

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 4, 2020

**REFUNDING ISSUE
BOOK-ENTRY-ONLY BONDS**

**RATING: SEE “RATING” HEREIN
SERIAL BONDS**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the Village, 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. (See “Tax Matters” herein).

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

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

**\$16,070,000*
REFUNDING SERIAL BONDS – 2020
(the “Bonds”)**

Dated Date: Date of Delivery

**Maturity Dates: September 1, 2020
March 1, 2021-2037**

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the Town has power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws, as amended. (See “*Tax Levy Limit Law*” herein).

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, payable on September 1, 2020, and semiannually thereafter on March 1 and September 1 in each year until maturity. The Bonds shall mature on September 1, 2020, March 1, 2021 and March 1 thereafter in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity. (See “*Optional Redemption*,” herein.)

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See “*Book-Entry-Only System*” herein).

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the Town in connection with the issuance of the Bonds. It is expected that delivery of the Bonds in book-entry form will be made on or about July 2, 2020.

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

Dated: June __, 2020

*Preliminary, subject to change.

The Bonds will mature on the dates in the years and principal amounts as reflected below:

<u>Date</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP***</u>	<u>Date</u>	<u>Principal Amount*</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP***</u>
September 1, 2020	\$ 75,000				March 1, 2029**	\$ 930,000			
March 1, 2021	680,000				March 1, 2030**	965,000			
March 1, 2022	700,000				March 1, 2031**	990,000			
March 1, 2023	725,000				March 1, 2032**	1,025,000			
March 1, 2024	755,000				March 1, 2033**	1,070,000			
March 1, 2025	795,000				March 1, 2034**	1,115,000			
March 1, 2026	825,000				March 1, 2035**	1,165,000			
March 1, 2027	865,000				March 1, 2036**	1,215,000			
March 1, 2028	900,000				March 1, 2037**	1,275,000			

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

** Subject to optional redemption prior to maturity as described herein.

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

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

TOWN BOARD

Howard T. Phillips, Jr.
Supervisor

Isidro Cancel Board Member
Vincent J. Gamboli Board Member
John J. Gould Board Member
Johnny Ortiz..... Board Member

ELECTED OFFICIALS

Raquel Ventura Town Clerk
Donna M. Rose Receiver of Taxes
George E. Wargo, Jr..... Superintendent of Highways

ADMINISTRATION

Michael J. Gamboli..... Director of Finance
William M. Stein..... Town Attorney
Charles J. Zaba..... Assessor

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

MUNICIPAL ADVISOR



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

No person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. 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, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof.

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OFFICIAL STATEMENT
TOWN OF HAVERSTRAW
ROCKLAND COUNTY, NEW YORK

relating to

\$16,070,000*
REFUNDING SERIAL BONDS – 2020

This Official Statement, which includes the cover page, inside cover page and appendices thereto has been prepared by the Town of Haverstraw in Rockland County, in the State of New York (the “Town,” “Counties,” and “State,” respectively), in connection with the sale by the Town of \$16,070,000* Refunding Serial Bonds – 2020 (the “Bonds”).

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

THE BONDS

Description of the Bonds

The Bonds are dated their Date of Delivery and will bear interest from that date until maturity, payable on September 1, 2020, and semiannually thereafter on March 1 and September 1 in each year until maturity. The Bonds shall mature on September 1, 2020, March 1, 2021 and March 1 thereafter in each year in the principal amounts specified on the inside cover page hereof. The Bonds will subject to redemption prior to their stated maturity. “(See “*Optional Redemption, herein*”).

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

The Town will act as Paying Agent for the Bond. Michael J. Gamboli, Director of Finance, (845) 429-2200, e-mail: mgamboli@townofhaverstraw.org, shall be the Paying Agent contact.

Authorization and the Refunding Plan for the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law, the General Municipal Law and the Local Finance Law, and the refunding bond resolution duly adopted by the Town Board on January 13, 2020 (the “Refunding Bond Resolution”). A refunding financial plan has been prepared and is described below (the “Refunding Plan”).

* Preliminary, subject to change.

The Bonds are being issued to refund up to \$18,130,000 outstanding principal of the Town's Public Improvement Serial Bonds, Series 2012A, which mature in the years 2021 to 2037, inclusive (the "Refunded Bonds"). The Refunded Bonds were issued in the original principal amount of \$24,280,000. Under the Refunding Plan, the Refunded Bonds are to be called and redeemed on August 3, 2020. The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") to be held by Manufacturers and Traders Trust Company, (the "Escrow Holder"), a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the Town and the Escrow Holder, dated as of the delivery date of the Bonds (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 the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the Refunding Bond Resolution of the Town and the Escrow Contract, to pay the redemption price of the Refunded Bonds on the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest payable with respect thereto.

The Refunding Plan will permit the Town to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligation bonds of the Town. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal and interest requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required.

Refunded Bonds*:

<u>Maturity Date</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Redemption Date/Price*</u>	<u>CUSIP</u>
March 1, 2021	\$ 860,000	4.000%	August 3, 2020 @ 100%	419560 JN8
March 1, 2022	875,000	3.000	August 3, 2020 @ 100%	419560 JP3
March 1, 2023	895,000	3.000	August 3, 2020 @ 100%	419560 JQ1
March 1, 2024	915,000	3.000	August 3, 2020 @ 100%	419560 JR9
March 1, 2025	940,000	3.000	August 3, 2020 @ 100%	419560 JS7
March 1, 2026	960,000	3.000	August 3, 2020 @ 100%	419560 JT5
March 1, 2027	985,000	3.000	August 3, 2020 @ 100%	419560 JU2
March 1, 2028	1,015,000	3.000	August 3, 2020 @ 100%	419560 JV0
March 1, 2029	1,045,000	3.000	August 3, 2020 @ 100%	419560 JW8
March 1, 2030	1,075,000	3.000	August 3, 2020 @ 100%	419560 JX6
March 1, 2031	1,105,000	4.000	August 3, 2020 @ 100%	419560 JY4
March 1, 2032	1,140,000	3.250	August 3, 2020 @ 100%	419560 JZ1
March 1, 2033	1,180,000	3.250	August 3, 2020 @ 100%	419560 KA4
March 1, 2034	1,220,000	3.500	August 3, 2020 @ 100%	419560 KB2
March 1, 2035	1,260,000	3.500	August 3, 2020 @ 100%	419560 KC0
March 1, 2036	1,305,000	3.500	August 3, 2020 @ 100%	419560 KD8
March 1, 2037	<u>1,355,000</u>	3.750	August 3, 2020 @ 100%	419560 KE6
Total:	<u>\$18,130,000</u>			

* Preliminary, subject to change.

Sources and Uses of Proceeds

Sources:

Par Amount
Net Original Issue Premium

Total:

Uses:

Refunding Escrow Deposit
Costs of Issuance and Contingency
Underwriter's Discount

Total:

Verification of Mathematical Computations

Causey Demgen & Moore P.C. will verify based upon the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the provided schedules, to be held in escrow, will be sufficient to pay, when due, the principal of and interest on the Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes.

Optional Redemption

Call Provisions. The Bonds maturing on or before March 1, 2028 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after March 1, 2029 will be subject to redemption prior to maturity, at the option of the Town, on any date on or after March 1, 2028, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the Town. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date of redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call of redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See "*Book-Entry-Only System*" for additional information concerning redemptions).

Nature of the Obligation

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the Town has power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws, as amended. (See "*Tax Levy Limit Law*" herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the

Tax Levy Limit Law imposes a statutory limitation on the Town's power to increase its annual tax levy. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations set forth in Tax Levy Limit Law, unless the Town complies with certain procedural requirements to permit the Town to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

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

Upon default in the payment of principal of or interest on the Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the Town. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the Town to assess, levy and collect an ad valorem tax, upon all taxable property of the Town subject to taxation by the Town sufficient to pay the principal of and interest on the Bonds as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

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

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

Pursuant to Article VIII, Section 2 of the State Constitution, the Town is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a

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

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

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

No Past Due Debt

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

Municipal Bankruptcy

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

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

Accordingly, enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Town, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or

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

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the Town in the future cannot be assured.

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

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

FINANCIAL CONTROL BOARDS

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

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

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

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

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

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

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

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

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 Town's credit rating could be affected by circumstances beyond the Town'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 Town 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 Town's credit rating 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. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss 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 Town 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 Town is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received (“State Aid”). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the impact to the State’s economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. State aid appropriated and apportioned to the Town can be paid only if the State has such monies available therefore. Should the Town fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the Town 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 Town will have market access for any such borrowing on a cost effective basis. (See also “*State Aid*” 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 Town, without providing exclusion for debt service on obligations issued by municipalities and fire districts, including the Town, may affect the market price and/or marketability for the Bonds. (See “*Tax Levy Limit Law*” herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the Town, could impair the financial condition of such entities, including the Town, and the ability of such entities, including the Town, 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 Town’s financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State’s operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the Town’s operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

CYBERSECURITY

The Town, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the Town faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage Town digital networks and systems and the costs of remedying any such damage could be substantial.

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC COMPLIANCE REVIEWS

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" with an Environmental Score of 20.0.

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on December 13, 2019. The purpose of the audit was to determine whether Town official ensured the Town's Information Technology (IT) systems were adequately secured and protected against unauthorized use, access and loss.

OSC also conducted an audit dated May 17, 2019. The purpose of this audit was to determine whether the Town Board adopted realistic budgets and took appropriate action to address the reasonableness of fund balance.

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

References to websites and/or 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.

LITIGATION

General Matters. The Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage there are no claims or actions pending which, if determined against the Town, would have an adverse material effect on the financial condition of the Town.

Tax Certiorari Proceedings. The Town is a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax law. In these actions, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not unusual for certain taxpayers to have multiple pending claims affecting a period of years. It is not possible to provide an estimate concerning the possible outcome of pending tax certiorari cases. Tax certiorari claims are frequently settled for amounts substantially less than the original claims. The Town Officials have indicated that the County now invoices the Town each year for Tax Certiorari refund settlements, therefore the Town now budgets for Tax Certiorari refunds each year. For 2019 the Town paid \$160,978 in tax refunds.

Mirant Bowline LLC Tax Certiorari Claims (Currently GenOn Bowline LLC)

Settled Claims. A series of tax certiorari claims were filed against the Town by the owners of the Bowline electric power plant (currently GenOn and its New York Companies) for the years 1995 through and including 2006. The various claims alleged that the Bowline facility was overvalued and requested that the plant's assessment be reduced as well as a refund of taxes applicable thereto.

The Town Board approved a settlement agreement reached in the Mirant matter on December 13, 2006. Such agreement was also approved by a bankruptcy court on December 14, 2006 pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedures. Under the terms of the agreement the assessed valuation of the Bowline plant was reduced from \$973,662,804 to \$365,513,956 (excludes \$12,904,298 assessment for Hudson Valley Gas Corporation) ("HVG"). In addition, the Town refunded \$17,155,375 of taxes previously paid on the Bowline plant and also repaid the County \$9,727,020 for moneys advanced to the Town for years Mirant failed to pay its Town taxes. By separate settlement, the parties thereafter agreed upon assessed values for Mirant and HVG properties on the 2007 and 2008 assessment rolls. Because all parties complied with the settlement terms, protective proceedings filed by Mirant and HVG in connection with the 2007 and 2008 assessments were withdrawn and dismissed, without liability on the part of the Town.

The Town issued \$26,882,395 Bond Anticipation Notes, 2007, on March 14, 2007, to finance the reimbursement to the County for tax refunds and certain advances made by the County during the years 2003 through 2006. The bond anticipation notes were converted to long-term financing in 2012 when the Town issued \$24,280,000 Public Improvement Serial Bonds, Series 2012A. Such bonds bear a true interest rate of 3.20% and serially mature on March 1 through the year 2037.

NRG Bowline LLC, have filed proceedings pursuant to Article 7 of the New York Real Property Tax Law challenging the 2009, 2010, 2011, and 2012 assessments of the Bowline electricity generating plant and a related gas pipeline. The aggregate assessments of the property were \$378,418,252 in 2009, \$196,641,900 for 2010, \$176,641,900 for 2011, \$156,600,000 for 2012 and \$138,600,000 for 2013, which aggregate assessments NRG sought to have reduced to \$25,000,008 for 2009 and \$5,000,002 for 2010 through 2013. The proceeding was subject to trial before the Hon. Margaret Garvey, Supreme Court Rockland County, commencing January 6, 2014.

On or about February 26, 2014, while the trial of the Bowline proceedings was ongoing, the Town, NRG, and Hudson Valley Gas Corp. ("HVG"), together with other interested and affected parties, entered into a stipulation, so ordered by Judge Garvey on February 26, 2014 (the "Order"), pursuant to which the Bowline and HVG proceedings were resolved and dismissed upon the agreement by the Town and certain other parties (a) to pay real property tax refunds to NRG in the aggregate amount of \$8,000,000 and (b) to enter into a payment in lieu of taxes agreement with NRG and HVG in connection with the Bowline and HVG property that would exempt those properties from taxation on the 2014 assessment roll of the Town, such exemption to continue for a period of seven years, and instead provide for fixed payments by NRG to the Town and other parties during the term of the agreement. The Order expressly directed that the Town's share of the refund was \$2,420,303, and that such amount was due to be paid by the Town within 90

days of the date of the Order. Should that amount not be timely paid by the Town, NRG and HVG retain the right to reopen the Bowline and HVG proceedings. The Town issued \$2.4 million in bonds in 2014 for this purpose.

As noted above, Hudson Valley Gas Corp. sought a reduction in assessed value on certain property ancillary to the Bowline generating station for each of the years, 2009, 2010, 2011, 2012, and 2013. The aggregate assessments of the HVG property were in the amount of \$12,904,300 for each year, which HVG sought to be reduced for each year to \$430,000. This case has since been settled.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Town, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds are excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Town, 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.

Bond Counsel expresses no opinion as to any 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 this 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 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 Bonds in order that interest on the 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 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 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 Town, in executing the Tax Certificate, will certify to the effect that the Town will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the 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 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a 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 Bonds.

Prospective owners of the 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 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 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 Bonds. In general, the issue price for each maturity of 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 Bond having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bond 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 Bond.

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 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 tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a 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 paid on tax-exempt obligations, including the 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 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 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 Bonds.

Prospective purchasers of the 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 are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and will be in substantially the form attached hereto in Appendix D.

DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). In order to assist the purchasers in complying with the Rule with respect to the Bonds, the Town will execute an Undertaking to Provide Continuing Disclosure for the Bonds, the form of which is attached hereto as Appendix E.

MUNICIPAL ADVISOR

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

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

RATING

The Town has applied to Moody's Investors Service ("Moody's") for a rating on the Bonds. Such application is pending at this time.

The Town's outstanding, uninsured bonds are assigned a rating of "Aa2" by Moody's.

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

ADDITIONAL INFORMATION

Additional information may be obtained from Michael J. Gamboli, Director of Finance, One Rosman Road, Garnerville, New York 10923, (845) 429-2200, e-mail: mgamboli@townofhaverstraw.org or from Capital Markets Advisors, LLC, 822 Route 82, Suite 310, Hopewell Junction, New York, 12533, (845) 227-8678.

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

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

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 to such parties on the date of this Official Statement, and the Town 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.

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

TOWN OF HAVERSTRAW,
ROCKLAND COUNTY, NEW YORK

By: /s/ _____
Howard T. Phillips, Jr.
Supervisor and Chief Fiscal Officer

DATED: June __, 2020

APPENDIX A

THE TOWN

THE TOWN

General Information

The Town encompasses approximately 22.4 square miles and is located in the northeast section of the County along the west bank of the Hudson River. Manhattan is about 35 miles south of the Town. There are three incorporated villages and three school districts in the Town. The Town is a suburban community and is primarily residential in nature.

According to data published by the U.S. Census Bureau the population of the Town in 2019 was estimated to be 37,000 persons, which represents an increase of approximately 1.0% since the 2010 decennial census survey. The per capita income of Town residents in 2018 (\$31,858) was slightly below the County (\$38,076) and the State (\$37,470). On a median family income basis, the income levels of families in the Town for 2018 (\$73,606) exceeds that of State levels (\$65,323) but were below the median family income for the County (\$91,108) as a whole (See "*ECONOMIC AND DEMOGRAPHIC DATA*" herein).

NRG Bowline LLC (previously Mirant) proposed constructing a second plant in the Town, the plant would burn natural gas and oil and generate 750 megawatts of electricity. Siting plans for the plant have been approved by the State Board on Electric Generator Siting and the Environment, however, the status of the new plant is uncertain at the present time.

Form of Government

The Town founded in 1666 and later established by the State as a separate political entity vested with independent taxing and debt authority. There are located within the Town three incorporated villages which have separately elected governing boards. In addition, the Town includes portions of three independent school districts.

Elected Officials. The Town Board is the legislative, appropriating, governing and policy determining body of the Town and consists of four councilmen, elected at large to serve four-year terms, and the Supervisor. Board members may serve an unlimited number of terms. It is the responsibility of the Town Board to enact, by resolution, all legislation including ordinances and local laws. Annual operating budgets for the Town must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board on the recommendation of the Supervisor. The original issuance of all town debt is subject to approval by the Town Board.

The Supervisor is the chief executive and chief financial officer of the Town and is elected for a two-year term of office with the right to succeed himself. In addition, the Supervisor is a full member of and the presiding officer of the Town Board. Duties of the Supervisor include: the administration of the Town's daily functions, budget preparation and control, and debt issuance.

The Town Clerk is elected to a two-year term and may serve an unlimited number of terms. The Town Clerk acts as the custodian of the Town's records as well as the clerk to the Town Board. Duties of this office include: recording and maintaining the minutes of the proceedings of the Town Board, issuing certain licenses and permits, and coordinating Town elections.

The Receiver of Taxes and Assessments is elected to serve a four-year term of office and may serve an unlimited number of terms. It is the responsibility of the Receiver of Taxes and Assessments to receive and collect all county, town and school taxes, and assessments levied or assessed in the Town.

The Superintendent of Highways is elected to serve a two-year term with the unlimited right to succeed himself. The Highway Superintendent is responsible for maintaining streets and highways throughout the Town.

Appointed Officials. The Director of Finance is appointed by the Supervisor and confirmed by the Town Board. Duties and responsibilities of this position include: maintaining the Town's accounting systems and records, preparing the annual report to be filed with the State Comptroller, cash and debt management and auditing vendor claims for payment.

The Town Assessor is appointed by the Town Board, on the Supervisor's recommendation, to serve a six-year term. It is the assessor's responsibility to appraise real property in the Town for the purpose of preparing and maintaining tax assessment rolls in the form prescribed by the State Office of Real Property Tax Services (the "ORPTS"). The State Board is required to annually determine the assessment of each special franchise property in the Town which subject to assessment. In addition, such board assists with the assessment of certain forested lands, public utilities or unusually complex properties.

Village Governments. Situated wholly within the Town's borders, there are incorporated villages of Haverstraw and West Haverstraw; a portion of the Village of Pomona is also situated in the Town. Each of the villages is governed by an elected board of trustees and possess independent taxing and debt powers. The villages operate pursuant to the State Constitution, Village Law and various other statutes, which allow for local charters and laws enacted under home rule measures. Village residents receive most of their municipal services from the village government, however, they do receive certain town services, which are paid for by a tax levied upon the entire Town.

School Districts. There are three independent school districts (Haverstraw-Stony Point, East Ramapo, and Suffern) providing public education within the Town. Subject to the requirements imposed by the State Board of Regents and the State Commissioner of Education, each of the school districts is governed by an elected board of education. Such boards are authorized to tax property owners to support educational programs and issue debt. Voter approval is generally required for the issuance of all capital purpose indebtedness. School district budgets are voted on at annual district meetings but, in the event the budget is rejected, the board of education is empowered to adopt a contingency plan covering basic operating expenditures such as teacher salaries, building maintenance and debt service.

The County. Pursuant to State Law, the County funds and provides various social and health programs such as Medicaid, families with dependent children, home relief and mental health programs. Under the State's Real Property Tax Law, the County guarantees Town and school district taxes and enforces the payment thereof (see "*REAL PROPERTY TAXES*" and "*LITIGATION*" herein). The County also sponsors a community college that offers associate degrees in various areas of study.

Services

The Town provides most of the government services its residents receive. Sewer, lighting, solid waste solution and fire protection services are furnished by various special districts which have been formed within the Town. Highway construction and the maintenance of roads is also a Town function. The Town provides various recreational activities for its residents; a system parks and facilities, including a municipal golf course, are maintained by the Town. Other services performed by the Town include: justice courts, property assessment, police protection, zoning administration and planning.

Employees

The Town provides services through approximately 130 full-time and 250 part-time employees.

Town employees are represented by three unions. Employees in the Highway Department belong to the IBEW Local 363 AFL-CIO. The Haverstraw Police Benevolent Association is the collective bargaining agent for the police. The United Federation of Police Officers Inc., representing police dispatchers, was formed in 2007.

The table on the following page summarizes the contract status of each unit.

<u>Union Contracts</u>		
<u>Bargaining Unit</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
IBEW Local 303, AFL-CIO	17	December 31, 2021
Police Benevolent Assoc.	70	December 31, 2018 ⁽¹⁾
Police Dispatchers	5	December 31, 2019 ⁽¹⁾

(1) In negotiation

Source: Town Officials.

Employee Benefits

Substantially all employees of the City are members of the New York State and Local Employees Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS") (ERS and PFRS are referred to collectively hereinafter as the "Retirement System" where appropriate). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for members hired on or after January 1, 2010 whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System

is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

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

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

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

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The Town generally opts to make its pension payments in December in order to take advantage of the discount and this payment was made in December 2019 for the current year.

Employer contributions for the State’s Retirement System continue to be higher than the minimum contribution rate required by law. Legislation was enacted that permits local governments and school districts to borrow a portion of their required payments from the State pension plan at an interest rate of 5%. The legislation also requires those local governments and school districts that amortize their pension obligations pursuant to the regulation to establish reserve accounts to fund payment increases that are a result of fluctuations in pension plan performance. The Town does not currently amortize any pension payments.

On August 29, 2019, the State Comptroller announced that for fiscal year 2020-21, the average contribution rates for ERS will remain the same and the average contribution rates for PFRS will increase 0.9% from 23.5% to 24.4% when compared to the current fiscal year 2019-20. Projections of required contributions will vary by employer depending on factors such as retirement plans, salaries and the distribution of their employees among the six retirement tiers

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

ERS and PFRS Contributions. The current retirement expenditures presented in the Town’s financial statements for each of the last five years and the amounts budgeted for the current fiscal year are shown in the following table:

Fiscal Year Ended December 31:	ERS	PFRS
2015	\$836,495	\$1,969,886
2016	769,865	2,240,608
2017	797,431	2,345,071
2018	830,059	2,314,805
2019	851,871	2,285,682
2020 (Budget)	740,000	2,500,000

Source: The Audited Financial Statements, Town officials and the 2020 adopted budget of the Town. The Summary itself is not audited. See “Notes to Financial Statements- Note E” in the audited financial statements.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including those markets in which the Retirement System funds are invested. While State Comptroller DiNapoli has made recent comments that the Common Retirement Fund is well-positioned to withstand current market disruption, the impacts of such volatility on future contribution rates, if any, cannot be known at this time. See “*MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE*” herein for further detail.

Other Postemployment Benefits

For fiscal years beginning after June 15, 2017, the Town is subject to GASB Statement No. 75 (“GASB 75”) which replaces GASB 45. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and OPEB. GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

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

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

The Town’s total OPEB liability as of December 31, 2019 was \$99,938,095 using a discount rate of 2.75% and actuarial assumptions and other inputs as described in the Town’s December 31, 2019 audited financial statements.

Should the Town be required to fund its unfunded actuarial accrued OPEB liability, it could have a material adverse impact upon the Town’s finances and could force the Town to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the Town to partially fund its actuarial accrued OPEB liability. At this time, the State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are less than 200 members.

Legislation has been introduced from time to time in the State Legislature to authorize local governments and other public entities to establish trusts to accumulate and disburse funds through governing board appropriation for payment of OPEB liabilities. As proposed, such legislation would generally authorize the establishment of a trust by resolution of the local government’s governing board which would serve as the trustee (unless trustee authority is delegated to the local government’s chief fiscal officer). Trust investments would be held by the State Comptroller as sole custodian for investment in accordance with a written investment policy developed by the trustee and a written agreement between the trust and the State Comptroller. Trust funds would not be subject to local government creditor claims, and local government officers would not be subject to liability for loss on investments in the trust.

FINANCIAL FACTORS

Budgetary Procedure

The head of each administrative unit of the Town is required to file detailed estimates of revenues (other than real property taxes) and expenditures for the next fiscal year with the budget officer on or before September 20th. Estimates for the fire district situated within the Town must also be filed with the budget officer by this date (the Town has no authority to amend the budget submitted by a fire district). After reviewing these estimates, the budget officer prepares a tentative budget, which includes his recommendations. A budget message explaining the main features of the budget is also prepared at this time. The tentative budget is filed with the Town Clerk not later than the 30th of September. The Town Clerk presents the tentative budget to the Town Board at the regular or special meeting which must be held on or before October 5th. The Town Board reviews the tentative budget and makes changes thereto as it deems necessary. Following this review process, the tentative budget and such modifications, if any, approved by the Board, if any, become the preliminary budget. A public hearing on the preliminary budget is required to be held not later than the Thursday following the general election. A notice of such hearing must be duly published in the Town's official newspaper. At such hearing, any person may express his opinion concerning the preliminary budget; however, there is no provision that members of the public approve the preliminary budget or any portion thereof. After the public hearing, the Town Board may further change and revise the preliminary budget. The

Town Board, by resolution, adopts the preliminary budget, as submitted or amended, on or before November 20th, at which time, the preliminary budget becomes the annual budget of the Town for the ensuing fiscal year. Any changes or modifications to the annual budget including the transfer of appropriations between or among line items must be approved by resolution of the Town Board.

A summary of the adopted budget for the 2020 fiscal year may be found in Appendix B of this Official Statement. A full copy of the budget may be obtained by request from the Town or from the Town's Financial Advisor.

Independent Audits

The Town retained the firm of Berard & Associates CPA's P.C. (the "Auditor") to audit its financial statements for the fiscal year ended December 31, 2019. Attached as a part of this official statement is a summary form of the Town's most recent audited reports covering the fiscal years ended December 31, 2015 through 2019 (see "Appendix B," herein). Information presented in Appendix B for said fiscal years has been excerpted from the Town's audited financial reports, however, such presentation has not been audited.

Financial Reporting and Summary of Significant Accounting Policies

See "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES," in the audited financial statements for the year ended December 31, 2019.

The Town's Statement of Net Position, as presented in the audited financial statements for the year ended December 31, 2019 shows total net position (Primary Governmental Activities) of negative \$83,738,841. Net Position is comprised of investments in capital, net of related debt of \$22,009,378, restricted assets of \$9,507,275, and unrestricted assets of negative \$115,255,494.

Investment Policy

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

Authorized Investments. The Town has designated six banks or trust companies located and authorized to conduct business in the State to receive deposits of money. The Town is permitted to invest in special time deposits or certificates of deposit.

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

Collateral Requirements. All Town deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities," "eligible surety bonds" or "eligible letter of credit" as described in the law.

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

collateral when a change in the rating of a security may cause ineligibility.

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

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

Financial Operations

Government operations of the Town are subject to the provisions of the State Constitution and various statutes affecting town governments including Town Law, the General Municipal Law and the Local Finance Law. Real property assessment, collection, and enforcement procedures are determined by the Real Property Tax Law.

The Town Board enacts, by resolution, all legislation including local laws. Annual operating budgets for the Town must be approved by the Board; modifications and transfers between budgetary appropriations also must be authorized by the Board. The original issuance of all Town indebtedness is subject to approval by the Town Board.

Revenues

The Town derives its revenues, primarily from real property taxes and special assessments, State aid and departmental fees and charges. A summary of such revenues for the years 2015 through 2019 is attached as a part of this filing. Information for said years has been excerpted from the Town's audited financial reports, however, such presentation has not been audited.

Property Taxes. The Town derives a major portion of its revenues from a tax on real property (see "*STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE*" in Appendix B). Excluding other financing sources, property taxes accounted for approximately 75.0% of General Fund revenues for the fiscal year ended December 31, 2019, excluding other financing sources.

The following table sets forth General Fund revenue and real property taxes received for each of the past five audited fiscal years, and the amounts budgeted for the current fiscal year.

General Fund Revenue & Real Property Taxes

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>Real Property Taxes</u>	<u>Taxes to Revenue</u>
2015	\$30,402,505	\$23,370,159	76.9%
2016	31,015,557	23,774,194	76.7
2017	31,723,711	24,448,873	77.1
2018	32,504,917	25,080,079	77.2
2019	34,045,083	25,540,840	75.0
2020 (Budget)	32,350,600	25,812,600	79.8

(1) Excludes other financing sources.

Source: The Audited Financial Statements for 2015 through 2019, and the 2020 adopted budget. The Summary itself is not audited.

State Aid. The Town receives financial assistance from the State. Excluding other financing sources, State Aid accounted for approximately 3.0% of the General Fund revenues of the Town for the year ended December 31, 2019. A substantial portion of the State aid received is directed to be used for specific programs. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year or future years, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained in the future. There can be no assurance that the State's financial position will not change materially and adversely from current projections. State budgetary restrictions which eliminate or substantially A-7 reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "*Market Factors Affecting Financings of the State and Municipalities of the State*", herein.)

The Governor's Executive Budget for the State's 2019-2020 fiscal year included the elimination of State Aid and Incentives for Municipalities ("AIM") for certain municipalities, including the Town. However, in the State's final 2019-2020 Executive Budget, additional sales tax revenue from the elimination of the internet tax advantage will be used to keep towns and villages whole. The Enacted Budget for the State's 2020-2021 fiscal year maintains the Aid and Incentives for Municipalities ("AIM") Related Revenue Sharing and continues to support towns and villages at the same funding level as the 2019-2020 Enacted Budget. State Operating Funds spending for the various efficiency and restructuring grants within the Aid and Incentives for Municipalities ("AIM") program is projected to increase due to potential awards from the Financial Restructuring Board for Local Governments.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to December 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation ... and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically.

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

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

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

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

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

General Fund Revenue & State Aid Revenue

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>State Aid</u>	<u>State Aid to Revenue</u>
2015	\$30,402,505	\$ 559,185	1.8%
2016	31,015,557	581,554	1.9
2017	31,723,711	686,845	2.2
2018	32,504,917	850,046	2.6
2019	34,045,083	1,011,637	3.0
2020 (Budget)	32,350,600	600,000	1.9

(1) Excludes other financing sources.

Source: The Audited Financial Statements for 2015 through 2019, and the 2020 adopted budget. The Summary itself is not audited.

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

It is anticipated that the COVID-19 pandemic will have a significant impact on the collection of sales and mortgage taxes for the 2020 fiscal year. The degree of the impact to the Town’s operations and finances is extremely difficult to predict due to the dynamic nature of the pandemic.

The following table sets forth General Fund revenue and Non-Property Tax revenue received for each of the past five audited fiscal years

<u>Fiscal Year Ended December 31:</u>	<u>Total Revenue ⁽¹⁾</u>	<u>Non-Property Taxes ⁽²⁾</u>	<u>Non-Property Taxes to Revenue</u>
2015	\$30,402,505	\$2,511,536	8.3%
2016	31,015,557	2,572,872	8.3
2017	31,723,711	2,767,468	8.7
2018	32,504,917	2,883,683	8.9
2019	34,045,083	2,902,577	8.5

(1) Excludes other financing sources.

(2) Inclusive of mortgage tax and sales tax revenues

Source: The Audited Financial Statements for 2015 through 2019. The Summary itself is not audited.

REAL PROPERTY TAXES

The Town derives its power to levy an ad valorem real property tax from the Constitution of the State. Taxes are levied for Town and special district operating purposes and for debt service.

Tax Levies and Collections

<u>Years Ended December 31:</u>	<u>Gross Town Tax Levy</u>	<u>Current Taxes Collected ⁽¹⁾</u>	<u>Percent Collected ⁽¹⁾</u>	<u>Tax Rates</u>	
				<u>Town ⁽²⁾</u>	<u>County</u>
2016	\$33,126,665	\$33,126,665	100.00%	\$6.47	\$3.31
2017	34,275,498	34,275,498	100.00	6.47	3.39
2018	35,040,196	35,040,196	100.00	7.13	3.43
2019	35,829,342	35,829,342	100.00	7.55	3.56
2020	36,311,577	36,311,577	100.00	7.57	3.81

(1) See “Tax Collection Procedure” herein.

(2) Rate per \$1,000 of assessed value for general and highway purposes for properties located outside villages. Tax rates are for homestead properties

Source: Town Officials.

Tax Levy Limitation Law

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

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

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limit Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor”, which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the Town, 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 Town or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

Tax Collection Procedures

The Town Tax Receiver collects Town and County property taxes and special district assessments which are billed on a single tax bill. Taxes and assessments are levied against properties on the first day of January and may be paid without penalty during the month of January. Payments made after January 31st are assessed a penalty of 1% in February and 2% in March. The Town receives 100% of its annual tax levy by retaining the first money collected on a joint County/ Town tax bill. All taxes collected thereafter until the expiration of the tax warrant on or about April 1st, are remitted to the County. Upon the expiration of the tax warrant, the tax roll and a listing of unpaid taxes are transmitted to the County, after which such taxes are collected and enforced by the County.

The Town also collects school taxes as agent for the school districts. Such taxes are paid to the school district only as collected. The Town transmits a listing of unpaid school taxes to the County for collection and enforcement on or about November 15th.

General Procedures. The Town determines the assessed valuation for taxable real properties. The State Office of Real Property Tax Services (the “ORPTS”) determines the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessments on certain specialized equipment of utilities under, above, upon or through public streets or public places. Assessments are made on certain properties which are taxable for school purposes but which the Town exempts for general municipal purposes. The Town completed a revaluation of real property assessments in 2007 and is committed to maintain assessed property values at market value. Total taxable assessed values from the 2019 tax roll taxes are \$3,192,814,660.

Homestead Tax Option. Pursuant to Local Law No. 1 of 2006, approved by the Town Board on February 14, 2006, the Town adopted the “Homestead Tax Option” provisions of Section 1903 of the Real Property Tax Law. The homestead option became effective for Town taxes levied for the year 2007. The homestead tax option allows the Town to establish two

separate property tax rates. Residential property pays a lower homestead rate, all other properties pay a higher non-homestead rate.

Ten of the Largest Taxpayers

Ten Largest Taxpayers 2019 Tax Roll (2020 Taxes)

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>Percent Assessed Valuation ⁽¹⁾</u>
Palisades Interstate Park Commission	Park Lands	\$188,571,030	5.90%
Orange & Rockland Utilities	Electric Utility	65,245,042	2.04
GenOn Bowline LLC	Electric Utility	60,062,645	1.88
United Water NY	Water Utility	46,758,468	1.46
Gould Palisades Corp	Apartments	25,466,400	0.80
Berk-Cohen Associates ⁽²⁾	Apartments	21,000,000	0.66
Algonquin Gao Trans Co.	Electric Utility	19,575,523	0.61
TBG Xinan Crystal Hill Inc.	Apartments	15,500,000	0.49
DPSW Samsondale Plaza, Inc	Shopping Center	12,700,000	0.40
Rosman Center	Shopping Center	11,046,000	0.35
		<u>\$465,925,108</u>	<u>14.59%</u>

(1) The assessed valuation for 2020 is \$3,192,814,660.

(2) Pending tax certiorari claim

Source: Town Officials

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose 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; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under “*Nature of Obligation*”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, Chapter 97 of the New York Laws of 2011, as amended, imposes a statutory limitation on the Town’s power to increase its annual tax levy. (See “*Tax Levy Limit Law*” herein).

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town, subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt

service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the rate which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Tax Services (the "ORPTS"). The State Legislature is required to prescribe the manner by which such rate shall be determined. Average full valuation is determined by taking the sum of the full valuations of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

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

Statutory Procedure

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

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

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

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

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

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

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

Constitutional Debt-Contracting Limitation

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

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

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

**Computation of Debt Contracting Limitation
As of June 4, 2020**

For Fiscal Year Ended December 31:	Assessed Valuations	Equalization Rate ⁽¹⁾	Full Valuations
2016	\$2,755,303,253	107.50%	\$2,563,072,793
2017	3,253,230,018	103.19	3,152,660,159
2018	3,217,045,720	93.92	3,425,304,216
2019	3,204,429,160	86.78	3,692,589,491
2020	3,192,814,660	82.53	3,868,671,586
Total Five-Year Full Valuation			<u>16,702,298,245</u>
Five-Year Average Full Valuation			<u>3,340,459,649</u>
Debt Contracting Limitations: 7% of Five-Year Average Full Valuation			<u>\$ 233,832,175</u>

Source: The New York State ORPTS and Town Officials.

Statutory Debt Limit and Net Indebtedness

The following table presents the debt-incurring power of the Town and shows that the Town is within its constitutional debt limit.

**Statutory Debt Limit and Net Indebtedness
As of June 4, 2020**

5 Year Average Full Valuation of Taxable Real Property		\$ 3,340,459,649
Debt Limit (7% of 5-Year Average Full Valuation)		233,832,175
Outstanding Indebtedness:		
Serial Bonds	\$21,830,000	
Bond Anticipation Notes	<u>5,300,000</u>	
Total Gross Indebtedness		27,130,000
Less Exclusions:		
Unexpended Appropriations To Pay Non-Exempt Principal Debt	<u>0</u>	
Total Exclusions		0
Total Net Indebtedness		<u>27,130,000</u>
Net Debt-Contracting Margin		<u>\$206,702,175</u>
Percentage of Debt-Contracting Margin Exhausted		<u>88.40%</u>

Bond Anticipation Notes

The Town is authorized under Local Finance Law to issue short-term notes for various purposes including temporary financing of capital projects, the anticipation of certain operating revenues and emergency funds for budgetary expenditures. Subject to the provisions of the law, notes generally may be renewed from time to time but must be retired within specific time limits which vary, according to the type of note. Bond anticipation notes may be renewed for periods generally not exceeding five years, urban renewal notes may be up to seven years.

The Town currently has two bond anticipation notes outstanding in the principal amounts of \$2,300,000 and \$3,00,000 for sewer improvements issued on behalf of the Joint Regional Sewerage Board. The notes mature on August 28, 2020 and May 14, 2021 respectively.

Tax and Revenue Anticipation Notes and Budget and Deficiency Notes

The Town is authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Such borrowings are governed by the Local Finance Law and regulations issued under the Internal Revenue Code of 1986, as amended. Such notes may be renewed from time to time but generally not beyond three years, in the case of revenue anticipation notes, and five years for tax anticipation notes. Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Deficiency notes may be issued during a fiscal year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. Generally, the amount of budget or deficiency notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

The Town has not borrowed for operating purposes in the past five years.

Trend of Capital Debt

Bonded Debt History

Years Ended December 31:	Bonded Debt
2015	\$34,345,000
2016	31,990,000
2017	31,905,000
2018	27,200,000
2019	24,745,000

Overlapping and Underlying Debt

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and one school district situated in the Town. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the Town's share of this debt as of the dates indicated; authorized but unissued debt has not been included.

**Statement of Overlapping Debt
As of June 4, 2020**

Town Gross Direct Indebtedness	\$ 27,130,000
Town Exclusions and Deductions	0
Town Net Direct Indebtedness	\$ 27,130,000

Overlapping Units	Date of Report	Net Overlapping Debt	Percentage Applicable	Applicable Net Overlapping Debt
County	06-04-19	\$462,819,000	9.56%	\$ 44,245,496
School Districts:				
Haverstraw Stony Point	06-30-19	178,645,000	56.71	101,309,580
East Ramapo	03-06-20	57,891,850	6.19	3,583,506
Ramapo	06-30-19	16,600,000	3.10	514,600
Villages:				
Haverstraw	05-31-19	23,000,000	100.00	23,000,000
Pomona	05-31-18	415,000	100.00	415,000
West Haverstraw	05-31-19	3,414,000	100.00	3,414,000
Total				<u><u>\$176,482,182</u></u>

Source: Data provided by County, School District, Village officials, and the Municipal Securities Rulemaking Board.

Debt Ratios

The following table presents certain ratios relative to the Town's capital indebtedness.

Direct and Overlapping Debt Ratios As of June 4, 2020

	<u>Amount</u>	<u>Debt Per Capita ⁽¹⁾</u>	<u>Ratio to Debt Full Value ⁽²⁾</u>
Net Direct Debt	\$ 27,130,000	\$ 733	0.70%
Net Direct and Overlapping Debt	203,612,182	5,503	5.26

(1) The population of the Town in 2019 is estimated to be 37,000 (US Census Bureau).

(2) The taxable full valuation of the Town for the 2020 year is \$3,868,671,586.

Authorized but Unissued Debt

The Town is presently seeking to develop the Letchworth Property acquired in 2001 in connection with an urban renewal project. A final site plan for the property is in place. Pursuant to section 93:00 of the Local Finance Law, proceeds received from the sale of the Letchworth Property, up to the amount of the debt issued to acquire such property then outstanding, must be set aside in a separate bank for the redemption of such bonds.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the Village's outstanding general obligation bonded indebtedness, exclusive of the Bonds.

Schedule of Debt Service Requirements

Years Ending December 31:	Outstanding Bonds:			Cumulative % Principal
	Principal	Interest	Total Debt Service	
2020	\$ 1,490,000	\$ 799,671	\$ 2,289,671	7.45%
2021	1,160,000	747,383	1,907,383	13.65
2022	1,185,000	702,738	1,887,738	19.79
2023	1,210,000	661,313	1,871,313	25.88
2024	1,255,000	618,275	1,873,275	31.97
2025	1,285,000	573,538	1,858,538	38.01
2026	1,335,000	527,113	1,862,113	44.07
2027	1,365,000	479,050	1,844,050	50.07
2028	1,425,000	429,125	1,854,125	56.10
2029	1,185,000	385,013	1,570,013	61.20
2030	1,220,000	347,513	1,567,513	66.30
2031	1,255,000	303,388	1,558,388	71.37
2032	1,295,000	256,663	1,551,663	76.42
2033	1,345,000	212,563	1,557,563	81.48
2034	1,390,000	165,338	1,555,338	86.54
2035	1,260,000	118,538	1,378,538	91.03
2036	1,305,000	73,650	1,378,650	95.51
2037	1,355,000	25,406	1,380,406	100.00
Totals:	<u>\$ 23,320,000</u>	<u>\$ 7,426,278</u>	<u>\$ 30,746,278</u>	

ECONOMIC AND DEMOGRAPHIC DATA

The Town is situated in the northeast portion of the County, which ranks among the most affluent counties in the State. The Town encompasses approximately 22 square miles and is primarily suburban residential in nature. Population, according to estimated 2019 Census data is 37,000. Historically, unemployment rates for the Town have been higher than the County's average rate but below State and national rates. In recent years, however, the unemployment rates reported for the Town have exceeded County, State and U.S. rates.

Population

	Population Trend 2000 - 2019				
	2000	2010	2019	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2019</u>
Town	33,811	36,634	37,000	8.3%	0.99%
County	286,753	311,687	325,789	8.7	4.52
State	18,976,457	19,378,102	19,453,561	2.1	0.39

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

Income

	<u>Per Capita Money Income</u>		
	<u>2010</u>	<u>2018</u>	<u>% Change</u>
Town of Haverstraw	\$30,080	\$31,858	5.91%
County	34,304	38,076	10.99
State	30,948	37,470	21.07

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

Median Income of Families - 2018

	<u>Median Income</u>
Town of Haverstraw	\$73,606
County	91,108
State	65,323

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

Employment

The below table provides certain information about the types of jobs in which employees in the Counties of Westchester, Rockland and Putnam are engaged. Comparable data has also been included for the State and the United States.

The following tables provide employment statistics with regards to employment, unemployment and major employers in the Town.

Average Employed Civilian Labor Force 2000-2019

	2000	2010	2019	<u>% Change</u>	
				<u>2000-2010</u>	<u>2010-2019</u>
Town	16,300	18,000	18,800	10.4%	4.4%
County	139,300	138,800	149,700	(3.6)	7.9
State	8,718,700	8,769,700	9,137,600	0.6	4.2

Source: New York State Department of Labor.

Average Unemployment Rates (%)
2015-2019

<u>Year</u>	<u>Town of Haverstraw</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2015	5.7%	4.5%	5.3%	5.3%
2016	5.2	4.2	4.9	4.9
2017	5.4	4.3	4.7	4.4
2018	4.9	3.7	4.1	3.9
2019	4.5	3.6	4.0	3.7

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

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

Larger Private Sector Employers in the Town
(300+ Employees)

<u>Name</u>	<u>Industry or Business</u>	<u>Number of Employees</u>
Hamaspik of Rockland County	Health Services	1,993
Nyack Hospital	Hospital	1,850
Bon Secours Good Samaritan Hospital	Hospital	1,751
Rockland Psychiatric Center	Health Care	1,219
Jawonio, Inc.	Health Care	1,100
Helen Hayes Hospital	Hospital	891
Verizon Wireless	Communications	850
Northern Services Group	Nursing Home	832
St. Dominic’s Home	Nursing Home	820
Orange & Rockland Utilities	Public Utility	819
A & T Healthcare	Health Care	800
Nice-Pak Products, Inc.	Paper Manufacturing	753
ARC of Rockland	Health Care	715
Pfizer, Inc.	Pharmaceuticals	700
Camp Venture, Inc.	Health Services	680
Par Pharmaceutical, Inc.	Pharmaceuticals	636
Community Home Health&Aide Svc, Inc	Health Care	600
Lamont-Doherty Geological Observatory	Earth Sciences Research	560
Hudson Valley Dev Disabilities Services	Health Services	523
Chestnut Ridge Transportation, Inc.	Transportation	456
Intercos America, Inc.	Cosmetic Manufacturing	450
Friedwald Center for Rehab & Nursing	Health Services	437
Rockland Bakery Inc.	Commercial	400
Aluf Plastics, A Division of API	Commercial	385

Source: The Rockland County Official Statement dated July 2019.

Financial Institutions

Numerous banking facilities are available in the Town and adjacent areas. Many of the State's major banks have branch offices located in the area. JPMorgan Chase Bank, Key Bank, N.A., Sterling National Bank, RSB Citizens Bank, TD Bank, N.A., Trustco Bank and Wells Fargo Bank, all have branches within the Town.

Transportation

The Town is served by all major forms of transportation. Highway facilities include U.S. Route 9W and the Palisades Interstate Parkway both of which intersect with the State Thruway approximately 10 miles south of the Town. New Jersey Transit provides railroad transportation with several stations located in the County. The County Department of Transportation provides bus service to residents of the Town. The New York City area airports (LaGuardia, Kennedy and Newark Airports) are easily accessible to residents of the Town and provide domestic and international air service on a regular basis.

Utilities

Water is supplied to certain areas of the Town by the United Water Company. Private wells are utilized in those parts of the Town not served by United Water.

Orange & Rockland Utilities (owned by the Consolidated Edison Company) provides electricity and gas to residents of the Town. Mirant New York, Incorporated owns one power generating plant located in the Town and has received site approval to construct a second plant. Communication service is provided primarily by Verizon.

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END ON APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

TOWN OF HAVERSTRAW
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

YEARS ENDING DECEMBER 31:

	2015	2016	2017	2018	2019
ASSETS					
Cash and Equivalents	\$ 10,631,015	\$ 13,567,683	\$ 16,736,854	\$ 17,976,616	\$ 20,853,046
Other Receivables:					
Accounts	541,863	481,968	528,700	870,940	756,602
Due From Other Funds	3,758,650	4,034,561	3,784,272	4,433,500	4,721,942
Prepaid Expenditures	641,983	698,080	731,723	730,342	722,973
Total Assets	\$ 15,573,511	\$ 18,782,292	\$ 21,781,549	\$ 24,011,398	\$ 27,054,563
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 270,233	\$ 191,268	\$ 222,889	\$ 421,262	\$ 393,279
Bond Premium	343,720	0	0	0	0
Unearned Revenues	7,547	7,269	6,984	0	0
Accrued Liabilities	0	1,042,405	644,464	737,863	803,796
Deferred Inflows	381,815	0	0	0	0
Total Liabilities	1,003,315	1,240,942	874,337	1,159,125	1,197,075
Fund Balance:					
Nonspendable	641,983	3,901,397	4,226,858	4,507,730	4,793,013
Restricted	1,008,503	1,022,701	1,428,465	1,465,519	1,816,810
Assigned	1,202,085	1,203,084	1,210,526	1,200,240	1,366,976
Unassigned	11,717,625	11,414,168	14,041,363	15,678,784	17,880,689
Total Fund Balance	14,570,196	17,541,350	20,907,212	22,852,273	25,857,488
Total Liabilities and Fund Balance	\$ 15,573,511	\$ 18,782,292	\$ 21,781,549	\$ 24,011,398	\$ 27,054,563

The financial data presented on this page has been excerpted from the audited financial statements of the Town. Such presentation, however, has not been audited. Complete copies of the Town's audited financial statements are available upon request to the Town.

TOWN OF HAVERSTRAW
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:					
Real Property Taxes	\$ 23,370,159	\$ 23,774,194	\$ 24,448,873	\$ 25,080,079	\$ 25,540,840
Other Tax Items	2,511,536	2,572,872	2,767,468	2,883,683	2,902,577
Departmental Income	2,925,429	3,161,627	2,855,956	2,763,060	2,998,738
Use Of Money And Property	639,485	484,331	531,437	692,079	811,467
Licenses and Permits	37,211	30,919	30,852	24,550	27,700
Gifts and Donations	0	0	0	0	400,000
Fines and Forfeitures	216,642	243,079	200,905	178,564	151,913
Intergovernmental Income	0	0	0	0	0
Sale Of Property And Compensation For Loss	38,609	34,873	50,390	12,766	46,190
Miscellaneous	26,052	64,081	31,144	20,090	81,233
Federal Aid	78,197	68,027	119,840	0	72,788
State Aid	559,185	581,554	686,845	850,046	1,011,637
Total Revenues	<u>30,402,505</u>	<u>31,015,557</u>	<u>31,723,710</u>	<u>32,504,917</u>	<u>34,045,083</u>
EXPENDITURES:					
Current:					
General Government Support	2,756,657	2,883,281	3,203,839	3,378,014	3,604,198
Education	0	0	0	0	0
Public Safety	10,984,919	11,610,465	10,769,154	11,465,182	11,452,349
Health	20,000	20,000	20,000	20,000	20,000
Transportation	167,766	171,063	165,148	192,243	203,185
Economic Assistance and Opportunity	96,985	119,998	120,566	124,197	132,492
Culture and Recreation	2,500,871	2,780,776	2,756,005	2,940,690	3,109,384
Home and Community Services	135,568	229,961	107,849	105,723	89,637
Employee Benefits	7,443,410	7,341,388	8,190,623	8,864,572	8,697,004
Debt Service	2,676,356	2,664,380	2,648,677	2,639,563	2,627,421
Total Expenditures	<u>26,782,532</u>	<u>27,821,312</u>	<u>27,981,861</u>	<u>29,730,184</u>	<u>29,935,670</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,619,973</u>	<u>3,194,245</u>	<u>3,741,849</u>	<u>2,774,733</u>	<u>4,109,413</u>
OTHER FINANCING SOURCES (USES):					
Proceeds of Obligations	0	0	0	0	0
Transfers - In	3,052	21,094	119,013	78,728	79,675
Transfers - Out	(113,460)	(626,000)	(495,000)	(908,400)	(1,179,934)
Total Other Financing Sources (Uses)	<u>(110,408)</u>	<u>(604,906)</u>	<u>(375,987)</u>	<u>(829,672)</u>	<u>(1,100,259)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>3,509,565</u>	<u>2,589,339</u>	<u>3,365,862</u>	<u>1,945,061</u>	<u>3,009,154</u>
Fund Balance - Beginning of Year	<u>11,060,631</u>	<u>14,952,011</u>	<u>17,541,350</u>	<u>20,907,212</u>	<u>22,848,334</u>
Fund Balance - End of Year	<u>14,570,196</u>	<u>17,541,350</u>	<u>20,907,212</u>	<u>22,852,273</u>	<u>25,857,488</u>

The financial data presented has been excerpted from the audited financial statements of the Town. However, such presentations have not been audited. Complete copies of the Town's financial statements are available upon request.

**TOWN OF HAVERSTRAW
NON-MAJOR FUNDS*
BALANCE SHEET
UNAUDITED PRESENTATION**

YEARS ENDING DECEMBER 31:

	2015	2016	2017	2018	2019
ASSETS					
Cash and Equivalents	\$ 6,879,867	\$ 7,371,157	\$ 7,849,505	\$ 8,317,338	\$ 8,495,360
Other Receivables:					
Accounts	970,160	2,529,792	2,338,355	2,626,225	2,441,095
Prepaid Expenditures	62,737	58,024	64,853	67,703	63,891
Total Assets	\$ 7,912,764	\$ 9,958,973	\$ 10,252,713	\$ 11,011,266	\$ 11,000,346
 LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	\$ 112,462	\$ 154,254	\$ 154,210	\$ 162,654	\$ 236,132
Accrued Liabilities	48,872	94,305	59,167	56,105	71,222
Unearned Revenue	0	9,531	9,531	36,270	0
Bond Anticipation Notes	900,000	2,500,000	2,300,000	2,550,000	2,300,000
Due To Other Funds	3,176,971	3,216,787	3,501,860	3,789,768	4,070,040
Total Liabilities	4,238,305	5,974,877	6,024,768	6,594,797	6,677,394
Fund Balance:					
Nonspendable	62,737	58,024	64,853	67,703	63,891
Assigned	6,528,815	7,128,534	7,656,807	8,124,734	8,327,681
Unassigned	(2,917,093)	(3,202,462)	(3,493,715)	(3,775,968)	(4,068,620)
Total Fund Balance	3,674,459	3,984,096	4,227,945	4,416,469	4,322,952
Total Liabilities and Fund Balance	\$ 7,912,764	\$ 9,958,973	\$ 10,252,713	\$ 11,011,266	\$ 11,000,346

* Non-Major Funds includes the following funds: Town Outside Villages, Highway, Highway Town Outside Villages, and Special Districts Fund which includes the following districts: Sewer, Ambulance, Sanitation, Lighting, Urban Renewal and Water.

The financial data presented on this page has been excerpted from the audited financial statements of the Town for the year ended December 31, 2015-2019. Such presentation, however, has not been audited. Complete copies of the Town's audited financial statements are available upon request to the Town.

TOWN OF HAVERSTRAW
NON-MAJOR FUNDS*
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

YEARS ENDED DECEMBER 31:

	2015	2016	2017	2018	2019
REVENUES:					
Real Property Taxes	\$ 5,962,744	\$ 6,069,207	\$ 6,152,714	\$ 6,234,495	\$ 6,492,959
Departmental Income	3,707,495	3,406,028	3,457,279	3,623,027	3,565,631
Use Of Money And Property	0	0	0	0	125,724
Intergovernmental Charges	413,262	408,081	521,421	523,765	604,409
Interest Earnings	0	17,692	37,298	74,623	0
Licenses and Permits	0	0	0	0	0
Sale Of Property And Compensation For Loss	6,119	12,579	10,859	14,685	39,434
Miscellaneous	16,088	6,087	122	254,236	54,612
Federal Aid	0	0	0	0	0
State Aid	19,991	37,560	41,272	53,010	244,730
Total Revenues	10,125,699	9,957,234	10,220,965	10,777,841	11,127,499
EXPENDITURES:					
Current:					
General Government Support	95,687	89,584	94,950	93,013	96,273
Public Safety	389,454	292,133	321,167	340,033	267,027
Health	1,227,677	1,235,777	1,259,455	1,284,473	1,309,696
Culture And Recreation	252,494	244,888	255,394	263,053	265,039
Transportation	3,162,488	2,935,878	3,090,514	3,390,096	3,862,699
Home And Community Services	3,828,786	3,782,109	3,752,122	4,019,909	3,866,407
Employee Benefits	248,917	241,265	267,266	280,477	254,531
Debt Service	825,227	825,963	936,248	918,263	999,344
Total Expenditures	10,030,730	9,647,597	9,977,116	10,589,317	10,921,016
Excess (Deficiency) of Revenues Over Expenditures	94,969	309,637	243,849	188,524	206,483
OTHER FINANCING SOURCES (USES):					
Transfers - In	0	0	0	0	0
Transfers - Out	0	0	0	0	(300,000)
Total Other Financing Sources (Uses)	0	0	0	0	(300,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	94,969	309,637	243,849	188,524	(93,517)
Fund Balances - Beginning of Year	3,507,336	3,674,459	3,984,096	4,227,945	4,416,469
Fund Balances - End of Year	\$ 3,602,305	\$ 3,984,096	\$ 4,227,945	\$ 4,416,469	\$ 4,322,952

* Non-Major Funds includes the following funds: Town Outside Villages, Highway, Highway Town Outside Villages, and Special Districts Fund which includes the following districts: Sewer, Ambulance, Sanitation, Lighting, Urban Renewal and Water.
The financial data presented has been excerpted from the audited financial statements of the Town.
However, such presentations have not been audited. Complete copies of the Town's financial statements are available upon request.

**TOWN OF HAVERSTRAW
2020 OPERATING BUDGET**

	General Fund	Town Outside Villages Fund	Town-Wide Highway Fund	Highway Fund Outside Villages	Lighting Districts	Water District	Ambulance Districts	Sewer Districts	Refuse And Garbage	Combined Totals
ESTIMATED REVENUES:										
Real Property Taxes	\$ 25,812,600	\$ 1,143,500	\$ 1,891,200	\$ 1,731,000	\$ 155,000	\$ 315,000	\$ 395,000	\$ 445,000	\$ 520,700	\$ 32,409,000
Real Property Tax Items	1,300,000	0	0	0	0	0	0	0	0	1,300,000
Non-Property Tax Items	1,250,000	0	0	0	0	0	0	0	0	1,250,000
Departmental Income	2,607,000	147,000	0	0	0	0	900,000	2,385,000	0	6,039,000
Intergovernmental Services	50,000	15,000	50,000	20,000	0	0	4,000	0	0	139,000
Use Of Money And Property	500,000	5,000	10,000	10,000	0	0	0	5,000	0	530,000
Licenses And Permits	20,000	0	0	0	0	0	0	0	0	20,000
Fines And Forfeitures	150,000	0	0	0	0	0	0	0	0	150,000
Sale Of Property And Compensation For Loss	1,000	0	0	0	0	0	0	0	0	1,000
Interfund Revenues	0	0	0	0	0	0	0	538,000	0	538,000
State Aid	600,000	0	15,000	10,000	0	0	0	0	0	625,000
Federal Aid	10,000	0	0	0	0	0	0	0	0	10,000
Miscellaneous	50,000	0	0	0	0	0	0	0	0	50,000
Total Estimated Revenues	32,350,600	1,310,500	1,966,200	1,771,000	155,000	315,000	1,299,000	3,373,000	520,700	43,661,000
APPROPRIATIONS:										
Current:										
General Government Support	4,291,000	125,000	0	0	0	0	0	0	0	4,416,000
Education	250,000	0	0	0	0	0	0	0	0	250,000
Public Safety	12,405,000	335,000	0	0	0	0	1,360,000	0	0	14,100,000
Health	20,100	0	0	0	0	0	0	0	0	20,100
Transportation	219,000	0	1,615,000	1,235,000	160,000	0	0	0	0	3,229,000
Economic Assistance And Opportunity	157,000	0	486,000	0	0	0	0	0	0	643,000
Culture And Recreation	3,252,500	300,000	0	0	0	0	0	0	0	3,552,500
Home And Community Services	263,000	450,000	0	0	0	320,000	0	2,837,000	520,700	4,390,700
Employee Benefits	9,830,000	300,500	0	586,000	0	0	0	48,000	0	10,764,500
Debt Service	2,163,000	0	15,200	0	0	0	114,000	538,000	0	2,830,200
Total Appropriations	32,850,600	1,510,500	2,116,200	1,821,000	160,000	320,000	1,474,000	3,423,000	520,700	44,196,000
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(500,000)	(200,000)	(150,000)	(50,000)	(5,000)	(5,000)	(175,000)	(50,000)	0	(1,135,000)
OTHER FINANCING SOURCES (USES):										
Proceeds from Long Term Obligations	0	0	0	0	0	0	0	0	0	0
Operating Transfers - In	0	0	0	0	0	0	0	0	0	0
Operating Transfers - Out	(700,000)	0	0	0	0	0	0	0	0	(700,000)
Total Other Financing Sources (Uses)	(700,000)	0	0	0	0	0	0	0	0	(700,000)
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Over Appropriations and Other Financing Uses	(1,200,000)	(200,000)	(150,000)	(50,000)	(5,000)	(5,000)	(175,000)	(50,000)	0	(1,835,000)
APPROPRIATED FUND BALANCE	\$ 1,200,000	\$ 200,000	\$ 150,000	\$ 50,000	\$ 5,000	\$ 5,000	\$ 175,000	\$ 50,000	\$ 0	\$ 1,835,000

APPENDIX C

LINK TO INDEPENDENT AUDITORS' REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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/RE1451796.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Berard & Associates CPA's P.C. has not been requested by the Town to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF BOND COUNSEL OPINION

FORM OF OPINION OF BOND COUNSEL

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

July 2, 2020

The Town Board of the
Town of Haverstraw, in the
County of Rockland, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Haverstraw (the “Town”), in the County of Rockland, New York, a municipal corporation of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$16,070,000 Refunding Serial Bonds-2020 (the “Bonds”), dated and delivered on the date hereof.

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

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

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

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

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the

Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

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

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the Town'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 Town with the procedures and representations set forth in the Tax Certificate as to such tax matters.

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

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

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

Very truly yours,

APPENDIX E

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLSOURE

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

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

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

“Financial Obligation” shall mean “financial obligation” as such term is used 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 **Town of Haverstraw**, in the County of Rockland, a municipal corporation of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the Supervisor as of June 16, 2020.

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

“Securities” shall mean the Issuer’s **\$16,070,000 Refunding Serial Bonds-2020**, dated July 2, 2020, maturing in various principal amounts on September 1, 2020 and March 1 thereafter in each year until maturity, in each of the years 2021 to 2037, inclusive, and delivered on the date hereof.

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

- (i) (A) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the Annual Information relating to such fiscal year, and (B) no later than six (6) months after the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:
 - (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults, if material;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;
 - (7) modifications to rights of Securities holders, if material;
 - (8) Bond calls, if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution, or sale of property securing repayment of the Securities, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of July 2, 2020.

TOWN OF HAVERSTRAW

By _____
Supervisor and Chief Fiscal Officer