

**SERIAL BOND****Ratings: See "Ratings" herein**

*In the opinion of Underberg & Kessler LLP, Bond Counsel to the Town, under existing statutes, regulations, rulings, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX MATTERS" herein.*

*The Bonds will be designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*

**TOWN OF HAMBURG  
ERIE COUNTY, NEW YORK****\$1,800,000  
GENERAL OBLIGATION SERIAL BONDS, 2020  
(the "Bonds")****Date of Issue: July 1, 2020****Maturity Dates: June 1, 2021-2031**

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

The Bonds will be issued as registered bonds and at the option of the purchaser, may be registered to the Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of the purchaser.

If the Bonds will be issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC, which 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.)

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the bonds will be issued in registered form in denomination of \$5,000 or integral multiples thereof.

The Bonds will be dated the date of delivery, which is expected to be July 1, 2020, and will bear interest from that date until maturity at the annual rate or rates as specified by the purchaser of the Bonds, with interest payable on July 1, 2021, and semi-annually thereafter on January 1 and July 1 in each year until maturity. The Bonds will mature on July 1 in each year and will bear interest at the rates as shown on the inside cover page hereof. The Bonds will not be subject to optional redemption prior to maturity, see "Optional Redemption" herein.

Interest on the Bonds will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Bonds are offered when, as and if issued and received by the purchasers and subject to the receipt of the respective final approving opinions of Underberg & Kessler LLP, Rochester, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery on or about July 1, 2020.

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

Dated: June 10, 2020

The Bonds will mature on July 1 in each year until maturity, as set forth below.

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2021	\$ 340,000			
2022	345,000			
2023	335,000			
2024	220,000			
2025	185,000			
2026	165,000			
2027	50,000			
2028	55,000			
2029	55,000			
2030	25,000			
2031	25,000			

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

**TOWN OF HAMBURG  
ERIE COUNTY, NEW YORK**

**James M. Shaw  
Supervisor**

**TOWN BOARD**

Karen Hoak ..... Council Member  
Michael Petrie..... Council Member  
Elizabeth Farrell..... Council Member  
Shawn Connolly..... Council Member

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Catherine A. Rybczynski ..... Town Clerk  
Walter Rooth III..... Town Attorney  
Samantha Tarczynski .....Director of Administration and Finance

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**BOND COUNSEL**

**Underberg & Kessler LLP  
Rochester, New York**

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**MUNICIPAL ADVISOR**



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

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

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**TOWN OF HAMBURG  
ERIE COUNTY, NEW YORK**

Relating to

**\$1,800,000  
GENERAL OBLIGATION SERIAL BONDS, 2020  
(the "Bonds")**

This Official Statement, which includes the cover page and appendices hereto, presents certain information relating to the Town of Hamburg, in the County of Erie, in the State of New York (the "Town", "County" and "State," respectively) in connection with the sale of \$1,800,000 General Obligation Serial Bonds, 2020 (the "Bonds").

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. **This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town's overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "COVID-19," herein.**

**THE BONDS**

*Description*

The Bonds will be issued as registered bonds registered to the Depository Trust Company ("DTC" or the Securities Depository") or may be registered in the name of the purchaser.

If the Bonds will be issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchasers will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof.

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 July 1, 2021 and semi-annually thereafter on July 1 and January 1 in each year until maturity. The Bonds will mature annually on July 1, as shown on the inside cover page hereof.

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

***Authority for and Purpose***

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, and various bond resolutions duly adopted by the Town Board on the dates set forth below:

***Purpose of the Bonds***

The proceeds received from the sale of the Bonds, together with \$510,000 current funds, will be applied to redeem \$2,310,000 improvements of the Town pursuant to the bond resolutions adopted by the Town Board as detailed below:

<u>Purpose:</u>	<u>Authorization Date</u>	<u>Amount Outstanding</u>	<u>Original Issue Date</u>	<u>Principal Paydown</u>	<u>The Bonds</u>
Wanakah Water District	6/21/2004	\$475,000	7/22/2004	\$115,000	\$360,000
Mt Vernon Sewer District Phase I	3/22/2004	\$170,000	12/16/2004	30,000	\$140,000
Mt Vernon Sewer District Phase II	3/10/2008	\$250,000	7/16/2008	20,000	\$230,000
Sewer Improvements (SS-21)	1/24/2005	\$780,000	7/19/2006	110,000	\$670,000
Sewer Improvements (SS-29)	2/13/2006	\$310,000	7/19/2006	30,000	\$280,000
Sewer Improvements (SS-29)	11/27/2006	\$150,000	7/18/2007	30,000	\$120,000
Hamburg Water Improvement Project	11/10/08 & 12/8/08	<u>\$175,000</u>	7/15/2009	<u>175,000</u>	<u>\$0</u>
		<u>\$ 2,310,000</u>		<u>\$510,000</u>	<u>\$1,800,000</u>

***Nature of Obligation***

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

The Bonds will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (the "Tax Levy Limit Law." (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 therefor. The Tax Levy Limit Law imposes a limitation upon 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 "The Tax Levy Limit Law," herein).

***Optional Redemption***

The Bonds are not subject to redemption prior to maturity.

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

If the Bonds are issued as book-entry bonds, the Depository Trust Company ("DTC"), New York, NY, 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 all of the Bonds which bear the same rate of interest and CUSIP number and will be deposited with DTC.

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

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.

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 redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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 transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

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

*Source: The Depository Trust Company*

### ***Certificated Bonds***

DTC may discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the State of New York to be named by the Town.

## **COVID-19**

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

### **Economic Impacts**

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic, but some economists have predicted that the short-term economic fallout will be worse than the 2008-09 global financial crisis. The World Trade Organization has estimated that world trade will fall by between 13% and 32% in 2020, and news outlets have reported on possibilities of supply chain problems as the pandemic spreads to different countries around the world.

While initially the hospitality and tourism industries were hardest hit, there is now widespread unemployment across all economic sectors in the United States. During the nine week period from March 15 through May 16, 2020, approximately 38.6 million Americans filed for unemployment.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide much-needed liquidity, but the markets have experienced significant volatility, and such volatility may continue. Given these conditions, it is possible that the process of trading the Bonds in the secondary market could be affected in ways that are difficult to predict. Although the secondary trading market has stabilized after some significant disruptions in the immediate wake of the COVID-19 pandemic, and is benefiting from federal intervention in support of the municipal bond markets, the markets remain highly reactive to the unprecedented recent economic and political events. Accordingly, investors in the Bonds may experience difficulty trading the Bonds on satisfactory terms.



## **Federal Response**

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which attempt to address financial stability and liquidity issues through a variety of stimulus measures.

**Stimulus Measures for Individuals and Businesses:** Individual taxpayers who meet certain income limits will receive direct cash payments from the federal government. Unemployment rules have been changed to allow self-employed workers, independent contractors and others who would not normally qualify to receive benefits, and unemployment insurance recipients will receive an additional \$600 per week payment for up to four months.

Businesses will benefit from various federal tax law changes, including a payroll tax credit. Air carriers and businesses critical to national security are eligible for direct loans and loan guarantees from the Treasury, and the Federal Reserve has received financial support for its lending programs. Smaller businesses have been incentivized to keep workers in their jobs through the Paycheck Protection Program (offering short-term loans that can be forgiven in whole or in part).

**Stimulus Efforts for State and Local Governments:** The CARES Act includes a \$150 billion Coronavirus Relief Fund, which provides funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations can receive monies from the amount allocated to their state). This money is intended for programs that are necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money is not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it may indirectly assist with revenue shortfalls in cases where the expenses that are being covered by this fund would otherwise create a further budget shortfall. Because this money is targeted to larger governmental units, it is unlikely that the Town will stand to benefit directly from this program.

**Municipal Liquidity Facility:** The Federal Reserve is establishing a new “Municipal Liquidity Facility” (“MLF”) that will offer up to \$500 billion in direct federal lending. Under its original authorization, the MLF could purchase certain short-term debt from states, counties with at least two million residents and cities with at least one million residents. On April 27, the Federal Reserve Board announced that the list of MLF-eligible issuers would be expanded to include counties with a population of at least 500,000 residents and cities with at least 250,000 residents. Importantly, these larger issuers are able to use their own loan proceeds to make loans to smaller governmental units that would not otherwise qualify for this program. Proceeds may be used to help manage the cash flow impact of income tax deferrals resulting from an extension of income tax filing deadlines, potential reductions of tax and other revenues or increases in expenses related to or resulting from the pandemic, and requirements for the payment of principal and interest on outstanding obligations. It is not yet clear whether New York State will borrow from the MLF. If it does borrow, there is no mechanism or arrangement currently in place for the State to make loans to smaller governments within the State, although the MLF program does authorize this. It is uncertain at this point the extent to which, if at all, the Town might ultimately be able to access short-term MLF loan funding through the State.

## **State Response**

**Executive orders:** Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring “non-essential” employees to work from home. As of March 22, 100% of such “non-essential” employees were mandated to work from home or take leave without accruals. Entities providing essential services or functions are not subject to the in-person work restriction, but may only operate at the minimal level necessary to provide such service or function. Local governments are exempt from the 100% requirements, however, they are required to have no more than 50% of employees working in-person.

As of May 15, 2020, regions of the State that meet certain criteria have been allowed to begin reopening. The Western region (in which the Town is located) has been allowed to begin reopening on Tuesday, May 19, 2020. Accordingly, in such regions the reductions and restrictions on the in-person workforce at non-essential businesses or

other entities shall no longer apply to “Phase One” industries (i.e., Construction, Agriculture, Forestry, Fishing and Hunting, Retail [limited to curbside or instore pickup or drop off], Manufacturing, and Wholesale Trade).

State Executive Orders 202.4 and 202.26 postponed all Town elections that were scheduled to be held on March 17, 2020 until September 15, 2020, and ordered that all elected officials holding such positions will remain in office until a new election is held.

State budget: The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of \$10-\$15 billion in the coming fiscal year.

To mitigate such a potential gap, the State’s adopted budget for the fiscal year ending March 31, 2021 allows the State to reduce expenditures (including aid to local school districts and municipalities) if, during certain defined periods in 2020 (i.e., April 1 - April 30, May 1- June 30, and July 1 - December 31), tax receipts are lower than anticipated or disbursements from the State’s general fund are higher than anticipated. In such a scenario, the State Budget Director will develop a plan to make spending reductions. The State Budget Director’s plan would take effect automatically unless the Legislature passes its own plan within ten days. It is theoretically possible for such reductions to later be restored under certain circumstances.

On April 25, 2020, the State Division of the Budget announced the release of the State’s Fiscal Year 2021 Enacted State Budget Financial Plan (the “Financial Plan”), which projects a \$13.3 billion (14%) shortfall in revenue from the Executive Budget Forecast that was released in January and estimates a \$61 billion decline in State revenues through Fiscal Year 2024 as a direct consequence of the COVID-19 pandemic. As a result, in the absence of federal assistance, initial budget control actions outlined in the Financial Plan will reduce spending by \$10.1 billion from the Executive Budget. This represents a \$7.3 billion reduction in state spending from FY 2020 levels.

As of the date of this Official Statement, the State Division of the Budget has not released specifics about potential cuts to State aid overall or how any such cuts would be allocated State-wide among municipalities. State officials are lobbying Congress for substantial direct financial relief to states and localities, and the \$3 trillion “HEROES” Act that has been adopted by the House of Representatives on May 15, 2020 would provide a substantial amount of relief to the State and to the District. The HEROES Act has not been taken up by the Senate as yet and the President has threatened to veto the bill unless it is substantially re-negotiated. At this point the extent of COVID-19-related direct federal financial relief, if any, to states, localities and school districts cannot be predicted. Reductions in the payment of State aid could adversely affect the financial condition of municipalities in the State, including the Town.

### **Local Response**

The State Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement the same. Specifically, in the event of a qualifying disaster or reasonable apprehension of immediate danger to the public safety, the municipal chief executive has the authority to declare a local state of emergency for a period of up to 30 days and issue orders to protect life and property or to bring the emergency situation under control. The Town has declared a local state of emergency

While the impacts of COVID-19 on the global, federal, State and local economy cannot be predicted with any certainty, the pandemic will almost certainly have a significant adverse effect on the Town’s finances.

## **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 all or a part of the Bonds prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are 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 Town's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the 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. The elimination of or any substantial reduction in State Aid would likely have a materially 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 "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, may affect the market price and/or marketability for the Bonds. (See "The Tax Levy Limit Law" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the 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 their respective obligations.

## **LITIGATION**

In common with other municipalities, The Town is subject to a number of lawsuits in the ordinary conduct of its affairs. The Town Attorney does not believe, however, that adverse decisions in such suits either individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

## **TAX MATTERS**

### ***Opinion of Bond Counsel***

In the opinion of Underberg & Kessler 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 imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. The arbitrage and use of proceeds certificate of the Town (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Town in connection with the Bonds, and Bond Counsel has assumed compliance by the Town with certain provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under 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 to the Town expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or on the exemption from state and local tax law of interest on the Bonds.

### ***Certain Ongoing Federal Tax Requirements and Certifications***

The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on such 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 comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Bonds 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 means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the Bonds is expected to be the initial public offering price set forth in this 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 Bonds.

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

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

### ***Bond Premium***

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “Bond premium” on that Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the Bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium 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 Bonds should consult their own tax advisors regarding the treatment of Bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of Bond premium on, sale, exchange, or other disposition of Premium Bonds.

### ***Information Reporting and Backup Withholding***

Information reporting requirements apply to interest 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 unless the recipient is one of a limited class of exempt recipients, including corporations. 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 and 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 and could affect the market price for, or the marketability of, the Bonds. There can be no assurance that any such legislation, actions or decisions, if ever enacted, taken or rendered following the issuance of the Bonds, will not have an adverse effect on the tax-exempt status, market price or marketability of the Bonds.

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

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS**

### *Absence of Litigation*

Upon delivery of the Bonds, the Town shall furnish a certificate of the Town Attorney, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the Town wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Town or adversely affect the power of the Town to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in this Official Statement.

### *Legal Matters*

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Underberg & Kessler LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the Town for which the Town has validly pledged its faith and credit, and 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 without limitation of rate or amount. Said opinion shall also contain further statements to the effect that (a) the power of the Town to levy unlimited real estate taxes on all the real property within the Town to pay debt service may be subject to the statutory limitations imposed by Chapter 97 of the Laws of 2011 (General Municipal Law 3-c), depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal change, (b) 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, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the Town which have been or may have furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

### *Closing Certificates*

Upon the delivery of the Bonds, the Purchasers will be furnished with the following items: (i) a Certificate of the Supervisor to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the Town since the date of this Official Statement to the date of issuance of the Bonds; and having attached thereto a copy of this Official Statement; (ii) a Certificate signed by the Supervisor evidencing payment for the Bonds; (iii) a Signature Certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the Town nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (iv) an Arbitrage and Use of Proceeds Certificate executed by the Supervisor, as described under "Tax Matters" herein.

### **DISCLOSURE UNDERTAKINGS**

This Preliminary Official Statement is in a form "deemed final" by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the Town will provide an executed copy of its undertaking to provide continuing disclosure certificate (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Bonds. In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

(1) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement anticipated to be dated July 1, 2020 of the Town relating to the Bonds in Appendix A under the headings "The Town", "Financial Factors", "Real Property Taxes", "Town Indebtedness", "Economic and Demographic Data" and "Litigation" and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ended December 31, 2019, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ended December 31, 2019; such audit (prepared in accordance with the accounting principles the Town may be required to employ pursuant to State law or regulation), if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws

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

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

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

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

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

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

(3) in a timely manner, notice of a failure to provide the annual financial information and operating data and such audited financial statement by the date specified.

The Town’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”) which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under



any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Bonds.

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

### ***Prior Disclosure History***

The over the past five years the Town is in compliance in all material respects with its previous undertakings made pursuant to Rule 15c2-12 within the last five years.

### **RATINGS**

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the uninsured outstanding bonded indebtedness of the Town. The Town is awaiting a rating on the Bonds.

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

### **MUNICIPAL ADVISOR**

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

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

### **ADDITIONAL INFORMATION**

Additional information may be obtained from the Director of Administration and Finance, Samantha J. Tarczynski at 6100 South Park Avenue, Hamburg, NY 14075, phone: 716- 649-6111 ext. 2385, email: starczynski@townofhamburgny.com or the Town's Municipal advisor, Capital Markets Advisors, LLC, (716) 662-3910.

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

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at [www.capmark.org](http://www.capmark.org). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or

other errors may have occurred in converting original source documents to digital format, and neither the Town nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

**TOWN OF HAMBURG  
ERIE COUNTY, NEW YORK**

By: /s/ James M. Shaw  
James M. Shaw  
Town Supervisor

DATED: June 10, 2020

## **APPENDIX A**

## **THE TOWN**

### ***General Information***

The Town's population is 56,957 according to the 2010 U.S. census estimate. The Town, with a total land area of approximately 42 square miles, constitutes the largest town in terms of square miles of the County's twenty-five towns. Located 11 miles south of the City of Buffalo on the eastern terminus of Lake Erie, the Town includes the Villages of Hamburg and Blasdell. Residents find employment in various industrial and service industries within the Town and the greater Western New York area.

The Buffalo metropolitan area offers Town residents numerous recreational and cultural attractions. Among these are Niagara Falls, the Albright-Knox Art Gallery, the Buffalo Zoological Gardens, the Buffalo Museum of Science, and the Buffalo Historical Society. Buffalo is also home to professional football, hockey and baseball teams. In addition, the cities of Toronto and Hamilton, Ontario, as well as Erie, Pennsylvania and Rochester, New York are within 90 miles of the Town. Cleveland, Pittsburgh and Syracuse are all within a six-hour drive.

The Buffalo Niagara International Airport, Conrail, the New York State Thruway, the Southern Tier Expressway, Routes 219, 75, 62 and 5 and the Niagara Frontier Metro Bus System make the Town accessible to area transportation.

### ***The Government***

The Town was established in 1812 by the State Legislature with its own independent form of government. The taxable real property in the Town is subject to taxation for certain purposes. In addition, four independently governed school districts, Hamburg CSD, Orchard Park CSD, Frontier CSD, and West Seneca CSD, are located in part within the Town and rely upon their own taxing powers granted by the State to raise revenues for school district purposes. The school districts use the Town's assessment roll as their basis for taxation of property within the Town.

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

The legislative power of the Town is vested in the Town Board, which currently consists of five members, including the Supervisor, who is the chief executive officer of the Town, elected for a term of four years. The four other members of the Town Board are elected to four-year terms, which terms are staggered such that two council members are elected every two years. While Board members are typically elected to four year terms, with the expansion of the Board in 2017 with the term beginning 1/1/18, one Board member was elected to a two year term in order to stagger the elections moving forward as noted. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve. Since January 2012, the Town Board consists of three members, the Supervisor and two elected council members.

The Town Clerk and the Superintendent of Highways are elected to four-year terms. The Town Board appoints the Assessor for a six-year term and the Town Attorney for a two-year term.

### ***Town Services***

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

The Erie County Water Authority supplies water for the Town and is responsible for the maintenance of the necessary facilities. The Authority charges the cost for the water service against the property or property owners served. The Town has a number of water districts that are responsible for the financing and construction of the water transmission lines within their respective boundaries.

Police and fire protection as well as highway, sanitation, recreation and sewage services and facilities are provided by the Town or by special districts under the supervision of the Town Board.

**Employees**

The Town provides services through 198 full-time and 209 part-time and seasonal employees, some of which are represented by the following collective bargaining organizations:

**Table 1**  
**Employees**

<b><u># of</u></b> <b><u>Employees</u></b>	<b><u>Bargaining Unit</u></b>	<b><u>Contract</u></b> <b><u>Expiration Date</u></b>
14	International Association of Firefighters Local 2478	12/31/2022
9	Police Command Officers Association	12/31/2020
55	Southtowns Police Club Inc.	12/31/2022
63	CSEA Local 1000 AFSCME, AFL-CIO, Blue Collar Unit, Local 815	12/31/2020
27	CSEA Local 1000 AFSCME, White Collar Unit, Local 815	12/31/2019*

*\*currently in negotiations*

*Source: Town Officials*

**Employee Pension Benefits**

Substantially all employees of the Town are members of the New York State and Local Employees’ Retirement System (the “ERS”). The ERS is a cost-sharing multiple public employer retirement system. The obligations 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 ERS 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 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 ERS is 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 ERS. The ERS 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 ERS, at such time contributions become voluntary. Members hired after January 1, 2010 must contribute a percentage of their gross annual salary toward the costs of retirement programs for the duration of their employment.

Pension reform enacted by New York State changed the billing cycle for employer contributions to the ERS to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible. The pension payment date for all local governments was changed from December 15 to February 1.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount. The Town prepaid its employer contributions in December 2011, 2012, 2013, 2014 and 2015.

On December 10, 2009, then Governor Paterson signed into law a new pension tier - Tier V. The law is effective for ERS employees hired from January 1, 2010 through March 31, 2012. Tier V employees now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

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

The following schedule reflects the Town's contribution to each of the Systems for the last three fiscal years and the 2019 and 2020 budgeted fiscal years.

<u>Fiscal Year</u> <u>Ending December 31:</u>	<u>State Fiscal Year</u> <u>Ending March 31</u>	<u>ERS</u> <u>Contribution</u>	<u>PFRS</u> <u>Contribution</u>
2020 <i>Budget</i>	2021	\$1,603,000	\$1,600,000
2019 <i>Budget</i>	2020	1,320,569	1,518,637
2018	2019	1,358,452	1,410,872
2017	2018	1,308,248	1,379,898
2016	2017	1,347,448	1,398,809

As a result of significant capital market declines in the recent past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years maybe higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, they will require higher than normal contributions in later years. The Town has not found it necessary to amortize any payments to the retirement system to date; however, the option to do so in future years is expected to be made available to the Town through various forms of existing legislation.

***Other Post Employment Benefits***

In June 2015, GASB released GASB Statement No. 75 ("GASB 75"), which was required to be implemented in the Town's 2018 fiscal year. GASB 75 replaces the requirements of GASB 45 and establishes new standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Under GASB 75, governments must report a liability on the face of the financial statements for the post-employment benefits ("OPEB") that they provide; such liability can no longer be a footnote as was allowed under GASB 45.

During the year ended December 31, 2018, the Town implemented GASB statements No. 75.

	<u>Total OPEB</u> <u>Liability</u>
Balance at December 31, 2017	\$121,558,406
Changes for the Year:	
Service cost	1,688,096
Interest	4,203,943
Differences between expected & actual experience	(20,675,187)
Changes in assumptions	(7,117,212)
Benefit payments	<u>(3,133,839)</u>
Net changes	<u>(25,034,199)</u>
Balance at December 31, 2018	<u>\$96,524,207</u>

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, New York 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.

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

## FINANCIAL FACTORS

### *Annual Financial Report*

The annual financial statements of the Town are audited by independent certified public accountants. The Town is also subject to periodic audit by the State Comptroller's Office. Appendix B to this Official Statement presents a summary of the results of operations for the last five fiscal years ended and a budget summary for the prior and current fiscal years.

### *Fund Structures and Accounts*

The financial statements of the Town conform to those prescribed by generally accepted accounting principles as applied to governmental units.

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

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

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

The General Fund is the principal fund of the Town and includes all operations not required to be recorded in other funds. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds include the Town Outside Village, Community Development, Insurance, Highway and Special District Funds. Special Districts have been established for sanitary sewer, lighting, water, fire protection, and hydrants.

### *Revenues*

The Town derives its revenues from a direct tax levy on real property, State aid, non-property taxes like the County sales tax, and from departmental fees and charges. A summary of such revenues for the Town's General and Special Revenue Funds over the prior five fiscal years have been compiled from the Town's Annual Financial Reports and are presented in "Statement of Revenues, Expenditures and Changes in Fund Balances" in Appendix B.

### *Real Property Tax*

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the amount budgeted for the current fiscal year.

**Table 2**  
**Property Taxes**

<b><u>Fiscal Year</u></b>	<b><u>Total Revenues</u></b>	<b><u>Real Property Taxes</u></b>	<b><u>Real Property Taxes to Revenues</u></b>
2014	\$14,045,732	\$9,065,596	64.5%
2015	14,966,425	9,343,485	62.4%
2016	15,621,695	10,209,322	65.4%
2017	16,646,600	10,724,249	64.4%
2018	16,724,729	11,142,483	66.6%
2019 Budgeted	16,434,651	11,205,566	68.2%
2020 Budgeted	16,747,988	11,453,403	68.4%

*Source: Audited Financial Statements, Adopted Budget, and Town Officials.*

**Non-Property Taxes.** The following table sets forth general fund non-property tax revenues received during the last five audited fiscal years and the amount budgeted for the current fiscal year.

**Table 3**  
**Non-Property Taxes**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Non-Property Taxes</u> <sup>(1)</sup>	<u>Non-Property Taxes to Revenues</u>
2014	\$14,045,732	\$136,463	1.0%
2015	14,966,425	146,773	1.0%
2016	15,621,695	131,971	0.8%
2017	16,646,600	131,966	0.8%
2018	16,724,729	134,772	0.8%
2019 Budgeted	16,434,651	148,000	0.9%
2020 Budgeted	16,747,988	148,000	0.9%

*Source: Audited Financial Statements, Adopted Budget, and Town Officials.*

**State Aid.** The Town also receives a portion of its revenues in the form of State aid. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions, which eliminate or substantially reduce State aid could have an adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

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

**Table 4**  
**State Aid**

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2014	\$14,045,732	\$1,153,534	8.2%
2015	14,966,425	1,331,436	8.9%
2016	15,621,695	1,437,313	9.2%
2017	16,646,600	2,047,060	12.3%
2018	16,724,729	2,599,277	15.5%
2019 Budgeted	16,434,651	1,458,916	8.9%
2020 Budgeted	16,747,988	1,487,916	8.9%

*Source: Audited Financial Statements, Adopted Budget, and Town Officials.*

***Budget Process***

The Supervisor prepares a tentative budget and presents it to the Town Clerk on or before September 30th. Subsequent to the budget hearing, revisions, if any, are made and the tentative budget becomes the preliminary budget. A public hearing is held on or before the Thursday immediately following the general election. Following the hearing the Town Board takes action to adopt a final budget for the coming calendar year. The budget is not subject to voter approval.

Appendix B sets forth a summary of the Town's prior and current General Fund and Special Revenue Fund budgets.

***Investment Policy***

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



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

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

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

### ***The State Comptroller's Fiscal Stress Monitoring System***

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (See <https://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-04/2018-munis-summary.pdf>.)

Note: Reference to websites implies no warranty of accuracy of information therein.

### ***New York State Comptroller's Audit***

The financial affairs of the Town are subject to periodic compliance reviews by the Office of the State Comptroller (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 June 28, 2019. The purpose of the audit was to determine whether Town officials properly accounted for and monitored fuel purchases. The audit found that Fuel purchases made with equipment fuel cards (i.e., fobs) are not monitored or tracked and no inventory records are maintained for fuel in reserve tanks. The OSC recommended the Town track fuel purchased with equipment fobs, and that the Town maintain perpetual inventory records for reserve tanks and perform periodic

reconciliations. Town officials agreed with our recommendations and indicated they planned to initiate corrective action.

The complete report can be obtained from OSC’s website:

<https://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2019-11/hamburg-2019-75.pdf>

**REAL PROPERTY TAXES**

***Real Property Tax Collection Procedures and History***

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

Taxes are due January 1<sup>st</sup> and payable without penalty through February 15<sup>th</sup>. Penalties are imposed as follows: 1.5% from February 16<sup>th</sup> through February 28<sup>th</sup>, 3% from March 1<sup>st</sup> through 15<sup>th</sup>, 4.5% from March 16<sup>th</sup> through April 2<sup>nd</sup>, 6% from April 3<sup>rd</sup> through 16<sup>th</sup>, 7.5% from April 17<sup>th</sup> through 30<sup>th</sup>, and an additional 1.5% each month thereafter. After August 31, when the rolls are turned over to the County, all taxes are payable to the County with an additional penalty to date of payment.

The following table sets forth the annual tax levies of the Town’s General Fund, Part Town Fund, Highway Funds and Special District levies, for the past five years.

**Table 5**  
**Total Tax Levy and Tax Rate**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund	\$10,190,764	\$10,672,874	\$11,088,389	\$11,205,566	\$11,453,403
Part Town Fund	4,182,909	4,237,161	4,391,059	4,327,780	4,494,383
Highway Fund	5,604,406	6,024,099	6,121,919	6,275,987	6,275,987
Special Districts	<u>5,796,047</u>	<u>5,954,318</u>	<u>6,128,549</u>	<u>6,217,679</u>	\$6,501,448
Total Levy	\$25,774,126	\$26,888,452	\$27,729,916	\$28,027,012	\$28,725,221
General Fund Tax Rate					
Per \$1,000 Assessed Value	\$4.68	\$4.88	\$5.04	\$5.04	\$5.12

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

**Table 6**  
**Assessed and Full Valuation**

Roll Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Tax Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Taxable Assessed Valuation	\$2,175,569,427	2,187,760,413	\$2,196,876,747	\$2,220,132,910	\$2,233,972,450
State Equalization Rate	54.50%	53.00%	52.00%	50.00%	47.00%
Full Valuation	\$3,991,870,508	4,127,849,836	\$4,224,762,975	\$4,440,265,820	\$4,753,132,872

Source: Town Assessor

***Tax Levy Limitation Law***

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a

particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2016 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

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

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

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

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

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

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

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

Therefore, while the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said New Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its

general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the New Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is possible that the Tax Levy Limitation Law will be subject to judicial review to resolve the constitutional issues raised by its adoption. Although courts in New York have historically been protective of the rights of holders of general obligation debt of political subdivisions, the outcome of any such legal challenge cannot be predicted.

**Ten of the Largest Assessed Values for the 2020 Tax Year**

The following table presents the total assessed valuations of the Town's largest property owners.

**Table 7**  
**Assessed Valuations**

<b><u>Property Owner</u></b>	<b><u>Nature of Business</u></b>	<b><u>Assessed Valuation</u></b>	<b><u>Percentage of Total Valuation</u></b> <sup>(a)</sup>
McKinley Mall, LLC	Mall	\$14,076,630	0.63%
Niagara Mohawk Power Corp	Utility	13,476,745	0.60%
G& I IX Empire McKinley	Commercial	12,123,000	0.54%
Ford Stamping Plant	Auto Manufacturing	11,340,500	0.51%
New York State Electric & Gas	Utility	10,657,580	0.48%
Wal-Mart Real Estate Business	Real Estate	9,000,000	0.40%
National Fuel Gas	Utility	8,159,907	0.37%
National Fuel Gas- Distribution	Utility	8,051,231	0.36%
Maplewood Estates Apartments	Apartments	7,500,000	0.34%
G& I IX Empire BJ's Plaza LLC	Wholesale Retailer	6,927,500	0.31%
	Total:	<u>\$101,313,093</u>	<u>4.54%</u>

<sup>(a)</sup> Total taxable assessed valuation for 2020 tax year is \$2,233,972,450.

Source: Town Assessor.

**TOWN INDEBTEDNESS**

***Constitutional Requirements***

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

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

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

***Payment and Maturity.*** Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid within three fiscal years periods indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several purposes for which it is contracted, unless the Town determines to issue debt amortized on the basis of substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

***General.*** The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the

exercise of such powers; however, as has been noted under “Nature of Obligation”, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

### ***Statutory Procedure***

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

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

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

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

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

***Debt Limit.*** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the most recent five-year average full valuation of taxable real estate of the Town and per certain enumerated exclusions and deductions such as water and certain sewer facilities and cash appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the final equalization rate as determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such rate shall be determined. The average full valuation is determined by taking the sum of full valuations of such last completed assessment roll and the four preceding assessment rolls, and dividing such sum by five.

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

**Constitutional Debt Limit**

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

**Table 8**  
**Constitutional Debt Limit**

<b><u>Tax Year</u></b>	<b><u>Assessed Valuation</u></b>	<b><u>Equalization Rate</u></b>	<b><u>Full Valuation</u></b>
2015	\$2,175,569,427	54.50%	\$ 3,991,870,508
2016	2,187,760,413	53.00%	4,127,849,836
2017	2,196,876,747	52.00%	4,224,762,975
2018	2,220,132,910	50.00%	4,440,265,820
2019	2,233,972,450	47.00%	<u>4,753,132,872</u>
Total Five-Year Valuation			<u>\$21,537,882,011</u>
Average Five-Year Valuation			<u>\$ 4,307,576,402</u>
Debt Limit - 7% of Average Full Valuation			<u>\$301,530,348</u>

Source: Town Assessor's Office

**Statement of Debt Contracting Power**

**Table 9**  
**Statutory Debt Limit and Net Indebtedness**  
(As of June 10, 2020)

Debt Contracting Limitation	\$301,530,348
Serial Bonds	4,340,000
Bond Anticipation Notes	<u>2,310,000</u>
Total Gross Direct Indebtedness	6,650,000
Exclusions and Deductions:	
2020 Bonds Appropriations for Debt Service	445,000
2020 Bonds Appropriations for Debt Service	<u>510,000</u>
	955,000
Total Net Indebtedness	<u>\$ 5,700,000</u>
Net Debt-Contracting Margin	<u>\$295,830,348</u>
Percentage of Debt-Contracting Margin Exhausted	<u>1.89%</u>

Source: Town Officials

**Remedies Upon Default**

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

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its bonds and notes, although 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.

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

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

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

***Trend of Outstanding Indebtedness***

The following table provides information relating to the capital indebtedness outstanding at year-end for the last five fiscal years.

**Table 10**  
**Outstanding Indebtedness**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$2,700,000	\$ 2,080,000	\$ 1,445,000	\$ 5,260,000	\$ 4,815,000
Bond Anticipation Notes	<u>6,830,900</u>	<u>10,568,900</u>	<u>8,580,000</u>	<u>3,320,000</u>	<u>2,815,000</u>
Total Outstanding Debt	<u>\$9,530,900</u>	<u>\$12,648,900</u>	<u>\$10,035,000</u>	<u>\$8,580,000</u>	<u>\$7,630,000</u>

***Short Term Indebtedness***

Following the issuance of the Bonds, the town will not have any bond anticipation notes outstanding.

The Town has not needed to issue revenue or tax anticipation notes for operating purposes in recent years.

***Debt Service Schedule***

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness, as of June 10, 2020.

**Table 12**  
**Bond Principal and Interest Maturity**

FY Ending 12/31:	Principal	TOTAL INT	Debt Service
2020	440,000	63,392	503,392
2021	385,000	99,966	484,966
2022	360,000	88,999	448,999
2023	365,000	79,411	444,411
2024	275,000	69,707	344,707
2025	255,000	64,150	319,150
2026	255,000	59,050	314,050
2027	260,000	53,950	313,950
2028	275,000	48,750	323,750
2029	205,000	42,563	247,563
2030	205,000	37,438	242,438
2031	205,000	31,800	236,800
2032	205,000	25,650	230,650
2033	210,000	19,500	229,500
2034	220,000	13,200	233,200
2035	220,000	6,600	226,600
	<u>\$4,340,000</u>	<u>\$804,126</u>	<u>\$5,144,126</u>

***Direct and Overlapping Indebtedness***

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the

amount of the Town's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

**Table 13**  
**Statement of Direct and Overlapping Indebtedness**

<b><u>Direct Debt</u></b>				
Gross Direct Debt				\$ 6,650,000
Exclusions and Deductions				<u>950,000</u>
Net Direct Debt				5,700,000
<b><u>Overlapping Debt</u></b>				
		<b><u>Net Debt</u></b>	<b><u>Town</u></b>	<b><u>Amount</u></b>
<b><u>Issuer</u></b>	<b><u>As of</u></b>	<b><u>Outstanding</u></b>	<b><u>Share</u></b>	<b><u>To Town</u></b>
Erie County	09/30/19	\$345,940,000	7.39%	
Village of Blasdell	05/31/19	2,780,457	100.00%	\$25,564,966
Village of Hamburg	07/24/19	4,364,500	100.00%	2,780,457
Hamburg CSD	12/04/19	39,680,000	72.49%	4,364,500
Frontier CSD	12/06/19	44,141,063	99.93%	28,764,032
Orchard Park CSD	04/17/20	33,024,999	5.76%	44,110,164
West Seneca CSD	05/27/20	16,415,000	1.23%	<u>1,902,240</u>
Net Overlapping Debt				107,688,264
Net Direct Debt				<u>5,700,000</u>
Total Net Direct and Overlapping Debt				<u>\$ 113,388,264</u>

Source: Official Statements and State Comptroller's Special Report.

**Debt Ratios**

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

**Table 14**  
**Debt Ratios**

	<b><u>Amount</u></b>	<b><u>Debt Per</u></b>	<b><u>Debt to</u></b>
		<b><u>Capita</u></b> <sup>(1)</sup>	<b><u>Full Value</u></b> <sup>(2)</sup>
Net Direct Debt	\$ 5,700,000	\$100	0.12%
Net Direct and Overlapping Debt	\$ 113,388,264	\$1,991	2.39%

(1) The population of the Town is 56,957.

(2) The Town's full value of taxable real property for 2020 is \$4,753,132,872.

**ECONOMIC AND DEMOGRAPHIC DATA**

**Population**

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

**Table 15**  
**Population Trend**

	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>Percentage</u></b>
			<b><u>Change</u></b>
Town	56,259	56,936	1.2%
County	950,265	919,040	(3.2%)
State	18,976,457	19,378,102	2.1%

Source: US Census Bureau



**Employment and Unemployment**

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town. Because the Town is centrally located in Western New York, many of its residents are employed throughout the neighboring communities.

**Table 16**  
**Largest Employers**

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
Ford Motor Company	Auto Manufacturing	1,105
Frontier Central School District	Education	940
Hamburg Central School District	Education	645
Wegman's Markets, Inc.	Retail Food Store	540
West Herr Ford	Auto Sales	509
Town of Hamburg	Government	430
Walmart	Retail	450
Republic Engineered Products	Steel Manufacturing	308
Tops Supermarkets	Retail	320
Autumnview Manor Nursing Home	Nursing Home	230

Source: Town officials

**Table 17**  
**Civilian Labor Force**  
(Annual Average, in Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Town	31.0	30.9	31.0	31.0	31.0
County	448.6	445.1	444.1	442.1	441.3
State	9,558.8	9,551.9	9,549.1	9,552.9	9,514.4

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

**Table 18**  
**Yearly Average Unemployment Rates**

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2015	4.7%	5.3%	5.3%
2016	4.4%	4.9%	4.8%
2017	4.6%	5.2%	4.7%
2018	3.9%	4.4%	4.1%
2019	3.8%	4.3%	4.0%

**Table 19**  
**Monthly Unemployment Rates**

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
May 2019	3.2%	3.7%	3.6%
June	3.4%	4.0%	3.8%
July	3.8%	4.5%	4.2%
August	3.6%	4.4%	4.1%
September	3.4%	3.9%	3.6%
October	3.6%	4.0%	3.7%
November	3.7%	4.1%	3.6%
December	4.3%	4.6%	3.7%
January 2020	4.8%	4.9%	4.1%
February	4.5%	4.7%	3.9%
March	4.5%	4.8%	4.4%
April	18.3%	18.6%	15.0%

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

*Financial Institutions*

All major local banks including M&T Bank, JPMorgan Chase Bank, Key Bank, and Bank of America have offices located within the Town.

**LITIGATION**

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

**APPENDIX B**

**SUMMARY OF FINANCIAL  
STATEMENTS AND BUDGETS**

**Town of Hamburg, New York**  
**Comparative Balance Sheet**  
**(General Fund and Special Revenue Funds)**  
**At December 31**

	<u>General Fund</u>		<u>Special Revenue Fund</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
<u>ASSETS</u>				
Cash and Investments	\$4,676,746	\$4,064,101	\$5,505,950	\$2,863,761
Receivables:				
Accounts Receivable	122,447	260,260	1,170	368,522
State and Federal Receivable	120,862	36,045	0	0
Due from Other Governments	0	0	141,579	1,704,730
Prepaid Expenditures	231,756	1,129,107	424,961	7,875
Due from Other Funds	854,145	240,650	7,875	429,403
Total Assets	<u>\$6,005,956</u>	<u>\$5,730,163</u>	<u>\$6,081,535</u>	<u>\$5,374,291</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts Payable	\$112,438	\$143,245	\$96,395	\$141,151
Accrued Liabilities	142,941	171,340	302,246	372,294
Due to Other Governments	8,622	5,870	0	1,432
Due to Other Funds	7,875	7,875	25,246	38,928
Overpayments & Clearing Account	0	0	0	0
Deferred Revenues	7,967	0	100,000	100,000
Total Liabilities	<u>279,843</u>	<u>328,330</u>	<u>523,887</u>	<u>653,805</u>
Fund Balance:				
Non-Spendable	231,756	240,650	424,961	429,403
Restricted	2,262,779	2,498,650	45,875	724,014
Assigned	961,128	960,574	5,086,812	3,567,069
Unassigned	2,270,450	1,701,959	0	0
Total Fund Equity	<u>5,726,113</u>	<u>5,401,833</u>	<u>5,557,648</u>	<u>4,720,486</u>
Total Liabilities & Fund Balance	<u>\$6,005,956</u>	<u>\$5,730,163</u>	<u>\$6,081,535</u>	<u>\$5,374,291</u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

**Town of Hamburg, New York**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:					
Real Property Taxes	\$9,065,596	\$9,343,485	\$10,209,322	\$10,724,249	\$11,142,483
Real Property Tax Items	474,052	518,209	566,502	490,626	557,388
Non-property Tax Items	136,463	146,773	131,971	131,966	134,772
Departmental Income	240,854	278,142	245,824	324,868	676,071
Intergovernmental Charges	100,073	109,098	106,327	73,914	111,602
Use of Money and Property	27,689	32,083	27,055	15,791	16,993
Licenses and Permits	719,257	989,314	761,262	792,093	767,000
Fines and Forfeitures	619,733	564,392	642,171	576,781	559,742
Sale of Property & Compensation for Loss	205,800	382,677	266,557	161,056	46,546
Miscellaneous	1,292,215	1,202,838	1,216,998	1,298,555	112,855
State Aid	1,153,534	1,331,436	1,437,313	2,047,060	2,599,277
Federal Aid	10,466	67,978	10,393	9,641	0
Total Revenues	<u>14,045,732</u>	<u>14,966,425</u>	<u>15,621,695</u>	<u>16,646,600</u>	<u>16,724,729</u>
Expenditures:					
General Government Support	4,137,640	3,841,137	3,813,873	4,030,167	4,285,406
Public Safety	1,865,103	2,061,241	2,101,683	2,098,772	2,207,882
Health	3,662	3,803	3,662	3,664	3,660
Transportation	246,719	233,764	220,921	239,167	196,524
Economic Assistance	864,373	866,990	805,670	830,119	847,455
Culture and Recreation	3,208,074	3,436,445	3,420,342	3,611,382	3,828,309
Home and Community Service	199,840	245,898	220,558	281,311	326,982
Employee Benefits	4,755,368	5,167,641	4,967,689	4,989,593	5,118,475
Debt Service	448,913	452,236	1,971,951	673,188	414,472
Total Expenditures	<u>15,729,692</u>	<u>16,309,155</u>	<u>17,526,349</u>	<u>16,757,363</u>	<u>17,229,165</u>
Excess of Revenues Over (Under)					
Expenditures	<u>(1,683,960)</u>	<u>(1,342,730)</u>	<u>(1,904,654)</u>	<u>(110,763)</u>	<u>(504,436)</u>
Other Financing Sources (Uses):					
Operating Transfers In	1,545,397	2,597,254	3,451,545	1,620,442	2,156,915
Operating Transfers Out	(1,144,360)	(1,188,117)	(915,848)	(590,629)	(1,976,759)
Total Other Financing Sources (Uses)	<u>401,037</u>	<u>1,409,137</u>	<u>2,535,697</u>	<u>1,029,813</u>	<u>180,156</u>
Excess of Revenues and Other Financing Sources Over					
(Under) Expenditures (Uses)	(1,282,923)	66,407	631,043	919,050	(324,280)
Fund Balance at January 1	5,368,346	4,109,240	4,175,647	4,806,690	5,725,740
Adjusted Fund Balance	23,817	0	0	0	0
Fund Balance at December 31	<u>\$4,109,240</u>	<u>\$4,175,647</u>	<u>\$4,806,690</u>	<u>\$5,725,740</u>	<u>\$5,401,460</u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

**Town of Hamburg, New York**  
**Special Revenue Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:					
Real Property Taxes	\$ 9,216,222	\$ 9,238,102	\$ 9,787,315	\$ 10,261,260	\$ 10,512,978
Non-property Tax Items	7,395,344	7,430,719	7,490,018	7,245,868	7,926,497
Departmental Income	34,537	42,120	44,836	56,232	22,751
Intergovernmental Charges	69,333	77,765	79,995	90,294	81,490
Use of Money and Property	24,332	8,197	11,538	4,451	3,196
Licenses and Permits	12,670	31,114	38,280	29,699	28,113
Fines & Forfeitures	0	0	0	0	11,701
Sale of Property & Compensation for Loss	34,606	22,916	37,720	158,484	43,330
Miscellaneous	19,247	55,645	80,272	19,852	27,178
State Aid	369,348	580,262	524,889	487,697	549,246
Federal Aid	41,683	497,260	345,769	117,552	224,613
Total Revenues	<u>17,217,322</u>	<u>17,984,100</u>	<u>18,440,632</u>	<u>18,471,389</u>	<u>19,431,093</u>
Expenditures:					
Public Safety	7,472,438	7,614,511	7,517,490	7,585,591	8,389,610
Transportation	3,959,856	4,392,255	3,676,602	4,073,326	4,196,977
Home and Community Service	361,283	405,666	378,566	407,477	414,502
Employee Benefits	5,024,848	5,539,142	5,536,590	5,601,843	5,871,288
Debt Service	225,222	225,398	230,673	279,441	13,682
Total Expenditures	<u>17,043,647</u>	<u>18,176,972</u>	<u>17,339,921</u>	<u>17,947,678</u>	<u>18,886,059</u>
Excess of Revenues Over (Under)					
Expenditures	<u>173,675</u>	<u>(192,872)</u>	<u>1,100,711</u>	<u>523,711</u>	<u>545,034</u>
Other Financing Sources (Uses):					
Operating Transfers In	91,121	780,510	1,598	14,039	24,375
Operating Transfers Out	(659,621)	(2,402,119)	(1,307,037)	(1,031,371)	(1,406,571)
Total Other Financing Sources (Uses)	<u>(568,500)</u>	<u>(1,621,609)</u>	<u>(1,305,439)</u>	<u>(1,017,332)</u>	<u>(1,382,196)</u>
Net Change in Fund Balance	(394,825)	(1,814,481)	(204,728)	(493,621)	(837,162)
Fund Balance at January 1	8,465,213	8,070,478	6,255,997	6,051,269	5,557,648
Fund Balance at December 31	<u>8,070,388</u>	<u>6,255,997</u>	<u>6,051,269</u>	<u>5,557,648</u>	<u>4,720,486</u>

Source: Compiled from prior years audited financial reports although this statement was not subject to audit.

**Town of Hamburg, New York  
General Fund  
Budget Summary**

GENERAL FUND

	<u>2019</u>	<u>2020</u>
Estimated Revenues:		
Real Property Tax Items	\$11,205,566	\$11,453,403
Other Tax Items	544,540	544,540
Non Property Tax Items	148,000	148,000
Departmental Income	528,150	536,650
Use of Money and Property	30,900	30,900
Licenses & Permits	607,900	607,900
Fines & Forfeitures	655,000	655,000
Miscellaneous	1,255,679	1,283,679
State Aid	1,458,916	1,487,916
Federal Aid	0	0
Total Revenues	<u>16,434,651</u>	<u>16,747,988</u>
Interfund Revenues	753,835	698,240
Appropriated Fund Balance	460,000	460,000
Total Revenues and Appropriated Fund Balance	<u><u>\$17,648,486</u></u>	<u><u>\$17,906,228</u></u>
Appropriations:		
General Government Support	\$3,917,492	\$3,816,607
Public Safety	2,177,053	2,198,707
Health	3,662	3,662
Transportation	210,940	207,922
Economic Assistance	848,241	882,015
Culture and Recreation	3,805,056	4,124,281
Home and Community Service	287,223	299,888
Employee Benefits	4,933,203	5,135,241
Debt Service	449,897	449,297
Interfund Transfers	1,015,719	788,608
Total Appropriations	<u><u>\$17,648,486</u></u>	<u><u>\$17,906,228</u></u>

Source: Budget summary extracted from Annual Budgets as adopted.

**APPENDIX C**

**INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website  
of the Municipal Securities Rulemaking Board (“MSRB”)  
at the following link:**

**<https://emma.msrb.org/ES1328615-ES1036625-ES1439447.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. Amato, Fox & Company, PC 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.**