determine approximately 90% of income tax receipts. Assuming steady New

York State Tax bracket rates, employment levels and wage rates are the primary drivers of income tax collections. Fluctuations from estimated payment variations, yearly capital gain taxes, or government income stimulus efforts, can cause trend deviations. In FY22, positive fluctuations from capital gains taxes and enhanced business activity from calendar 2021, along with increased employment and wage rates, helped the city receive collections of $71.9 million, an increase of 19% over FY21 which was a record at that time. The three-year moving average in the chart below shows a strong up-sloping trend in collections from FY14 to FY25 Projected. FY23 collections were $63.6 million, $4.4 million below the budgeted amount of $68 million. Withholdings from paychecks were strong in FY23 as unemployment remained low and wages increased. However, negative capital gain influences from a poor stock market in calendar 2022 and reduced housing activity, as well as, reduced estimated payment requirements, were most likely the cause of the deficit. Although Yonkers is not home to as many large s-corps or limited liability corporations as New York City, there may have been a negative effect caused by the Pass-Through Entity Tax (PTET) which had entities paying additional New York State taxes in FY22 only to deduct them in FY23. Specific information regarding the PTET influence on Yonkers was not made available to the city. Further adjustments to PTET limits and/or State and Local Tax deductibility could play a minor role in fluctuations around trend. In FY24, with most of the lingering effects of a poor capital gains backdrop and PTET variance behind the city, revenues, augmented by a strong local jobs market, rebounded to $68.3 million. The FY25 projection for PIT is $73.06 million, representing a 7.0% increase over FY24 with most of that increase coming through increased net tax return payments which mostly occur in the March through May months. The FY25 projection is the highest ever recorded and exceeds the FY22 banner year. Therefore, it took three years of growth to surpass FY22. The FY26 Adopted Budget of $73.87 was conservatively set based on withholding data which leaves the opportunity for revenue surpluses if employment and capital gains from asset sales remain vibrant. The outer years are projected as follows, 2.5% increase in FY27, 3.0% in FY28 and 3.0% in FY29. Chart 5 below projects that revenue should surpass $80 million by FY29.

Chart 5



Payments in Lieu of Taxes (PILOTs)

Payments in Lieu of Taxes increase by 2% each year in the Plan. The Financial Plan assumes the growth in PILOTs will continue to be used in the tax levy cap calculation to decrease the allowable tax levy amount.

City Departmental Revenue

City Departments generate revenue from permits, fees, fines, and reimbursement of services. The Parking Violation Bureau (PVB) generates the highest revenue; the FY26 Budget is $24.5 million for parking, red light camera fees, school bus camera safety program fees and code violation fines. The Department of Housing and Buildings (DHB) who collects fees to offset costs to ensure compliance with building and safety codes is projected to generate $8.7 million in FY26. The Police Department's FY26 Adopted revenue of $9.0 million is comprised primarily of reimbursable police services, such as compensation by utility companies when work requires police presence.

The FY26 Adopted Budget for Total Department Revenues which includes $13.1 million from other departments not mentioned above is $55.3 million. Financial plan projects City Departments to basically remain flat with changes only to the Civil Service Department revenues representing the timing of major examinations.

Metered Water Sales and Sewer Rents

In the Financial Plan, metered Water Sales and Sewer Rents increase annually in amounts that offset corresponding forecasted increases in the price of water charged by the NYC Water Board, and operating cost increases (supplies, payroll, etc.) associated with operating the Water and Sewer Bureaus, as well as changes in debt service from the City's Capital Improvement Plan assumptions

School Aid

The Plan projects School District Basic State Funding, the largest source of Education Aid, to increase by an average amount per year of $9.8 million, or 2.23% above the FY26 adopted amount in FY27 through FY29. Foundation Aid, the largest component of the Basic State Funding category, is projected to increase by an average of $5.5 million per year in FY27 through FY29. The balance of the remaining net $4.3 million average annual increase comes from reimbursable expense-based aids, such as, Transportation Aid, Building Aid, High Cost Excess Aid, and Private Excess Cost Aid. Increases are projected consistently with the expenditures that drive the expense based aid. In most cases, the aid is paid on a one year lag of expenditure.

Certain State Aid is projected to remain flat through the Plan, such as State Funding from Video Lottery Terminals (VLTs) at $19.6 million, Supplemental Educational Improvement Plan (SEIP) funding at $17.5 million (Part of Basic State Funding), and Categorical State Funding (for Universal Pre-K and Health Services) at $14.2 million. Based on FY24 New York State Legislation regarding full gaming licenses, if MGM Resorts International was to receive a full gaming license, there is potential for additional casino revenue above the $19.6 million which has been flat for more than a decade. However, the plan conservatively does not project any additional funding for an award of a full gaming license to the Empire City Casino.

Total School District State Funding is projected to decrease by $1.9 million (-0.4%) in FY27, increase by $11.2 million (2.32%) in FY28, and increase by $8.0 million (1.62%) in FY29. Although the district has received a line item amount of $12 million from New York State over the past several years, since the governor has not included this amount in the Executive Budget Proposal for the past few years and that it has had to be added back by the state legislature during the budget adoption process, the plan conservatively does not include this revenue due to the uncertainty of classifying it as a recurring revenue.

Federal Stimulus – Coronavirus State and Local Fiscal Recovery Funds

The City was awarded a total of $87.5 million of Coronavirus State and Local Fiscal Recovery Funds. The funds were delivered in two tranches. The first tranche, 50% of the total, or $43.7 million was received in May, 2021. Complying with all Federal guidelines under the Interim Rule and the accounting guidelines for revenue recognition set by the New York State Comptroller's Office, for the first tranche, the city was able to claim "revenue replacement" and utilize those funds for the "Provision of government services" fully by the end of FY22. The second tranche, also $43.7 million, was received in cash in June, 2022 and was budgeted as Federal Revenue in the FY23 Adopted Budget to be used for the "Provision of government services" starting in FY23 consistent with the requirements and guidelines of the Federal Final Rule. As the expenditures for these provisions were paid and entered into the Federal submission portal, revenue was fully recognized in FY23 in a manner consistent with guidelines from the New York State Comptroller's Office. There was no revenue recognized in FY24 or FY25, and for FY6, there is no revenue budgeted under Coronavirus State and Local Fiscal Recovery Funds and the plan does not include any future revenue from this source.

Expenditures

The major uses of the combined $1.55 billion operating funds in the FY26 Adopted Budget are the Board of Education (52.3% of total expenditures or $810.7 million when debt service for education is included), City Departmental Expenses (26.06% or $403.7 million), and Fringe Benefits for City employees (14.32% or $221.9 million). Including the cost of Fringe Benefits for city employees and City Departmental Expenses, the total cost for the City's departmental operations is 40.39% of total expenditures. The remainder of the expenditures are split between Debt Service (4.30% excluding the education component) and Special Items (2.97%).

Personnel costs - hourly/salary wages, overtime, special pay, and employee fringe benefits - comprise the majority of operating budget expense. Employment levels are held steady throughout the plan. In the FY26 Adopted Budget, Municipal payroll ($314.1 million) plus employee fringe benefits ($221.9 million) combine for $535.9 million or 72.6% of the City's $738.3 million operating budget. School District payroll ($374.5 million) plus employee fringe benefits ($208.4 million) combine for $582.9 million or 71.9% of the School District's $810.7 million operating budget. Combined, personnel costs comprise 72.2% of the $1.55 billion City operating budget.

City Departmental

In the Financial Plan, City Departmental expenses are expected to increase by an average of $2.9 million over the outer years; $3.5 million in FY27, $1.7 million in FY28, and $3.5 million in FY29. Excluded from the City Departmental section are potential retroactive settlement amounts for bargaining units. For department other-than-personal-services expenses, out-year increases are applied to materials/supplies and contractual services accounts, and specific projections are factored for commodity accounts like energy, water, and gasoline/diesel purchases, as well as, projected tipping fees under waste removal. Note that the potential for energy savings costs as a result of entering into an ESCO arrangement are not projected in the plan but could result in savings towards the outer years of the plan.

City Employee Fringe Benefits

In the plan, employee fringe benefit costs are expected to rise by an average of 9.8% or $22.9 million annually for FY27 through FY29. Driving the increased projections are underlying assumptions for categories of fringe benefits, such as: pension obligations, health insurance costs, Social Security taxes, and workers compensation.

Pension Obligations: For the NY State Police and Fire Retirement System (PFRS), the Financial Plan assumes that in the outer years, the City will exit the Alternate Contribution Stabilization Plan, pay full weighted rates equal to the FY26 projected rates plus an average increase of 1.8% for FY27 through FY29, and make all projected annual debt installment payments due under the plan. The outer year projections did not include an estimate for Tier 6 member's overtime that may be excluded under state pension laws.

The FY26 Adopted budget plans to exit the Employee Retirement System amortization program and the plan assumes no amortizing in the outer years FY27 through FY29. The plan assumes an increase in the city's weighted normal rate of approximately 1.5% for each of the outer years. The plan also projects to make all projected annual debt installment payments due under previous borrowings.

For Life, Health, and Dental Costs, the plan assumes an average annual increase of 7.96%, or $8.7 million for FY27 through FY29. Social Security Taxes are projected to increase by 0.5% per year in the outer years. Workers Compensation: A projected 5.0% annual increase in Workers Compensation for FY27 through FY29 was applied to recognize continually increasing claim costs and activity.

Debt Service and Capital Improvement/Bond Issuance Plan

Table 2

Capital Improvement & Bond Issuance Plan ($mil)	FY26	FY27	FY28	FY29
City Capital Improvement	70.0	45.0	45.0	45.0
Library Capital Improvement	0.4	0.4	0.4	0.4
Museum Capital Improvement	2.0	0.2	0.2	0.2
Water Capital Improvement	15.0	5.0	5.0	5.0
Sewer Capital Improvement	1.5	2.0	2.0	2.0
Total City	88.9	52.6	52.6	52.6
BOE Capital Improvement	17.0	17.0	17.0	17.0
BOE Equipment /Textbooks	7.3	-	-	-
Total BOE	24.3	17.0	17.0	17.0
Total Bond Issuance Plan	113.2	69.6	69.6	69.6

Note that Table 2 excludes potential amounts for Tax Certioraris / Judgments that may arise.

The FY26 Adopted Debt Service budget is $103.6 million which includes principle and interest payments owed under GASB 87 (leases) and GASB 96 (software) expenses. Inclusive of (a) projected debt service liabilities under the current portfolio of outstanding bonds, (b) projected bond issuance as shown above in Table 2, (c) future ESCO planned borrowing costs, and (d) amounts for potential Joint School Construction Board debt costs to be paid by the district of $5.0 million for FY28, and $10.0 million for FY29, if a newly planned school is built, the Financial Plan projects debt service budgets in FY27 - FY29 of $108.0 million, $117.7 million, and $121.2 million, respectively.

City Special Items

The Special Items budget consists of expenditure items not specific to a City Department function, or items that historically have been shown as unique budget lines. Normally, the largest item, Reserve for Uncollected Taxes, is budgeted in accordance with a formula outlined in the Special Local Finance and Budget Act of 1976. Special Items also include budget lines for: City and County property taxes and water/sewer charges on taxable City property; tax certioraris; judgment and claims; outside counsel; and termination pay of unused leave time. In FY26, a new special contingency account to deal with potential financial disruption from tariffs, reductions in Federal Grant Funding, and trickle- down State aid reductions, was budgeted for $15.0 million. Under the Special Local Finance and Budget Act of 1976, the flexibility to use reserves is limited and therefore, additional reserves were appropriated to create an adopted contingency of $15.0 million called “SAVE.” (Strategic Allocation of Vital Expenditures)

The following Plan assumptions were used for Special Items:

- Reserve for Uncollected Taxes, Taxes on City Property: Increased in accordance with the Plan’s assumption of annual property tax growth.
- Termination Payments: A 2% increase for years FY27 through FY29 reflecting a conservative projection on a normal retirement environment
- “SAVE” Contingency is removed in the outer years and replaced with a more customary Contingent Reserve of $1 million per outer year.
- Tax Certioraris: An annual amount of $0.5 million in the General Fund for years FY27 through FY29. Tax Certiorari judgments, if arising greater than $0.5 million, are not included in the plan.
- Litigation Expense, and most other Special Items: Held flat through the Plan.

The FY26 Special Items Adopted Budget is $46.0 million. The plan projects Special Items to drop by $13.5 million in FY27, and increase by $500k in both FY28 and FY29.

Board of Education (BOE) Basic Operating Expenditures

The BOE FY26 Adopted Budget for basic operating expenditures, excluding Debt Service, is $773.8 million. In the Plan, BOE basic operating expenditures increase by an average of $33.6 million (4.21%); $45.5 million (5.88%) in FY27, $27.2 million (3.32%) in FY28, and $28.1 million (3.43%) in FY29.

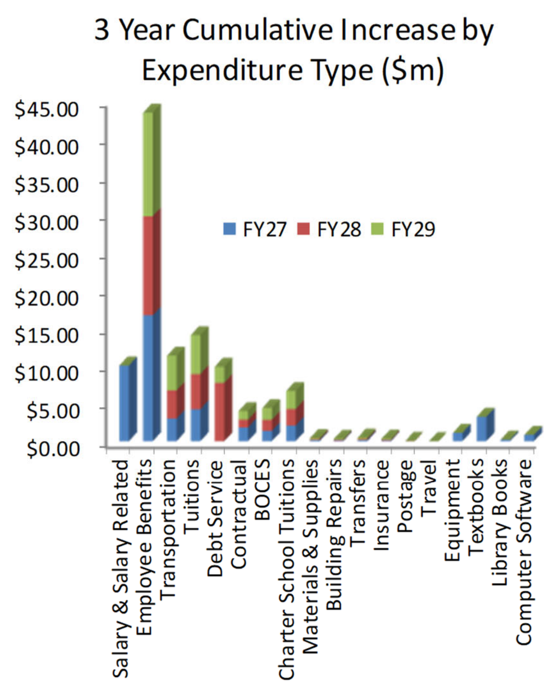
The BOE negotiates with four employee labor organizations: the Yonkers Federation of Teachers (YFT), the Yonkers Council of Administrators (YCA), the Civil Service Employees Association (CSEA), and Teamsters Local 456 (White Collar). YFT, YCA and CSEA have settled contracts with the Board through FY27. The Teamsters Local 456 (White Collar) contract, representing approximately 10 active members, expired in FY22. Amounts for settled contractual costs are projected in the plan.

Year-over-year increases in BOE expenditures and debt service in the Plan are summarized below in Table 3 and Chart 6.

Table 3

BOE Plan Increases over Prior Year (mil)	FY27	FY28	FY29
Salary & Salary Related	$10.01	$0.00	$0.00
Employee Benefits	16.62	13.09	13.70
Transportation	2.99	3.71	4.59
Tuitions	4.23	4.66	5.13
Debt Service	(0.73)	7.71	2.12
Contractual	1.81	1.03	1.14
BOCES	1.36	1.46	1.56
Charter School Tuitions	2.08	2.17	2.37
Materials & Supplies	0.14	0.14	0.14
Building Repairs	0.09	0.10	0.10
Transfers	0.15	0.16	0.17
Insurance	0.10	0.10	0.11
Postage	0.01	0.01	0.01
Travel	0.00	0.00	0.00
Equipment	1.11	0.00	0.00
Textbooks	3.23	0.00	0.00
Library Books	0.20	0.00	0.00
Computer Softw are	0.83	0.00	0.00
Total Expenditures	44.73	34.87	30.21

Chart 6



In the plan, salary and salary-related wage increases are based on the terms of settled labor contracts for all outer years at FY26 headcount levels. Salary and salary-related wage increases are 2.7%, or $10.0 million for FY27, 0.0% or $0.0 million for FY28, and 0% or $0.0 million for FY29. Fringe Benefit increases are projected to be 7.98%, or $16.6 million in FY27, 5.82%, or $13.1m in FY28, and 5.76% or $13.7m in FY29 reflecting expectations that the Teachers' Retirement System pension rates will rise by 0.5% in the outer years. Health Insurance amounts, net of additional employee contributions as scheduled in the most recent contract settlements, will increase by an average of 7.02% in the outer years FY27 through FY29. The cost to provide out of district Special Education type services, such as, Public/Private Tuitions and BOCES Tuitions are projected to increase based on recent expenditure trends and anticipated enrollment growth by an average of 9.2% for the outer years. With the continuing increase in the number of Charter School Students attending both in-city and out-of-city charters schools and an expected increase in tuition costs, Charter School Tuition Costs are projected to increase by approximately 9.3% for each of the outer years. The Plan only assumes approved Charter Schools. Pending applications, if approved, will come at an increased cost above those listed in the plan. The plan also projects annual inflationary growth in transportation, utilities, and contractual costs.

Areas of Concern

The Cost of Labor

State Laws, such as The Taylor Law and the Triboro Amendment, that can dictate labor negotiations with public employees, can contribute to salary growth rates and the commensurate increases in salary-related costs like pension contributions and social security to a point where local governments find it increasingly difficult to offset without raising unpopular revenues or reducing programs and services. Costs for health care, for both active and retired employees, and persistent costs stemming from the State's workers' compensation and job injury leave policies and practices, also continue to climb at unsustainable levels.

Unsettled Labor Contracts

The city has seven collective bargaining units and provides an annual appropriation to the city's library fund which contains one additional bargaining unit. Two of the city's units, SEIU 704 and Teamsters, have been off contract since December 31, 2023. The four public safety units have been off contract since June 30, 2024. The contracts for two other city units, Teamster Managers (White Collar) and AFSCME, as well as, the Library's SEIU 704b unit, expired on June 30, 2025. The FY26 Adopted Budget did not include additional wage amounts, including any potential retroactive amounts, for the expired contracts. The financial plan **does not include** an appropriation for unsettled contracts in the outer years. The total salary and variable fringe benefits attached to those salaries is approximately $420.8 million. For each 1% increase in each outstanding contract year, for all unions, would require approximately $27.0 million to fund both salaries and full retroactive amounts owed in FY27. **The ability to settle outstanding contracts at affordable levels remains a major concern considering projected funding gaps in the plan.**

For the school district, only one contract for the approximately ten-member White Collar Teamster union remains outstanding since FY22. YFT, YCA and CSEA, which make up over 99% of the salaries, are on contract until FY27. The FY26 Adopted budget and financial plan consider known settlement amounts only.

Police and Fire Pension Costs

Chart 7 (next page) indicates the strong upward trend in actual rates being paid to the New York State Police and Fire Retirement system for the current plans contractually offered by the city to its public safety members. For example, if an employee makes $100k per year, and is a Tier 2 employee, the amount that would be owed to the State pension plan would be $44.5k. Tier 6, the tier for any members who joined government after April 1, 2012, was established with a reduced defined benefit package for employees and commensurate lower annual pension rates to lessen the burden on local government and school districts However, just in the last seven years, the Police and Fire pension rates for Yonkers on Tier 6 members, now at 28.9% of wages, are similar to the Tier 2 rate of 29.0% back in FY19. Although limitations on the amounts of eligible overtime, and pensionable wages are capped at the governor's salary of $250k, the increase in rates has negated most projected savings assumed when Tier 6 was created. The 2024 Audit for the Police and Fire Retirement System Fund ("PFRS") showed a 89.72% funding ratio which was below the 93.88% funding ratio for the much larger Employee's Retirement System Fund ("ERS"), while the Teachers Retirement System ("TRS") Fund's 2024 Audit, indicated a 102.1% funding ratio. The TRS system has been able to keep its rat very steady over the past few years probably because of the funded status. It should be noted that all three funds have different actuarial assumptions that set rates. Although the additional contribution rates shown in Chart 7 should be helping increase the funded status of PFRS, a myriad of actuarial assumptions, including inflation, wage rate increases, length of service, fund performance, and a suggested discount rate can easily erode any hopes of an improved funded status decreasing rates in the future.

The city has been practicing pension smoothing by entering the 12-year payback Stabilization Plan offered for PFRS for the last decade. Over the past decade, we've seen total Tier 6 pensionable wages invoiced increase as Tier 2 members' wages drop as retirements occur. The prevailing thought had been that the spread between the amortized rate that the PFRS system offered, and the normal blended rate for Yonkers, would narrow. Unfortunately, contrary to expectations, the overall increase in rates across all Tiers, including the effect of Tier 6 rates increasing from 21.4% to 28.9% over the past 3 years, has increased the spread leading to greater annual borrowings which is a major area of concern. Illustrating the challenge, Table 4 represents the borrowings over the last 5 budget years including FY26 projected.

Chart 7

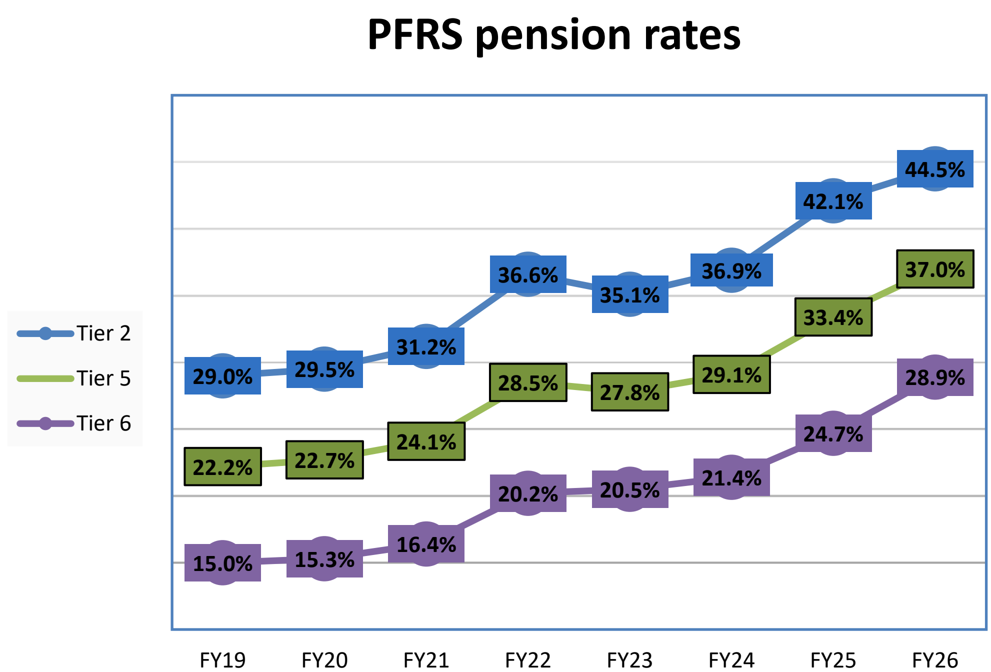


Table 4

Borrowing over Last 5 years

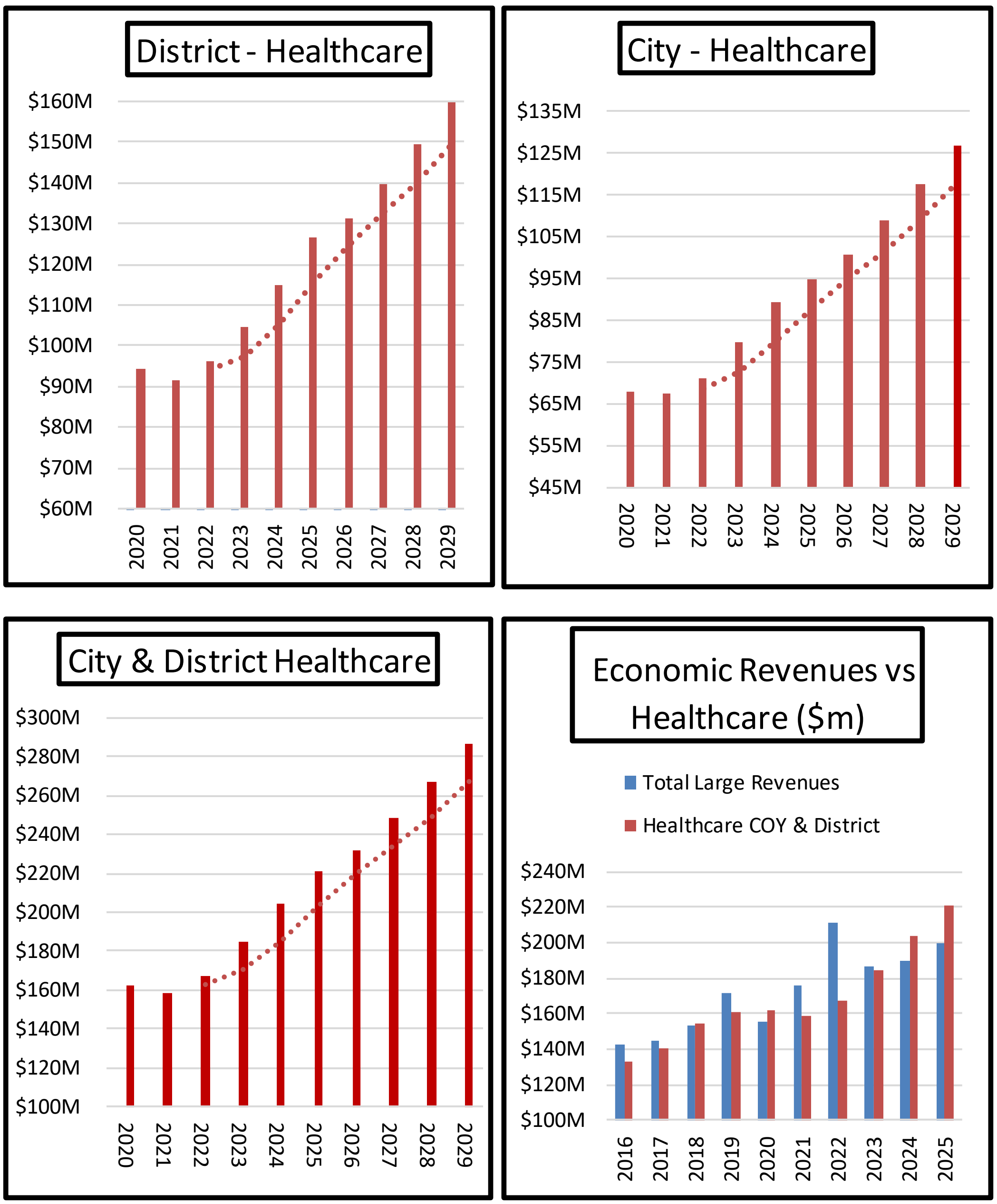
FY	Rate	PFRS
22	2.24%	$ 10,190,060
23	3.70%	9,303,690
24	5.10%	9,791,573
25	5.43%	17,925,559
26*	5.50%	19,920,295
5 Year Total		$ 67,131,177

*Projected

Health Insurance

The combined FY26 Adopted Health Insurance appropriations for the City and BOE total approximately $230 million. The NYSHIP Empire Plan family coverage has averaged an approximate 7.5% increase since inception in 1986 which if applied to the current budget (exclusive of changes in premiums and/or other non NYSHIP costs) would indicate an approximate annual increase of $17 million in total health insurance costs. To put this into perspective, a 2% increase in real estate property taxes (staying inside the cap) produces approximately $8.9 million in additional revenue. The plan projects annual increases of 8% for both the City's and School District's Empire Plan rates. Recently settled bargaining contracts for the school districts have increased health insurance contributions reducing an 8% projected increase in Empire Plan premiums down to a net 7.02% average increase in Health Insurance. However, considering the sheer size of health insurance costs and the ability to grow faster than the rate of the economy, future year costs represent a significant budget stressor and a major area of concern. The charts below (Chart 8) illustrate the actual costs from FY2020 through plan projected FY2029 and also how performance versus the Large Economic Revenues has fared in the period of FY2016 through FY2025.

Chart 8



Economically Sensitive Revenue Reliance

Over the last ten years, the city's tax base has grown through development and population growth producing greater economically sensitive revenues primarily through the collection of sales tax and personal income tax. City operations are supported by these taxes that can fluctuate with known and unknown economic conditions and that can be subject to exogenous shocks, such as, COVID-19 which greatly altered the upward vector of revenue collections in February 2020. A robust recovery in FY22 which sent the city's economically sensitive revenues to record levels was followed by an almost $25 million decrease in FY23. Regardless of the growth in the city, and the fact that improvident budgeting is rare under the Special Local Finance and Budget Act of 1976, an overreliance on these fluctuating revenues can be an area of concern in outer years. From FY12 to FY25 budget, the amount of Special Taxes (the group of revenues that contains most of the economically sensitive revenues), as a percentage of total revenue (City and BOE), has increased from 12.78% to 15.08%. Therefore, the City must be cautious in projecting revenue subject to broader economic conditions which can be out of city control.

High Cost Special Needs Student Expenses

The percentage of Yonkers students who require special education services now stands at 20%. Many of these students require a highly specialized education and the district is mandated to provide these services. In many cases, the costs for this education are deemed as "high cost" by the State when applying for reimbursement. Quite often, the Yonkers district does not have the infrastructure or staffing to educate within and is required by law to offer out of district education to either another public school district or a private institution. Each outside public or private school's tuition cost is set by the state. The state recognizes that the costs to educate these students can be high and therefore offers a unique aid meant to cushion the costs for a district. The reimbursement rate for these high-cost students, whether in-district, or out of district, is based on a wealth-based percentage reimbursement above a threshold that is unique for each district. The concern is that excluding New York City, the net cost for all high-cost students (All $ costs minus All $ Aid) in Yonkers far exceeds other districts. Table 5 represents 2024 amounts for the top 15 (Excluding NYC) costliest districts as calculated from inputs from FY25 State Aid runs. Being approximately $23 million higher than the next nearest district is a concern considering that the number of special education students continues to grow while tuition costs continue to rise creating expectations that funding gaps will continue until the state reimbursement formula is adjusted.

Table 5

District #	District Name	NET DISTRICT $ COST FOR HIGH COST PUPILS (EXCLUDES TRANSPORTATION)
662300	YONKERS	**40,051,168**
280202	UNIONDALE	17,029,967
580405	HALF HOLLOW HI	15,351,243
132101	WAPPINGERS	14,321,343
140600	BUFFALO	13,332,432
261600	ROCHESTER	13,172,877
580212	LONGWOOD	12,518,594
420303	NORTH SYRACUSE	12,126,817
441201	MONROE WOODBURY	11,279,275
280201	HEMPSTEAD	11,129,496
580205	SACHEM	11,028,274
580105	COPIAGUE	10,796,149
441600	NEWBURGH	10,727,851
580512	BRENTWOOD	10,552,829

District Transportation Expenses

Contractual Bus Company Pupil Transportation costs have risen over the past 10 years from $28.1 million in FY16 to a projected $59.6 million for FY25. While there was a temporary drop during the COVID-19 pandemic, when schools were closed or partially closed, the post-pandemic years have experienced a more rapid increase, primarily due to inflation, limited bus company competition, and the continued growth of the Special Education pupil population. In particular, the Special Education segment of transportation has seen a significant rise, from $13 million in FY16 to a projected $37.9 million for FY25. Special Education transportation costs have grown from making up about 46% of the total Pupil Transportation costs in 2016 to over 64% projected in 2025, not only illustrating the growth in the Special Education pupil population but also the challenges the district continues to navigate with the corresponding transportation needs. In cases where a Special Education student's needs cannot be met within the school district, NYS law mandates that transportation services must be provided up to fifty miles to an out-of-district institution, which further increases annual costs. Additionally, responsibilities under the McKinney-Vento Act have added to the cost of transporting homeless students to their resident school districts. See ten years of bus company total costs (Chart 9) and special education bus company costs (Chart 10) to the consolidated fund below:

Chart 9

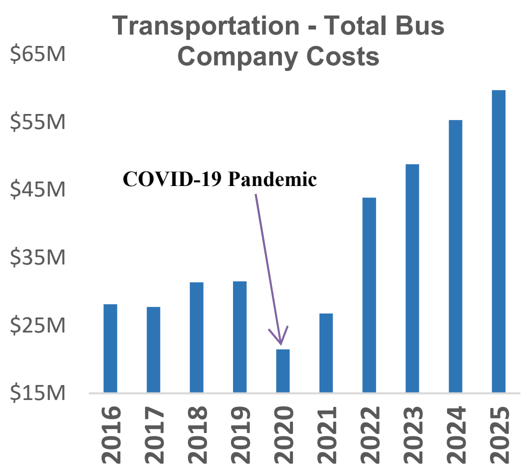
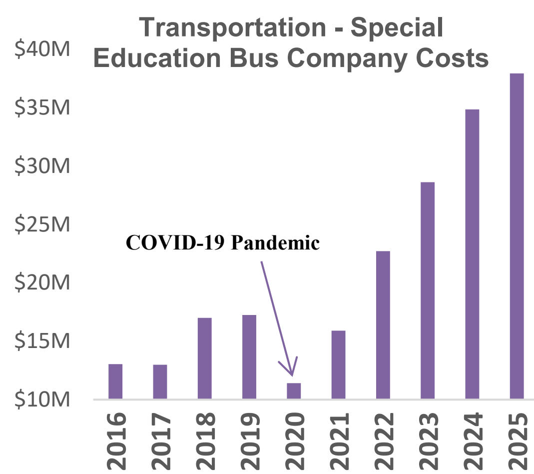


Chart 10



Education State Aid

Education State Aid levels for Foundation Aid and/or other reimbursable aids, are primarily determined by using "wealth ratios" which are determined by the relative weighting of resident income and property values per district student or student units, across school districts throughout New York State. All things being equal, the greater the comparative wealth, the lessor the Education State Aid reimbursement rate will be. Yonkers increased development, population growth, and employment levels, in comparison to other areas in New York State, could decrease reimbursement rates for Education School Aid going forward at a time when increased expenditures are needed by the city to support resident population growth. Although annual changes are usually subtle, over time, they could provide a major headwind as the expected local share increases. Each 1% change in the Foundation Aid State Sharing Ratio equates to approximately a $5.96 million change in annual Foundation Aid alone. The financial plan assumes that the Foundation Aid State Sharing Ratio will drop from 54.1% in FY26, to 53.1% in FY27, 52.5% in FY28, and 51.9% in FY29. Other aids for reimbursements of prior year expenses on Transportation, Special Education, and Building Aids, are all susceptible to reduced rates of reimbursements based on wealth statistics. Considering that most of these program costs are mandated by the state, aid reductions in these areas could result in reductions to other non-mandated programs or the additional raising of local share.

Last year's Four-Year Financial Plan mentioned that the Governor's Office had tasked the Rockefeller Institute with studying the complexities and fairness of the Foundation Aid Formula. Yonkers, along with many other Westchester

County School districts have always made the argument that the Regional Cost Index, a key input that measures the cost of successfully educating a student in each district, never accurately measured the cost of living or doing business in Westchester. This occurred because Westchester County had been lumped into a wider region called the Hudson Valley Region which also contained counties as far north as 100 miles away from Yonkers, such as, Ulster and Sullivan counties. The Regional Cost Index (RCI) is treated linearly in the formula so any percent change in the index results in a commensurate change in Foundation Aid. That said, a failure to accurately measure this key input can create inequities across districts.

The results of this study were released in December 2024 and the institute strongly concurred with the Westchester districts' argument that the Regional Cost Index (RCI) was inaccurate. Page 190 of the report titled "A Review of New York State's Foundation Aid Education Funding Formula With Recommendations for Improvement" says "The current nine-region construct of the RCI does not adequately reflect the cost differences faced by individual school districts, lumping together Hudson Valley districts such as Saugerties in Columbia County with Scarsdale in Westchester County, of Port Jefferson in Suffolk County with New York City, for example." (Saugerties is actually in Ulster County but quoting here). Instead of continuing to use the outdated RCI which had not been updated since 2006, the report recommended using a different cost metric called The Comparable Wage Index for Teachers (CWIFT) which is "a tool developed by the National Center for Education Statistics (NCES) Education Demographic and Geographic Estimates project specifically to facilitate comparison of educational expenditures." The ability for this metric to identify cost differences by county, rather than a region, was an important factor in the recommendation. Under the CWIFT calculation, Westchester County had the highest metric of 1.554. This was 0.24 higher than the FY25 Hudson Valley RCI of 1.314.

In the FY26 NYS Adopted Budget, referencing the Rockefeller Institute's report, the State decided that Westchester County was clearly different than other counties in the Hudson Valley Region and decided to break out Westchester from the Hudson Valley region and give it a separate and unique RCI of 1.351. This was a good first step for Albany to acknowledge that Westchester was clearly different than Ulster and Sullivan counties. However, the final result was far from the CWIFT figure of 1.554. With the understanding that changing RCIs across the state could result in a great increase in Education Aid owed to districts by the state, the Rockefeller report did mention a phased-in approach if funding was not available in Year 1. The phased-in approach would take 5 years to implement. **If Westchester had received the 1.554 metric in FY26, Yonkers Foundation Aid would have gone from the Adopted amount of $313.2 million to $363.6 million, or $50.4 million more**. If a phased-in approach is utilized going forward to provide Yonkers with approximately $50.4 million over 5 years, that would equate to $10 million additional Foundation Aid per year for Yonkers for 5 years until reaching the equivalent of the 1.554 RCI.

Westchester County is home to some of the wealthiest districts such as Bronxville, Rye, and Scarsdale, etc. but it also has cities with poverty challenges. The concern is that even though the evidence of chronic underfunding from the origin of the Foundation Aid Formula in FY07 now exists through the Rockefeller Institute's report, **does the political will in Albany exist to continue to help Westchester cities receive their full share** even if it appears to be helping rich districts? For some of the wealthiest districts, the change in RCI does not move the needle on their Foundation Aid funding either because they are already on what is called Hold Harmless where the districts are already receiving more than the formula, or because their wealth statistics are so high the districts will still only receive a flat minimum of $500 per student. This information should provide some cover for Westchester delegations when deliberating for a higher RCI for Westchester County.

Gap Closing Measures

Exactly how the City addresses looming structural deficits will be decided by the administration in conjunction with the various stakeholders in the City of Yonkers and those concerned with its fiscal stability. This includes federal and state elected officials, the NYS Comptroller, the State Education Department, the public and their representatives in the City Council, City and School District employees and their union representatives, local businesses, developers, bondholders and property owners. The following gap closing measures are provided as examples to qualify, and quantify, possible means to a solution.

The fiscal problems facing the City are not unique to Yonkers and cannot be solved by citywide percentage cut targets. A review of the categories of expenditures - Departmental Expenditures and Fringe Benefits, Special Items, the School District, and Debt Service - and their associated costs reveals that many significant expenses are mandated or beyond the control of the City. For instance, the City cannot generally decrease its contribution to the School District under the MOE. The City cannot easily decrease its Debt Service expense, as the expense is based on prior years' bonding, and repair and maintenance of critical infrastructure is a priority. The largest expense of the Special Items, the Reserve for Uncollected Taxes, must be calculated based on a formula specified by the Special Local Finance and Budget Act of 1976 and cannot be reduced as a budget item. Cost centers largely outside of the City's control, like Employee Health Insurance and Workers Compensation, may continue to increase at rates in excess of both the City's economically-sensitive revenue growth and the 2% property tax cap.

Some financial and management options available to the City are listed below as gap closing measures. Employing any or all of these tools must be done judiciously to ensure that the City's financial obligations are met while limiting the fiscal stress on taxpayers and maintaining a robust City government. The following list is only an illustration of the tools which may be utilized to address deficits:

Increased Gaming Revenue from MGM Resorts Casino

New York State will grant three full gaming casino licenses downstate and the hopes are that the MGM Resorts International Empire City location in Yonkers will be chosen. Based on FY24 Adopted Legislation, the host municipality would be allocated ten percent of the taxes imposed on the casino to go towards the purpose of real property tax relief or education assistance. The final decision is due in December 2025. Currently, the Yonkers school district receives $19.6 million from Video Lottery Terminal revenue from New York State as a host municipality. This revenue amount has remained flat since NYS FY08 even though full year net win was up $175.8 million from $431.7 million in NYS FY08 to $607.5 million in NYS FY25. A full gaming license for MGM, if Yonkers is chosen as a host city, would bring huge capital investment, jobs, income tax, sales tax, and gaming revenue from the state to the city. For example, if MGM, when at full capacity, was to generate $350 million in gaming taxes, that would be $35 million to the city for either real property tax relief or educational assistance. The $19.6 million in VLT aid would disappear as Video Lottery Terminals are replaced with traditional casino slot machines. $35 million is $15.4 million more than the current $19.6 and would be expected to grow with gaming take going forward. In addition, the city may be able to restructure its current impact fee structure with MGM to cover additional expenses that a full casino may bring to Yonkers. The Plan does not project any change in the current revenue structure of $19.6 million for the district and $2 million in impact fees for the City in the outer years. Although the city is optimistic that MGM will be granted a casino, the timing of recognizing the full casino tax revenue is not clear since portions of the casino will be under construction until the build out is complete. However, if MGM is chosen, the city will work with the State Comptroller's Office to budget and recognize revenues as they become measurable and available.

Use of Reserves

Although General Fund reserves and projected reserves are not part of the Primary Financial Plan because they may distort the structural appearance of the city and school district's future year budget projections, audited unassigned fund balance will be appropriated within the limitations of the Special Local Finance and Budget Act of 1976 to reduce or close budget gaps.

Pension Smoothing

The financial plan assumes no pension smoothing. If necessary to close a budget gap, the city could resort to amortization of the Police and Fire Retirement system costs as well as the Employee Retirement System costs on a needed basis.

Increase Income Tax Surcharge

Resident: The City's income tax for residents is based on an individual's state income tax and was introduced by the New York State Financial Control Board. The resident rate is currently 16.75% of the net State tax, after being increased from 15% starting January 1, 2014. Under current state law this tax could be increased to 19.25%, which could generate an approximate additional $9.0 million in annual revenue with an increased first fiscal year amount if made retroactive to January 1 of implementation year.

Non-Resident: The City's income tax for non-residents is basically 0.5% of NYS Wages (net of allowances offered if making under 30,000 from wages) earned in Yonkers while being employed or self-employed for the pro-rated portion of the year. If this rate was increased to 0.75%, it would result in approximately $6 million in additional revenue. This change would require State Legislation.

Increase Fire Public Safety Program Fee

The Fire Public Safety Program requires that multi-dwelling parcels pay a safety fee for inspections and fire prevention. The cost to run this program has been analyzed and the current fee structure does not adequately pay for the costs. The fee has not been changed in a decade while costs have gone up. The current structure brings approximately $3.3 million in fees while running the program costs approximately double this amount. If the fee structure was changed to match actual costs, this could produce approximately $3.3 million in additional revenue which would be budgeted under the Fire Department. This would require a Local Law change in Yonkers.

Increase Real Estate Transfer Tax

The City's Real Estate Transfer Tax is currently 1.5%, and could be increased to up to 3% of the conveyance amount. An increase to 3.0% could generate an additional $12.0 million annually, providing that real estate sales trends continue and the increase doesn't affect purchaser or seller behavior. (An increase to 3% was presented in the FY17 Proposed Executive Budget but was ultimately rejected by the City Council in favor of an increase in the property tax levy above the allowable tax levy growth factor.)

Exceed Property Tax Cap Limit

With a supermajority vote of the City Council (five of the seven council members), the property tax cap can be exceeded. Each 1% increase in the Property Tax garners an additional approximate $4.4 million in annual revenue.

Self-Insured Health Benefits Plan or Lower Cost Carrier

Investigate and contract carve-out arrangement where health insurance carriers offer commensurate services to the current provider (NYSHIP) at a lower cost for specific segments of the population thus lowering the overall cost of health insurance. If no potential savings exist while at commensurate coverage, negotiate to introduce options for lower cost coverage plans, such as, the NYSHIP Excelsior Plan, and adjust premium percentages so it's advantageous to both employee and the city or district going forward.

Property Revaluation

A full revaluation project, along with the continued improvement in market values, could reduce the need to pay the annual cost of successful certiorari challenges, save the City approximately 60% of annual tax certiorari costs and also help provide greater equitable treatment of property owners. The financial plan does not assume that a revaluation will happen over the next three years and assumes that Tax Certiorari judgments, if existing, will be bonded appearing under Debt Service expense in the outer years FY26 through FY28.

Additional Revenue Enhancement

- **Create** a new Refuse District Fund, with its own dedicated fee structure, to ensure that all users, including tax-exempt entities, pay their fair share for refuse collection and disposal. In 2025, Westchester County increased its costs to eliminate waste to the local municipalities which makes the need for a fairer structure based on waste removal even greater. The fee structure would be set upon prospective changes to costs to provide the level of service that would be offered.

- **Include** a gross receipts tax on mobile telecommunications under utility gross receipts tax similar to the City of New York. (Would require State legislation.) Basic assumptions assume this change could bring an additional

$1.3 million revenue. The loss from Cable Franchise Fees revenue, which has dropped over the past decade as residents "cut the cord" and use streaming services over cable boxes, can be mitigated by including mobile phones in the telephone utility tax.

- **Extend** the Real Estate Transfer Tax and Mortgage Recording Tax to cooperative apartments. (Would require State legislation.)

- **Lobby** State to increase AIM Aid. As stated earlier in the Revenue section, Yonkers is and has been sending an increasing amount of Sales Tax and Income Tax to the State while Yonkers AIM Aid has remained flat. Investments in new infrastructure, improvements to Parks, strong Public Safety, and other improved services are creating the attractive backdrop where people want to live and shop that is fostering growth in the shared revenues. However, Yonkers is not receiving its share of the increased revenues.

- Over the past 23 years (FY04-FY26), the City's annual transfer to Education has more than doubled from $135 million to $298 million. The previously mentioned Rockefeller Institute's report that indicated that Westchester County has been unfairly treated in the Foundation Aid formula since 2007 provides evidence for continued increases to the Regional Cost Index of 1.351 that was set in the FY26 NYS Adopted Budget. If Westchester was to receive the report's suggestion of 1.554, that would be approximately $50 million in additional Foundation Aid for Yonkers. The city must continue to **lobby** the state for this equitable treatment.

- **Lobby** State for an adjustment in the Private and Public Excess Cost reimbursement formulas to assist with the growing demands of the aforementioned Special Education services or provide an infrastructure grant to assist the district in expanding its special education services. The most recent court decisions require that Special Needs students are offered the right to attend school until graduation or until they reach the age of 22. Currently, New York State only reimburses the district for students up to their 21st birthday thus providing no reimbursement for the possible final year of the student's education.

- **Lobby** State for Block Grant to pay for the Local Cost Share of the "Rebuild Yonkers Schools" Initiative, as well as, increasing the Building Aid Ratio for schools built under the legislation.

- Continue to **seek out and apply** for competitive Federal and State Grant opportunities, such as, the SAFER Grant which has helped the city in prior years to pay the cost of hiring 30 Firefighters over a three year period.

Shared Services

- Form "districts" with neighboring communities to consolidate operations, eliminate overhead, and share capital equipment.

Operations

- The school system will examine building usage, instructional programming, transportation routes, and student capacity needs in order to best align expenditures with the changing enrollment patterns.
- Continue to adjust fees commensurate with the costs in providing services.
- Continue to adjust positions to the fluctuating needs of the city and district as mandates and situations arise, including the use of overtime.
- Be as prudent and judicious with filling vacant positions as they inevitably occur due to retirements to maintain headcount flexibility. Offer early retirement incentives that make sense on a long term basis.
- Apply Artificial Intelligence initiatives in functions that can be streamlined.

Real Estate

- Analyze City properties and vacant/underutilized private properties to identify and develop candidate areas for commercial/housing development and resultant increase of Yonkers tax base.

City of Yonkers
Financial Plan Summary

	FY 2026 Adopted	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection
City Budget	$ 738,260,216	$ 781,128,237	$ 793,034,140	$ 811,681,207
School District Budget	$ 810,723,013	$ 855,453,328	$ 890,326,780	$ 920,534,481
Total Budget	**$ 1,548,983,229**	**$ 1,636,581,566**	**$ 1,683,360,920**	**$ 1,732,215,688**
Budget Surplus/(Gap) (before Gap Closing measures)	**$ -**	**$ (164,759,023)**	**$ (182,117,041)**	**$ (201,243,888)**

City Budget Details	FY 2026 Adopted	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection
City Expenditures	$ 738,260,216	$ 781,128,237	$ 793,034,140	$ 811,681,207
City Revenues	$ 759,116,689	$ 713,586,012	$ 730,917,521	$ 754,919,003
Less Sales Tax for Education	$ 20,856,473	$ 21,377,885	$ 21,912,332	$ 22,460,140
City Budget Gap (before Gap Closing measures)	**$ -**	**$ (88,920,110)**	**$ (84,028,951)**	**$ (79,222,344)**

School District Budget Details	FY 2026 Adopted	FY 2027 Projection	FY 2028 Projection	FY 2029 Projection
School District Expenditures	$ 810,723,013	$ 855,453,328	$ 890,326,780	$ 920,534,481
School District Revenues	$ 512,424,954	$ 485,004,971	$ 496,165,399	$ 504,143,638
City Contribution to Education	$ 277,441,586	$ 273,231,559	$ 274,160,959	$ 271,909,159
Plus Sales Tax for Education	$ 20,856,473	$ 21,377,885	$ 21,912,332	$ 22,460,140
School District Budget Gap	**$ -**	**$ (75,838,913)**	**$ (98,088,090)**	**$ (122,021,544)**

City of Yonkers
Revenue and Expenditure Summary

	FY 2026 Adopted	FY 2027 Projection	% y/y	FY 2028 Projection	% y/y	FY 2029 Projection	% y/y
Revenues							
Property Taxes	$ 452,174,325	$ 461,217,811	2.0%	$ 470,442,167	2.0%	$ 479,851,011	2.0%
Special Taxes	233,361,152	239,851,094	2.8%	247,039,531	3.0%	256,142,804	3.7%
State & Federal Funding	113,609,219	113,609,219	0.0%	113,609,219	0.0%	113,609,219	0.0%
City Departments	55,278,586	55,184,586	-0.2%	55,292,706	0.2%	55,622,988	0.6%
Other Revenues	57,941,586	49,000,698	-15%	48,905,762	-0.2%	49,228,028	0.7%
Appr. Fund Balance (General)	57,568,326	-	-100.0%	-	0.0%	-	0.0%
Total Revenues - General Fund	**$ 969,933,194**	**$ 918,863,408**	**-5.3%**	**$ 935,289,385**	1.8%	**$ 954,454,050**	2.0%
Library Fund	353,909	95,758	-73%	95,758	0.0%	95,758	0.0%
Water Fund	54,125,735	55,509,202	3%	57,298,421	3.2%	59,532,353	3.9%
Sewer Fund	12,145,437	12,349,203	2%	12,394,916	0.4%	12,746,001	2.8%
Total City Revenue	**$ 1,036,558,275**	**$ 986,817,571**	**-5%**	**$ 1,005,078,480**	1.9%	**$ 1,026,828,162**	2.2%
Board of Education	512,424,954	485,004,971	-5%	496,165,399	2.3%	504,143,638	1.6%
Total Revenues - All Funds	**$ 1,548,983,229**	**$ 1,471,822,542**	**-5%**	**$ 1,501,243,879**	2.0%	**$ 1,530,971,800**	2.0%
Expenditures							
City Departments	$ 403,736,313	$ 407,258,119	1%	$ 408,963,392	0.4%	$ 412,460,407	0.9%
Fringe Benefits	221,859,243	269,580,370	22%	277,251,380	2.8%	290,485,271	4.8%
Special Items	45,990,577	32,526,961	-29%	33,034,424	1.6%	33,554,474	1.6%
Board of Education	773,789,212	819,249,668	6%	846,411,967	3.3%	874,495,948	3.3%
Subtotal	**$ 1,445,375,345**	**$ 1,528,615,117**	**6%**	**$ 1,565,661,163**	2.4%	**$ 1,610,996,100**	2.9%
Debt Service	$ 103,607,884	107,966,449	4%	117,699,758	9.0%	121,219,588	3.0%
Total Expenditures	**$ 1,548,983,229**	**$ 1,636,581,566**	**6%**	**$ 1,683,360,920**	2.9%	**$ 1,732,215,688**	2.9%
Revenues vs. Expenditures	**$ -**	**$ (164,759,023)**		**$ (182,117,041)**	10.5%	**$ (201,243,888)**	10.5%

City of Yonkers
Revenue Summary

	FY 2026 Adopted	FY 2027 Projection	% y/y	FY 2028 Projection	% y/y	FY 2029 Projection	% y/y
Property Taxes	**$ 452,174,325**	**$ 461,217,811**	2.0%	**$ 470,442,167**	2.0%	**$ 479,851,011**	2.0%
Special Taxes							
Sale and Use Tax	104,284,748	106,891,866	2.5%	109,564,163	2.5%	112,303,267	2.5%
Sale and Use Tax - Education	20,856,473	21,377,885	2.5%	21,912,332	2.5%	22,460,140	2.5%
Utilities Gross Receipts	11,867,457	12,281,112	3.5%	12,709,194	3.5%	13,152,206	3.5%
Supplemental Real Estate Tax	400,000	400,000	0.0%	400,000	0.0%	400,000	0.0%
Real Estate Transfer Tax	12,024,000	12,525,000	4.2%	13,027,100	4.0%	14,527,793	11.5%
O.T.B. Surcharge	23,200	23,200	0.0%	23,200	0.0%	23,200	0.0%
Multiple Unit Dwelling Tax	140,000	140,000	0.0%	140,000	0.0%	140,000	0.0%
E.T.P.A. Adm. Charge	306,000	306,000	0.0%	306,000	0.0%	306,000	0.0%
City & State Mortgage Tax	7,139,000	7,639,000	7.0%	8,389,000	9.8%	9,889,000	17.9%
Hotel Room & Occupancy Tax	2,250,000	2,250,000	0.0%	2,250,000	0.0%	2,250,000	0.0%
Adult Use Canabis Tax	200,000	300,000	50.0%	330,000	10.0%	363,000	10.0%
Income Tax Surcharge	73,870,274	75,717,031	2.5%	77,988,542	3.0%	80,328,198	3.0%
Total - Special Taxes	**$ 233,361,152**	**$ 239,851,094**	**2.8%**	**$ 247,039,531**	**3.0%**	**$ 256,142,804**	**3.7%**
State & Federal Funding							
AIM Funding	108,215,479	108,215,479	0.0%	108,215,479	0.0%	108,215,479	0.0%
Temporary Municipal Assistance	5,000,000	5,000,000	0.0%	5,000,000	0.0%	5,000,000	0.0%
Veterans Services	30,000	30,000	0.0%	30,000	0.0%	30,000	0.0%
Federal Aid - ARPA	-	-	0.0%	-	0.0%	-	0.0%
Court Facilities	361,240	361,240	0.0%	361,240	0.0%	361,240	0.0%
County of West. - CMHB	2,500	2,500	0.0%	2,500	0.0%	2,500	0.0%
Total - State and Federal Funding	**$ 113,609,219**	**$ 113,609,219**	**0.0%**	**$ 113,609,219**	**0.0%**	**$ 113,609,219**	**0.0%**
City Departments							
Executive	330,000	330,000	0.0%	330,000	0.0%	330,000	0.0%
City Clerk	536,600	536,600	0.0%	536,600	0.0%	536,600	0.0%
Corporation Counsel	25,000	25,000	0.0%	25,000	0.0%	25,000	0.0%
Finance and Mgt. Services	55,000	55,000	0.0%	55,000	0.0%	55,000	0.0%
Parking Violations Bureau	24,470,000	24,470,000	0.0%	24,470,000	0.0%	24,470,000	0.0%
Consumer Protection	1,284,800	1,284,800	0.0%	1,284,800	0.0%	1,284,800	0.0%
Civil Service	280,000	80,000	-71.4%	80,000	0.0%	300,000	275.0%
Planning and Development	135,000	135,000	0.0%	135,000	0.0%	135,000	0.0%
Police	8,995,563	8,995,563	0.0%	8,995,563	0.0%	8,995,563	0.0%
Fire	3,425,000	3,425,000	0.0%	3,425,000	0.0%	3,425,000	0.0%
Public Works	2,312,040	2,312,040	0.0%	2,312,040	0.0%	2,312,040	0.0%
Engineering	1,027,083	1,027,083	0.0%	1,027,083	0.0%	1,027,083	0.0%
Parks	2,850,000	2,850,000	0.0%	2,850,000	0.0%	2,850,000	0.0%
Housing and Buildings	8,702,500	8,808,500	1.2%	8,916,620	1.2%	9,026,902	1.2%
Courts Fines	850,000	850,000	0.0%	850,000	0.0%	850,000	0.0%
Total - City Departments	**$ 55,278,586**	**$ 55,184,586**	**-0.2%**	**$ 55,292,706**	**0.2%**	**$ 55,622,988**	**0.6%**

City of Yonkers
Revenue Summary

		FY 2026 Adopted		FY 2027 Projection	% y/y		FY 2028 Projection	% y/y		FY 2029 Projection	% y/y
Other Revenues											
Prior Year Tax Payments		9,854,992		9,854,992	0.0%		9,854,992	0.0%		9,854,992	0.0%
Interest on Investment		4,336,300		2,466,900	-43.1%		2,110,523	-14.4%		2,110,523	0.0%
Interest on Taxes		4,055,000		4,055,000	0.0%		4,055,000	0.0%		4,055,000	0.0%
Cable Television Fees		2,700,000		2,430,000	-10.0%		2,187,000	-10.0%		1,968,300	-10.0%
Rent on City Property		172,234		174,152	1.1%		179,867	3.3%		185,782	3.3%
Maintenance of State/Co. Roads		499,112		499,112	0.0%		499,112	0.0%		501,994	0.6%
Payments in Lieu of Taxes		25,575,228		26,086,733	2.0%		26,608,468	2.0%		27,140,637	2.0%
Yonkers Raceway Impact Fees		2,000,000		2,000,000	0.0%		2,000,000	0.0%		2,000,000	0.0%
County Prisoner Processing		200,000		200,000	0.0%		200,000	0.0%		200,000	0.0%
Sale of Property		600,000		600,000	0.0%		600,000	0.0%		600,000	0.0%
Miscellaneous		620,800		610,800	-1.6%		610,800	0.0%		610,800	0.0%
QSCB Interest		69,028		23,009	-66.7%		-	-100.0%		-	0.0%
Appropriated Fund Balance (Debt Svc)		7,258,892		-	-100.0%		-	0.0%		-	0.0%
Subtotal	**$**	**57,941,586**	**$**	**49,000,698**	**-15.4%**	**$**	**48,905,762**	**-0.2%**	**$**	**49,228,028**	**0.7%**
Appropriated Fund Balance (General)		57,568,326		-	-100.0%		-	0.0%		-	0.0%
Total - Other Revenues	**$**	**115,509,912**	**$**	**49,000,698**	**-57.6%**	**$**	**48,905,762**	**-0.2%**	**$**	**49,228,028**	**0.7%**
Library Fund											
Rental of Real Property		7,165		7,165	0.0%		7,165	0.0%		7,165	0.0%
Fees and Fines		1,643		1,643	0.0%		1,643	0.0%		1,643	0.0%
Miscellaneous Library		-		-	0.0%		-	0.0%		-	0.0%
Federal Funding		24,125		24,125	0.0%		24,125	0.0%		24,125	0.0%
State Funding		62,825		62,825	0.0%		62,825	0.0%		62,825	0.0%
Subtotal	**$**	**95,758**	**$**	**95,758**	**0.0%**	**$**	**95,758**	**0.0%**	**$**	**95,758**	**0.0%**
Appropriated Fund Balance (Library)		258,151		-	-100.0%		-	0.0%		-	0.0%
Total - Library Fund	**$**	**353,909**	**$**	**95,758**	**-72.9%**	**$**	**95,758**	**0.0%**	**$**	**95,758**	**0.0%**
Water Fund											
Water Frontage Tax		3,733,735		3,733,735	0.0%		3,733,735	0.0%		3,733,735	0.0%
Metered Water Sales		43,487,266		49,962,767	14.9%		51,751,986	3.6%		53,985,918	4.3%
Sundries and Interest		1,812,700		1,812,700	0.0%		1,812,700	0.0%		1,812,700	0.0%
Subtotal	**$**	**49,033,701**	**$**	**55,509,202**	**13.2%**	**$**	**57,298,421**	**3.2%**	**$**	**59,532,353**	**3.9%**
Appropriated Fund Balance (Water)		5,092,034		-	-100.0%		-	0.0%		-	0.0%
Total - Water Fund	**$**	**54,125,735**	**$**	**55,509,202**	**2.6%**	**$**	**57,298,421**	**3.2%**	**$**	**59,532,353**	**3.9%**
Sewer Fund											
Sewer Rents		10,864,286		12,099,203	11.4%		12,144,916	0.4%		12,496,001	2.9%
Other		250,000		250,000	0.0%		250,000	0.0%		250,000	0.0%
Subtotal	**$**	**11,114,286**	**$**	**12,349,203**	**11.1%**	**$**	**12,394,916**	**0.4%**	**$**	**12,746,001**	**2.8%**
Appropriated Fund Balance (Sewer)		1,031,151		-	-100.0%		-	0.0%		-	0.0%
Total - Sewer Fund	**$**	**12,145,437**	**$**	**12,349,203**	**1.7%**	**$**	**12,394,916**	**0.4%**	**$**	**12,746,001**	**2.8%**
Board of Education											
State Funding - Basic		437,950,889		448,093,585	2.3%		459,254,013	2.5%		467,232,252	1.7%
State Funding - Categorical		14,176,286		14,176,286	0.0%		14,176,286	0.0%		14,176,286	0.0%
State Funding for VLTs		19,600,000		19,600,000	0.0%		19,600,000	0.0%		19,600,000	0.0%
State Funding - Additional Aid		12,000,000		-	-100.0%		-	0.0%		-	0.0%
Proceeds from State Loan		-		-	0.0%		-	0.0%		-	0.0%
State Funding - Bullet Aid		-		-	0.0%		-	0.0%		-	0.0%
Federal Aid		1,164,100		1,164,100	0.0%		1,164,100	0.0%		1,164,100	0.0%
Department		531,000		531,000	0.0%		531,000	0.0%		531,000	0.0%
Interfund Rev./Indirect Cost		150,000		150,000	0.0%		150,000	0.0%		150,000	0.0%
Misc. Departmental		1,290,000		1,290,000	0.0%		1,290,000	0.0%		1,290,000	0.0%
Approp. Fund Balance (Edu Debt Svc)		1,562,679		-	-100.0%		-	0.0%		-	0.0%
Subtotal	**$**	**488,424,954**	**$**	**485,004,971**	**-0.7%**	**$**	**496,165,399**	**2.3%**	**$**	**504,143,638**	**1.6%**
Appr. Fund Balance - G./F.		24,000,000		-			-			-	
Total - Board of Education	**$**	**512,424,954**	**$**	**485,004,971**	**-5.4%**	**$**	**496,165,399**	**2.3%**	**$**	**504,143,638**	**1.6%**
Total Revenues	**$**	**1,548,983,229**	**$**	**1,471,822,542**	**-5.0%**	**$**	**1,501,243,879**	**2.0%**	**$**	**1,530,971,800**	**2.0%**

Yonkers Public Schools
Consolidated Revenue by Account

Fund	Acct	Descriptions	FY 25.26 Adopted	FY26.27 Projection	FY27.28 Projection	FY28.29 Projection
450	B3005	Academic Enhancement Aid	17,500,000	17,500,000	17,500,000	17,500,000
450	B3006	Video Lottery Terminal Rev. Sharing	19,600,000	19,600,000	19,600,000	19,600,000
450	B3007	Basic Form Excess Cost (Pub & Pvt)	59,970,310	62,430,429	65,172,715	68,073,515
450	B3008	Proceeds from State Loan	-	-	-	-
450	B3008	Basic Formula Aid	307,824,499	313,508,312	320,776,910	327,493,941
450	B3102	Lottery Aid	34,954,486	34,954,486	34,954,486	34,954,486
450	B3103	Mobile Sports Wagering Funds	10,995,193	10,995,193	10,995,193	10,995,193
450	B3104	Cannabis Revenues	50,321	50,321	50,321	50,321
450	B3240	Computer Hardware Aid	364,823	364,823	364,823	364,823
450	B3251	Computer Software Aid	395,038	395,038	395,038	395,038
450	B3260	Textbook Aid	1,641,080	1,641,080	1,641,080	1,641,080
450	B3263	Library Materials Aid	164,819	164,819	164,819	164,819
450	B3303	Other State / Bullet Aid	12,000,000	-	-	-
450	B3313	Charter School Supplemental Basic	538,448	645,320	680,360	715,400
450	B3008	Charter School Transitional Aid	3,500,872	5,392,764	6,507,269	4,832,636
450	B4001	Impact Aid	-	-	-	-
450	B4701	Federal Medicaid Assistance	1,164,100	1,164,100	1,164,100	1,164,100
450	B6001	City of Yonkers	273,189,275	268,927,781	269,462,228	270,010,036
450	B6261	Other Charges/Services	1,000	1,000	1,000	1,000
450	B6281	Tuition-Foster Other Districts	130,000	130,000	130,000	130,000
450	B6320	Health Services-Other Districts	400,000	400,000	400,000	400,000
450	B6362	Rental of Buildings - Pool	90,000	90,000	90,000	90,000
450	B6380	Rental of Buildings - Individual	140,000	140,000	140,000	140,000
450	B6660	Insurance Recoveries	10,000	10,000	10,000	10,000
450	B6741	Refund Pr Yr Exp-Misc	950,000	950,000	950,000	950,000
450	B6840	Other Misc Revenue	100,000	100,000	100,000	100,000
450	B6844	Other Misc Revenue - Payroll	-	-	-	-
450	B6940	490 Interfund Rev-Indr Cost	150,000	150,000	150,000	150,000
450	B6941	451 Interfund Rev-Indr Cost	76,818	76,818	76,818	76,818
450	B5037	Appropriated General Fund Balance	24,000,000	-	-	-
		Total General Fund	**769,952,082**	**739,833,284**	**751,528,159**	**760,054,206**
451	B3303	Universal Pre-K	13,011,980	13,011,980	13,011,980	13,011,980
451	B3303	Health Services	1,164,306	1,164,306	1,164,306	1,164,306
451	B6941	451 Interfund Rev-Indr Cost	(76,818)	(76,818)	(76,818)	(76,818)
460	B5031	Fed Aid-Tfr-Ind Cst/Pr Yr Exp				
460	B6001	City of Yonkers	25,108,784	25,681,663	26,611,063	24,359,263
460	B5037	Debt Svc Fund Balance	1,562,679	-	-	-
		Total Consolidated Fund Revenue	**810,723,013**	**779,614,415**	**792,238,690**	**798,512,937**

City of Yonkers
Expenditure Summary

	FY 2026 Adopted	FY 2027 Projection	% y/y	FY 2028 Projection	% y/y	FY 2029 Projection	% y/y
City Departments							
Executive	$ 2,834,130	$ 2,849,795	0.6%	$ 2,865,931	0.6%	$ 2,882,550	0.6%
Legislative	4,388,256	4,433,235	1.0%	4,479,563	1.0%	4,527,282	1.1%
Corporation Counsel	2,819,540	2,829,425	0.4%	2,839,607	0.4%	2,850,094	0.4%
Finance and Mgt. Services	23,976,566	24,185,903	0.9%	24,401,520	0.9%	24,623,606	0.9%
Human Resources	4,433,795	4,353,096	-1.8%	4,367,517	0.3%	4,497,371	3.0%
Information Technology	8,643,760	8,759,804	1.3%	8,879,329	1.4%	9,002,440	1.4%
Planning and Development	2,396,045	2,414,657	0.8%	2,433,828	0.8%	2,453,573	0.8%
Police	128,467,047	128,649,692	0.1%	128,837,816	0.1%	129,031,584	0.2%
Fire	84,741,267	84,796,389	0.1%	84,853,165	0.1%	84,911,644	0.1%
Public Works	98,853,370	101,565,232	2.7%	102,282,574	0.7%	104,647,021	2.3%
Engineering	3,746,547	3,759,786	0.4%	3,773,421	0.4%	3,787,466	0.4%
Parks	17,610,371	17,723,758	0.6%	17,840,546	0.7%	17,960,837	0.7%
Housing and Buildings	5,692,577	5,703,317	0.2%	5,714,379	0.2%	5,725,773	0.2%
Constituent Services	1,545,311	1,571,605	1.7%	1,598,687	1.7%	1,626,582	1.7%
Inspector General	735,788	743,394	1.0%	751,228	1.1%	759,297	1.1%
Veterans Services	402,338	403,463	0.3%	404,622	0.3%	405,815	0.3%
Human Rights	94,552	96,639	2.2%	98,788	2.2%	101,001	2.2%
Library	11,923,153	12,030,220	0.9%	12,140,499	0.9%	12,254,087	0.9%
Museum	431,900	388,710	-10.0%	400,371	3.0%	412,382	3.0%
Total - Departmental Expenditures	**$ 403,736,313**	**$ 407,258,119**	**0.9%**	**$ 408,963,392**	**0.4%**	**$ 412,460,407**	**0.9%**
Fringe Benefits							
Employee Retirement	$ 18,354,812	$ 21,534,013	17.3%	$ 22,984,375	6.7%	$ 24,057,360	4.7%
Police & Fire Retirement	58,520,726	94,321,401	61.2%	91,129,691	-3.4%	93,154,363	2.2%
Social Security	21,984,842	22,094,766	0.5%	22,205,240	0.5%	22,316,266	0.5%
Workers' Compensation	11,310,000	11,875,500	5.0%	12,469,275	5.0%	13,092,739	5.0%
Life/Health/Cental Ins.	100,786,700	108,809,906	8.0%	117,474,969	8.0%	126,833,237	8.0%
Trust & Welfare Payments	6,231,463	6,231,463	0.0%	6,231,463	0.0%	6,231,463	0.0%
Local Pension Plan	8,700	8,700	0.0%	8,700	0.0%	8,700	0.0%
Unemployment Insurance	400,000	400,000	0.0%	400,000	0.0%	400,000	0.0%
Fire 207A Supple. Pension	4,262,000	4,304,620	1.0%	4,347,666	1.0%	4,391,143	1.0%
Total - Fringe Benefits	**$ 221,859,243**	**$ 269,580,370**	**21.5%**	**$ 277,251,380**	**2.8%**	**$ 290,485,271**	**4.8%**
Special Items							
Taxes on City Property	$ 2,455,000	$ 2,547,000	3.7%	$ 2,642,985	3.8%	$ 2,743,142	3.8%
Tax Remission	500,000	500,000	0.0%	500,000	0.0%	500,000	0.0%
Senior Citizens Tax Exempt	500,000	510,000	2.0%	520,200	2.0%	530,604	2.0%
Res. for Uncollected Taxes	14,359,226	14,646,411	2.0%	14,939,339	2.0%	15,238,126	2.0%
YMCA-SNUG Grant	200,000	200,000	0.0%	200,000	0.0%	200,000	0.0%
Tax Advertising	35,000	35,000	0.0%	35,000	0.0%	35,000	0.0%
Paying Agent Expense	100,000	100,000	0.0%	100,000	0.0%	100,000	0.0%
Municipal Dues	40,000	40,000	0.0%	40,000	0.0%	40,000	0.0%
Tenant Act Expense	320,000	320,000	0.0%	320,000	0.0%	320,000	0.0%
Judgments and Claims	2,900,000	2,900,000	0.0%	2,900,000	0.0%	2,900,000	0.0%
Tax Certiorari Payments	500,000	500,000	0.0%	500,000	0.0%	500,000	0.0%
Termination Payments	4,400,000	4,488,000	2.0%	4,577,760	2.0%	4,669,315	2.0%
Fiscal Agent Bank Fee	30,000	30,000	0.0%	30,000	0.0%	30,000	0.0%
Grant Cash Match	150,000	150,000	0.0%	150,000	0.0%	150,000	0.0%
Litigation Expenses	2,900,000	2,900,000	0.0%	2,900,000	0.0%	2,900,000	0.0%
Administrative Income Tax	425,000	425,000	0.0%	425,000	0.0%	425,000	0.0%
Yonkers Historical Society	10,000	10,050	0.5%	10,100	0.5%	10,151	0.5%
Affordable Housing Subsidies	7,500	7,500	0.0%	7,500	0.0%	7,500	0.0%
Buena Vista Parking Garage	400,000	400,000	0.0%	400,000	0.0%	400,000	0.0%
Annual City Audit	600,000	618,000	3.0%	636,540	3.0%	655,636	3.0%
Police Athletic League	150,000	150,000	0.0%	150,000	0.0%	150,000	0.0%
Continuing Education Reimburse	50,000	50,000	0.0%	50,000	0.0%	50,000	0.0%
Strategic Allocation Vital Exp "SAVE"	14,958,851	-	-100.0%	-	0.0%	-	0.0%
Contingent Reserve	-	1,000,000	0.0%	1,000,000	0.0%	1,000,000	0.0%
Total - Special Items	**$ 45,990,577**	**$ 32,526,961**	**-29.3%**	**$ 33,034,424**	**1.6%**	**$ 33,554,474**	**1.6%**
Board of Education							
Basic Operating Expend.	$ 773,789,212	$ 819,249,668	5.9%	$ 846,411,967	3.3%	$ 874,495,948	3.3%
Debt Service							
Debt Service - General Fund	$ 56,281,006	$ 60,754,868	7.9%	$ 62,852,158	3.5%	$ 63,557,245	1.1%
Debt Service - Education Fund	36,933,801	36,203,660	-2.0%	43,914,813	21.3%	46,038,533	4.8%
Debt Service - Library Fund	1,130,578	1,111,893	-1.7%	1,027,744	-7.6%	1,061,490	3.3%

City of Yonkers
Expenditure Summary

	FY 2026 Adopted	FY 2027 Projection	% y/y	FY 2028 Projection	% y/y	FY 2029 Projection	% y/y
Debt Service - Museum Fund	625,343	794,536	27.1%	812,089	2.2%	828,335	2.0%
Debt Service - Water Fund	5,756,955	6,095,621	5.9%	6,200,149	1.7%	6,659,470	7.4%
Debt Service - Sewer Fund	2,880,201	3,005,871	4.4%	2,892,805	-3.8%	3,074,515	6.3%
Total - Debt Service	**$ 103,607,884**	**$ 107,966,449**	**4.2%**	**$ 117,699,758**	**9.0%**	**$ 121,219,588**	**3.0%**
Total Expenditures	**$ 1,548,983,229**	**$ 1,636,581,566**	**5.7%**	**$ 1,683,360,920**	**2.9%**	**$ 1,732,215,688**	**2.9%**

Yonkers Public Schools
Expenditures by Type

Expenditure	FY25-26 Adopted	FY2026-27 Projection	FY2027-28 Projection	FY2028-29 Projection
Salary	$ 374,484,079	$ 384,497,530	$ 384,497,530	$ 384,497,530
Employee Benefits	208,366,500	224,991,332	238,082,100	251,786,058
Administration - 403b	3,500	3,500	3,500	3,500
Civil Service Retirement	11,112,013	14,834,564	15,874,074	16,746,812
Dental, Life & Vision	44,945	49,440	49,440	49,440
Health Insurance	130,399,248	139,550,524	149,344,257	159,825,566
Social Security	27,711,822	28,813,646	29,379,644	29,956,911
Teachers' Retirement	28,081,135	30,369,746	31,888,233	33,482,646
Unemployment Insurance	300,000	350,000	350,000	350,000
Welfare Fund Contribution	5,113,837	5,251,912	5,251,912	5,251,912
Worker's Compensation	5,600,000	5,768,000	5,941,040	6,119,271
Transportation	59,396,755	62,386,501	66,101,017	70,694,636
Tuitions	43,155,791	47,383,010	52,038,037	57,164,461
Debt Service	36,933,801	36,203,660	43,914,813	46,038,533
Contractual	24,558,276	26,365,762	27,395,521	28,532,538
BOCES	19,461,934	20,824,269	22,281,968	23,841,706
Charter School Tuitions	21,767,541	23,843,343	26,013,930	28,384,212
Utilities	10,239,497	10,751,472	11,289,046	10,353,499
Materials & Supplies	4,528,932	4,664,799	4,804,744	4,948,886
Building Repairs	3,163,100	3,257,993	3,355,733	3,456,405
Transfers	2,450,000	2,597,000	2,752,820	2,917,989
Insurance	1,999,183	2,099,142	2,204,099	2,314,304
Postage	150,600	158,130	166,037	174,339
Travel	67,024	67,024	67,024	67,024
Equipment	-	1,105,000	1,105,000	1,105,000
Textbooks	-	3,225,000	3,225,000	3,225,000
Library Books	-	202,361	202,361	202,361
Computer Software	-	830,000	830,000	830,000
Total Expenditures	**$ 810,723,013**	**$ 855,453,328**	**$ 890,326,780**	**$ 920,534,481**