

This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 29, 2020**

**NEW ISSUE  
SERIAL BONDS**

**RATING: SEE “RATING” HEREIN  
BOOK-ENTRY-ONLY**

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

*The Bonds WILL be designated by the Fire District as “qualified tax-exempt obligations” pursuant to the provision of Section 265 of the Code.*

**HARRISON WATER DISTRICT NO. 1 (FIRE PROTECTION DISTRICT NO. 1)  
IN THE  
TOWN OF HARRISON  
WESTCHESTER COUNTY, NEW YORK**

**\$600,000  
FIRE DISTRICT (SERIAL) BONDS, 2020  
(the “Bonds”)**

**Dated: Date of Delivery**

**Due: November 1, 2022 to 2035**

The Bonds are general obligations of the Harrison Water District No. 2 (Fire Protection District No. 1) in the Town of Harrison, Westchester County, New York (the “Fire District”), and will contain a pledge of the faith and credit of the Fire District 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 Fire District, subject to applicable statutory limitations (see “Nature of Obligation” and “Tax Levy Limitation Law” herein).

The Bonds do not constitute a debt of the Town of Harrison or the Village of Harrison. Neither the Town nor the Village shall be liable for the payment of the Bonds.

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers, as the Beneficial Owners, will not receive certificates representing their ownership interest in the Bonds.

Interest on the Bonds will be payable on November 1, 2021, May 1, 2022 and semi-annually thereafter on November 1<sup>st</sup> and May 1<sup>st</sup> in each year until maturity. The Bonds will mature on the dates in the years and amounts as described on the inside cover page hereof. The record date for the Bonds will be the fifteenth day of the calendar month preceding each interest payment date. Principal of and interest on the Bonds will be paid by the Fire District to DTC which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Purchasers of the Bonds, as described herein. The Bonds will be subject to optional redemption prior to maturity as described herein.

The Bonds are offered subject to the final approving opinion of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds in definitive form through the facilities of DTC in Jersey City, New Jersey will be made on or about November 19, 2020.

FOR A DESCRIPTION OF THE FIRE DISTRICT’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

Dated: November \_\_, 2020

\_\_\_\_\_  
\* Preliminary, subject to change.

The Bonds mature on November 1<sup>st</sup> in each of the years, subject to prior redemption, as set forth below:

<u>Year</u>	<u>Amount*</u>	<u>Interest</u>			<u>Year</u>	<u>Amount*</u>	<u>Interest</u>			<u>CUSIP***</u>
		<u>Rate</u>	<u>Yield</u>				<u>Rate</u>	<u>Yield</u>		
2022	\$ 40,000	%	%		2029**	\$ 45,000	%	%		
2023	40,000				2030**	45,000				
2024	40,000				2031**	45,000				
2025	40,000				2032**	45,000				
2026	40,000				2033**	45,000				
2027	40,000				2034**	45,000				
2028	45,000				2035**	45,000				

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

\*\* The Bonds maturing in the years 2029 and thereafter will be subject to redemption prior to maturity, as described herein. (See “*Optional Redemption*” herein.)

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

**HARRISON WATER DISTRICT NO. 1 (FIRE PROTECTION DISTRICT NO. 1)  
IN THE  
TOWN OF HARRISON  
WESTCHESTER COUNTY, NEW YORK**

**RONALD BELMONT**  
Chairman of the Board of Fire Commissioners

***BOARD OF FIRE COMMISSIONERS***

Richard Dioniso ..... Commissioner  
Frank Gordan ..... Commissioner  
Lauren Leader ..... Commissioner  
Fred W. Sciliano ..... Commissioner

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Maureen Mackenzie ..... Fire District Treasurer  
Jacqueline Greer ..... Fire District Clerk

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**BOND COUNSEL**

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

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**MUNICIPAL ADVISOR**



**CAPITAL MARKETS ADVISORS, LLC**  
*Long Island \* Hudson Valley \* Southern Tier \* Western New York*  
**(516) 472-7049**

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

**TABLE OF CONTENTS**

	<u>Page</u>		<u>Page</u>
THE BONDS .....	1	Effect of COVID-19.....	9
Description .....	1	CYBERSECURITY .....	10
Authority for and Purpose of the Bonds .....	2	LITIGATION .....	10
Optional Redemption .....	2	TAX MATTERS .....	10
NATURE OF OBLIGATION.....	2	LEGAL MATTERS.....	11
TAX LEVY LIMITATION LAW .....	4	DISCLOSURE UNDERTAKING.....	11
SPECIAL PROVISIONS AFFECTING		RATINGS .....	13
REMEDIES UPON DEFAULT.....	4	MUNICIPAL ADVISOR.....	13
Book-Entry-Only System .....	7	MISCELLANEOUS .....	13
MARKET FACTORS AFFECTING			
FINANCINGS OF THE STATE AND			
MUNICIPALITIES OF THE STATE.....	9		

**APPENDIX A**

THE FIRE DISTRICT.....	A-1	TAX INFORMATION.....	A-6
General Information.....	A-1	Valuations and Tax Data.....	A-6
Selected Listing of Major Employers.....	A-2	Tax Collection Procedure .....	A-6
Unemployment Rate Statistics.....	A-2	Ten of the Largest Taxpayers.....	A-6
Form of Government.....	A-3	FIRE DISTRICT INDEBTEDNESS.....	A-7
Employees.....	A-3	Constitutional and Statutory Requirements.....	A-7
Employee Pension Benefits .....	A-3	Statutory Procedure .....	A-7
Pension Trust-Service Awards Program.....	A-3	Statement of Debt-Contracting Power .....	A-8
Other Post Employment Benefits.....	A-4	Remedies Upon Default.....	A-8
FINANCIAL FACTORS .....	A-4	Trend of Capital Indebtedness.....	A-9
Budgetary Procedure.....	A-4	Authorized but Unissued Items .....	A-9
Independent Audit .....	A-5	Overlapping and Underlying Debt.....	A-9
Basis of Accounting.....	A-5	Debt Service Schedule.....	A-10
Revenues.....	A-5	Debt Ratios .....	A-10

**APPENDIX B – SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS**

**APPENDIX C – LINK TO AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

**APPENDIX D – FORM OF BOND COUNSEL’S LEGAL OPINION RELATED TO THE BONDS**

## OFFICIAL STATEMENT

### HARRISON WATER DISTRICT NO. 1 (FIRE PROTECTION DISTRICT NO. 1) IN THE TOWN OF HARRISON WESTCHESTER COUNTY, NEW YORK

relating to

**\$600,000\***  
**FIRE DISTRICT (SERIAL) BONDS, 2020**  
**(the “Bonds”)**

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, presents certain information relating to the Harrison Water District No. 1 (Fire Protection District No. 1) in the Town of Harrison, in the County of Westchester, in the State of New York (the “Fire District”, “Town”, “County” and “State,” respectively) in connection with the sale of \$600,000 Fire District (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 Fire District 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 Fire District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

### **THE BONDS**

#### ***Description***

The Bonds are dated their date of delivery and mature as set forth on the inside cover page hereof. Interest on the Bonds will be payable on November 1, 2021 and semiannually thereafter on May 1<sup>st</sup> and November 1<sup>st</sup> until maturity. The Bonds shall mature on November 1<sup>st</sup> in each year in the principal amounts specified on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity as described herein. (See “*Optional Redemption*” herein.)

The Bonds will be issued in book-entry form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”). (See “*Book-Entry-Only System*” herein). DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds will be paid by the Fire District to DTC, which will in turn remit such principal and interest to its Participants (Defined herein), for subsequent disbursement to the Beneficial Owners of the Bonds as described under “*Book-Entry-Only System*,” herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the Fire District referred to therein.

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

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\* Preliminary, subject to change.

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

The Bonds are issued pursuant to the Constitution and Laws of the State, including, among others, the General Municipal Law, Town Law, the Local Finance Law, and a bond resolution duly adopted by the Town Board, acting as the Board of Commissioners of the Fire District, on September 29, 2020 to pay \$600,000 of the cost of purchase of 75 foot tower ladder with a maximum estimated cost of \$1,596,983. Proceeds from the sale of the Bonds will be used to provide original financing for such purpose pursuant to the resolution.

### ***Optional Redemption***

The Bonds maturing on or before November 1, 2028 will not be subject to redemption prior to maturity. The Bonds maturing on or after November 1, 2029 will be subject to redemption prior to maturity, at the option of the Fire District, on November 1, 2028 and thereafter on any date, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the price equal to the par principal amount, plus accrued interest to the date of redemption.

If less than all the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by the Fire District by lot or in any customary manner of selection as determined by the Treasurer of the Fire District. Notice of such a call for redemption shall be given by mailing such notice to the registered owner thereof not more than sixty (60) days nor less than thirty (30) days prior to such date by regular United States mail. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such notice, become due and payable, together with interest accrued to such redemption date, and interest on such Bonds shall cease to be paid after such redemption date.

## **NATURE OF OBLIGATION**

Each bond when duly issued and paid for will constitute a contract between the Fire District and the holder thereof.

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

The Bonds will be general obligations of the Fire District and will contain a pledge of the faith and credit of the Fire District for the payment of the principal thereof and the interest thereon as required by Section 100.00 of the Local Finance Law. For the payment of such principal and interest, the Fire District has power and statutory authorization to levy ad valorem taxes on all real property within the Fire District subject to such taxation by the Fire District, subject to applicable statutory limitations.

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

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

The Constitutionally-mandated general obligation pledge of municipalities and school districts (but not district corporations) in New York State, while not directly applicable to fire districts, is effectively applicable by Section 100.00 of the Local Finance Law and has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

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

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977), the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the noteholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations. It should be noted that these provisions do not by their terms apply to fire districts.

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

Investors should note that these Constitutional provisions do not, by their terms, apply to fire districts; however, such cases do provide judicial interpretations of the faith and credit pledge which is required of fire districts by section 100.00 of the Local Finance Law.

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

## **TAX LEVY LIMITATION LAW**

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

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 15, 2020 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 due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of its fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for such fiscal year.

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

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of the Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation is not clear.

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

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

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a



judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Fire District may not be enforced by levy and execution against property owned by the Fire District.

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

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

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

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

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

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

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

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

**Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.** The State Legislature is authorized to declare by special act that a state of financial

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

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

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

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

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

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

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

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply to fire districts nor, in general in a

context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

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

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

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

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

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

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

Redemption proceeds, distributions, and dividend 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 issuer, on the 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 Fire District, 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 Fire District, 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 Fire District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

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

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

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE FIRE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

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

The financial condition of the Fire District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the Fire District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality 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. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions, thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Fire District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected. See "Tax Levy Limitation Law" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See "TAX MATTERS" herein.

### ***COVID-19***

The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread globally, including the United States, and to New York State, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide.

The outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added "disease outbreak" to the definition of "disaster" (which already includes "epidemic" ) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020.

Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

While the outbreak of COVID-19 might affect revenue streams supporting revenue bond debt of some public authorities, as compared to general obligation debt, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same.

The degree of any such impact to the Fire District's operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Fire District and its economy. The Fire District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

## **CYBERSECURITY**

The Fire District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Fire District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

## **LITIGATION**

Except as otherwise set forth herein and apart from matters provided for by applicable insurance coverage, the attorneys for the Fire District are unaware of any claims or action pending which, if determined against the Fire District, would have an adverse material effect on the financial condition of the Fire District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Fire District, threatened against or affecting the Fire District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the Fire District take with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the Fire District.

## **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Fire District has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

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

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York, the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Recent legislative proposals generally would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

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

## **DISCLOSURE UNDERTAKING**

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 Fire District 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 under the headings "The Fire District", "Financial Factors", "Tax Information", "District Indebtedness", "Litigation" and Appendix B by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2020, 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 audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2020; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the Fire District 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 Fire District of whether such provision is compliant with the requirements of federal securities law 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 Fire District; (xiii) the consummation of a merger, consolidation, or acquisition involving the Fire District or the sale of all or substantially all of the assets of the Fire District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 Fire District 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 Fire District 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 Fire District, 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 Fire District.

The Fire District 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 Fire District 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 Fire District'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 Rule which require the Undertaking, or such provisions, 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 Fire District, 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 Fire District to comply with the Undertaking will not constitute a default with respect to the Bonds.



The Fire District 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 a manner consistent with the Rule, as amended.

The Fire District is in compliance in all material respects with all prior undertakings, if any, made pursuant to the Rule for the past five years.

### **RATINGS**

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

Moody's has assigned a rating of "Aaa" with a stable outlook to the Village's outstanding uninsured general obligation bonds.

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

### **MUNICIPAL ADVISOR**

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

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, which 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 Fire District 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.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinions or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds.

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 Fire District management's beliefs as well as assumptions made by, and information currently available to, the Fire District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Fire District files with the repositories. When used in Fire District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

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

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

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

HARRISON WATER DISTRICT NO. 1 (FIRE  
PROTECTION DISTRICT NO. 1)  
WESTCHESTER COUNTY, NEW YORK

By: \_\_\_\_\_  
Maureen MacKenzie  
Fire District Treasurer

DATED: November \_\_, 2020

**APPENDIX A**  
**THE FIRE DISTRICT**

## **THE FIRE DISTRICT**

### ***General Information***

The Fire District encompasses an area of approximately 6 square miles in the Town of Harrison (the “Town”). The Town of Harrison, which is coterminous with the Village of Harrison (the “Village”), has a land area of 18 square miles and a population of 28,319 according to the 2017 U.S. Census, is located in the southern portion of Westchester County approximately 25 miles north of New York City. The Village is adjacent to the City of White Plains and the villages of North Castle, Rye and Mamaroneck. The Village is divided into three principal sections: Purchase, West Harrison (Silver Lake) and Harrison proper.

Although primarily residential in nature, the Village is the site of the corporate headquarters of Morgan Stanley, Pepsico Incorporated and Mastercard Incorporated. The Village is also the site of several country clubs, the most prominent of which is the Westchester Country Club.

The Village is traversed by New York State Route 127, the Hutchinson River Parkway and Interstates 287, 684 and 95 (New England Thruway). The Metropolitan Transportation Authority (“MTA”), Metro-North Division, which operates a station in the Village, provides Village residents with electrified rail service south to New York City and to points north. Westchester County Airport, also in the Village, accommodates many corporate aircraft as well as daily scheduled flights by U.S. Airways, American Airlines, JetBlue and United Airlines.

Manhattanville College, Purchase College of the State of New York, Fordham University Graduate Center and St. Vincents Hospital are located within the Village. Also located nearby to the Village is White Plains Hospital.

Police protection is provided by the Village. Fire protection is provided by the Village as well as local fire districts.

Transportation Oriented Development: After several years of negotiations, the Town/Village of Harrison has entered into a Joint Development Agreement (“JDA”) with Avalon Bay Communities, Inc. (“Developer”) and the Metro-North Commuter Railroad Company (“MTA/MNR”) that will result in the construction of approximately 147 luxury apartments, 27,000 square feet of retail space and two pedestrian plazas at the Metro-North Railroad station in the Central Business District of Downtown Harrison, New York. The project will increase parking availability for commuters by 85%. The Town/Village broke ground in June 2019, officials report that the parking garage is near completion and construction has commenced on the apartment complex.

The Village is the new home of Memorial Sloan Kettering outpatient treatment facility, which opened in October 2014. Lifetime fitness, a premiere fitness corporation, opened its doors in February 2014. The facility is considered a diamond, top rated, facility.

On October 11, 2018 the Village had a groundbreaking for the Playhouse Lofts, a 42-unit luxury apartment complex, which will be built on a site of a former movie theatre that had been vacant for decades. The Lofts are currently under construction and completion is expected in 2021. Other construction plans that are currently underway include: Toll Brothers luxury housing which consists of 420 units and has already poured their foundations, Montefiore Hospital will be adding a 125,000 square foot medical facility and Marcus Peters has proposed a 450 unit, 2 building apartment complex which would also add Main Street shops and retail. Wegman’s Supermarket opened a new 121,000 square foot retail facility in August 2020.

### **Population Trends**

<u>Year</u>	<u>Village</u>	<u>Westchester County</u>	<u>New York State</u>
1970	21,544	894,104	18,241,366
1980	23,046	866,599	17,557,288
1990	23,308	874,866	17,990,445
2000	24,154	923,459	18,976,457
2010	27,472	949,113	19,378,102
2017	28,319	975,321	19,798,228

Source: U.S. Department of Commerce, Bureau of the Census. American Community Survey, 5-year estimate.

**Comparative Housing, Income and Population Data**

	<u>Village</u>	<u>County</u>	<u>State</u>	<u>U.S.</u>
<b><u>Housing:</u></b>				
Median Value Housing	\$824,300	\$513,300	\$293,000	\$193,500
<b><u>Income:</u></b>				
Per Capita Income	61,978	49,938	34,212	29,829
Median Family Income	117,453	89,968	62,765	57,652

Source: 2017 American Community Survey 5-year estimates.

***Selected Listing of Major Employers***

<u>Employer</u>	<u>Type</u>	<u>Approximate No. of Employees</u>
Morgan Stanley	Corporate Headquarters	1,800
Pepsico, Inc.	Corporate Headquarters	1,500
U.S. Postal Service	Postal Mailing Facility	825
Mastercard, Inc.	Corporate Headquarters	800
Dansk International Designs	Distributor and Retailer	600
Diversified Investment Advisor	Investing Services	555
Consolidated Edison Co. of NY, Inc.	Utility	500
Citigroup	Corporate Headquarters	500

Source: Village Officials

***Unemployment Rate Statistics***

	<u>Year Average</u>				
	2015	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Village of Harrison	4.7%	4.5%	4.6%	4.0%	3.9
Westchester County	4.5%	4.3%	4.5%	3.9%	3.8%
New York State	5.3%	4.8%	4.7%	4.1%	4.0%

**Monthly Unemployment Rates**

<u>Month</u>	<u>Village</u>	<u>County</u>	<u>State</u>
January 2020	3.9	4.0	4.1
February	3.7	3.9	3.9
March	3.9	4.0	4.2
April	11.8	14.1	15.1
May	8.9	11.1	14.2
June	10.1	12.5	15.5
July	11.4	14.2	16.0
August	8.8	11.1	16.0
September	5.4	7.0	9.4
October*			

Source: State of New York, Department of Labor. (Note: Figures not seasonally adjusted).

\*Unavailable as of October 29, 2020.

Figures in this section are historical and do not speak as to current or projected unemployment rates. Unemployment rates have drastically increased since March 2020 due to the COVID-19 global pandemic. (See “MARKET FACTORS”, “Effect of COVID-19” and “Finances” herein.)

***Form of Government***

The Board of Fire Commissioners is the governing body of the Fire District and consists of four Board members, elected at large to serve four-year terms, plus the Chairman, who serves a two- year term and is also the Town Supervisor in a separate capacity. The Fire Commissioners, who are also Town Board members in a separate capacity, may serve an unlimited number of terms. The original issuance of all Fire District indebtedness is subject to approval by the Board of Fire Commissioners and subsequently by a vote by Fire District residents.

The Town Clerk also acts as the Fire District Secretary and as such is the custodian of the Fire District's records as well as the clerk to the Board of Fire Commissioners.

***Employees***

The Fire District does not have any employees.

***Employee Pension Benefits***

The Fire District is not required to pay employee pension benefits.

***Pension Trust – Service Awards Program***

The Fire District, pursuant to Article 11-A of General Municipal Law and legislative resolution, has established a Service Awards Program (“Program”) for volunteer firefighters. This Program is a single employer defined benefit plan. An eligible Program Participant is defined to be an active volunteer firefighter who is at least 18 years of age and upon earning 50 or more points in a calendar year after 2000 under the provisions of the Program point system, is eligible to become a participant in the Program. Points are granted for the performance of certain activities in accordance with a system established by the Town/Village on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the Program. Participants are fully vested upon attainment of entitlement age, upon death or upon general disablement and after earning five years of service credit. A participant, upon attainment of entitlement age (the later of age 62 or the participant’s age after earning 50 program points), shall be able to receive their service award, payable in the form of a ten-year certain and continuous monthly payment life annuity. The monthly benefits are \$30 for each year of service credit, up to a maximum of \$900. The Program also provides disability and death benefits. The trustees of the Program, who are the members of the Fire District’s Board of Commissioners, are authorized to invest the funds in authorized investment vehicles.

The Fire District is required to contribute the amounts necessary to finance the plan as actuarially determined using the attained age normal frozen initial liability cost method. The assumed investment rate of return is 3.65% and there are no cost of living adjustments.

The Fire District’s contributions to the Program for the five most recent, audited fiscal years were as follows:

Fiscal Year Ended <u>December 31</u>	Annual <u>Contribution</u>
2015	\$117,795
2016	\$115,660
2017	\$115,318
2018	\$91,000
2019	\$100,303

Note: Table itself not audited.

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

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

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

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

The Fire District’s post-retirement healthcare benefits and other non-pension benefits (“OPEB”) are included in the Village’s GASB 75 report as part of the Village and all of its special districts (although the Fire District is an independent political subdivision). At this time the Fire District’s OPEB obligations have not been separated from the Village’s data. The Village has determined that its actuarial accrued liability (“AAL”) as of December 31, 2019 was \$220,390,188 using a discount rate of 2.75% and actuarial assumptions and other inputs as described in the Village’s actuarial report.

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

At this time, New York State has not developed guidelines for the creation of methods for the funding of OPEB. The Fire District continues funding the expenditure on a pay-as-you-go basis.

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

## **FINANCIAL FACTORS**

### ***Budgetary Procedure***

The Fire District Treasurer/Comptroller must submit the tentative budget to the Fire District Clerk no later than October 30 of each year. The Fire District Clerk then must present the tentative budget to the Board of Fire Commissioners and the Chairman of the Board of Fire Commissioners for review at a regular or special Board meeting held on or before November 10. In most instances, a public information meeting is also held in order to review the budget. The tentative budget with any changes is then presented as the preliminary budget at a public hearing held on or before December 10, as required by law. The Board of Fire Commissioners must then adopt the budget on or before December 20. The budget is not subject to referendum.

The Fire District can make budget changes within line account items at any point during the year. However, if funds are transferred from one account item to another, the transfer must be approved and formally changed by the Board of Fire Commissioners. This is a continuing process.

## ***Independent Audits***

The financial statements of the Fire District are audited by the firm of PKF O'Connor Davies, LLP, independent certified public accountants as a component of the Town/Village of Harrison's financial statements. Appendix B to this Official Statement presents a summary of the audited financial statements for the fiscal years ended December 31, 2015 through 2019.

## ***Basis of Accounting***

The financial statements of the Town, which include the financial statements of the Fire District, are prepared on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded in the accounting period in which they are "measurable" and "available" to finance current operations. Revenues susceptible to accrual include real property taxes, services to other governments, intergovernmental revenues and operating transfers. Expenditures are generally recognized under the modified accrual basis that is when the related fund liability is incurred. Exceptions to this general rule are (1) payments to employee retirement systems which are recorded in the general long-term obligations account group and recognized as an expenditure when due, (2) unmatured interest on general long-term debt which is recognized as an expenditure when due and (3) compensated absences which are charged to expenditures when paid.

## ***Revenues***

***Property Taxes*** The Fire District derives substantially all of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B.) Property taxes accounted for 98.6% of total general fund revenues for the fiscal year ended, December 31, 2016. The following table sets forth total fund revenues and real property taxes received for each of the past five audited fiscal years and the amount budgeted for the current fiscal year.

### **Fund Revenues & Real Property Taxes**

<u>Fiscal Year</u> <u>Ended December 31:</u>	<u>Total</u> <u>Revenues</u>	<u>Real</u> <u>Property Taxes</u>	<u>Taxes to</u> <u>Revenues</u>
2015	\$901,202	\$865,866	96.07%
2016	919,435	870,539	94.68%
2017	914,828	876,439	95.58%
2018	931,083	892,549	95.86%
2019	969,699	916,620	94.52%

Source: Audited Financial Statements and Adopted Budget of the Fire District. Adopted Budget not audited. Summary itself not audited.

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## TAX INFORMATION

### *Valuations and Tax Data*

The Fire District is responsible for levying taxes for operating purposes and debt service. Real property in the Fire District is assessed by the Town. See also "TAX LEVY LIMITATION LAW" herein.

The following table shows the trend during the last five years for taxable assessed valuations, state equalization ratios, full valuations, real property taxes and real property tax rates per \$1,000 assessed valuation within the Fire District.

#### Valuations and Tax Data

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Value	\$25,495,567	\$25,479,942	\$25,538,447	\$25,320,408	\$25,191,788
Equal. Ratio	.31	.31	.30	.30	.28
Full Value	\$8,224,376,451	\$8,219,336,129	\$8,512,815,666	\$8,440,136,000	\$8,997,067,143
Tax Levy <sup>(1)</sup>	870,539	876,439	892,549	916,620	933,066
Tax Rate per \$1,000AV <sup>(1)</sup>	34.14	34.40	34.95	36.20	37.04

(1) Data reflects the Fire District.

Source: Town officials on behalf of the Fire District and the New York State Board of Equalization and Assessment.

### *Tax Collection Procedures*

First half taxes are due on February 1st and are payable during the month of February without penalty. Penalties on first half taxes are 2% in March, 5% in April and May, 6% in June and July and 7% in August. Second half taxes are due in the month of June without penalty. Penalties on second half taxes are 2% in July, 5% in August, 7% in September, 10% in October, November and December and 12% thereafter. The Town collects taxes for the Fire District.

### *Ten of the Largest Taxpayers*

The following table presents the tentative taxable assessments of ten of the Village's largest taxpayers.

<u>Name</u>	<u>Type</u>	<u>2020 Assessed Valuation</u>
Consolidated Edison Co. <sup>(1)</sup>	Utility	\$3,638,013
MS Harrison LLC	Corporate Headquarters	1,914,500
Pepsico, Inc	Corporate Headquarters	1,404,470 <sup>(2)</sup>
OCC Purchase LLC	Corporate Headquarters	1,386,000
Mastercard International	Office Complex	1,245,000
County of Westchester	Airport Hanger	1,067,473
Carraway Apartments	Residential	1,041,225
500 Mamaroneck Avenue LP. <sup>(1)</sup>	Office Building	639,775
2500/2700 Westchester Avenue	Office Building	575,000
Harrison Rye Realty <sup>(1)</sup>	Real Estate	573,170
	Total	<u>\$13,344,863<sup>(3)</sup></u>

<sup>(1)</sup> Located within the Fire District.

<sup>(2)</sup> This taxpayer currently has a PILOT with the Village.

<sup>(3)</sup> Represents approximately .15% of the 2020 full valuation of \$8,997,067,143.

Real property subject to Fire District taxation is assessed by the Town. Veterans' and Senior Citizens' exemptions are available for those who qualify.

## **FIRE DISTRICT INDEBTEDNESS**

### ***Constitutional and Statutory Requirements***

The New York State Constitution (Article VIII, Section 2) does not directly address a Fire District's power to contract indebtedness, and the levy of taxes upon real estate in support thereof (although Article VIII Section 3 thereof does include fire districts in its listing of types of municipal corporations in the State possessing the power to both contract indebtedness and to levy taxes upon real estate). The authorization and issuance of Fire District debt, including the purpose, amount and nature thereof, the method and manner of contracting such indebtedness, the maturity and terms of repayment thereof, the pledge of the faith and credit and other related matters are provided by statute.

The Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York limits the power of the Fire District (and municipalities, school and other fire districts of the State) to issue obligations and to otherwise contract indebtedness. Such limitations include the following, in summary form, and are generally applicable to the Fire District and the Bonds.

***Purpose and Pledge*** The Fire District 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 Fire District may contract indebtedness only for a Fire District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

***Payment and Maturity*** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. No installment may be more than fifty per centum in excess of the smallest prior installment unless the Fire District authorized the issuance of bonds with substantial level or declining annual debt service. The Fire District 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, bond anticipation notes and capital notes.

***Debt*** Fire District has the power to contract indebtedness for any Fire District purpose so long as the outstanding principal amount thereof shall not exceed three per centum of the full valuation of taxable real estate of the Fire District and subject to certain enumerated exclusions and deductions such as cash or appropriations for current debt service.

There is no constitutional limitation on the amount that may be raised by the Fire District by tax on real estate in any fiscal year to pay interest and principal on indebtedness. See "TAX LEVY LIMITATION LAW" herein as to statutory limitations.

### ***Statutory Procedure***

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

Pursuant to the Local Finance Law, the Fire District authorizes the issuance of bonds by the adoption of a resolution, approved by the members of the Fire District Board of Commissioners, the finance board of the Fire District and generally subject to mandatory referendum of the voters of the Fire District.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

1. Such obligations are authorized for a purpose for which the Fire District is not authorized to expend money, or
2. There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations and an action, suit, or proceeding contesting such validity, is commenced within twenty days after the date of such publication, or
3. Such obligations are authorized in violation of the provisions of the State Constitution.

Except on rare occasions the Fire District complies with this estoppel procedure. It is a procedure that is recommended by bond counsel, but it is not an absolute legal requirement. The Fire District is in compliance with such procedure with respect to 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.

The Local Finance Law permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not extend five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional and Statutory Requirements" herein.)

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

**Statement of Debt-Contracting Power**  
(As of October 29, 2020)

Full Valuation of Taxable Real Property.....		\$8,478,746,278
Debt-Contracting Margin (3% of Full Valuation):.....		\$254,362,388
Gross Direct Indebtedness:		
Bonds:.....	\$ 0	
Bond Anticipation Notes:.....	0	
Total Gross Direct Indebtedness.....		<u>0</u>
Less Exclusions and Deductions:.....	0	
Total Exclusions and Deductions:.....		<u>0</u>
Total Net Direct Indebtedness.....		<u>0</u>
Net Debt-Contracting Margin.....		<u>\$254,362,388</u>
Percentage of Debt-Contracting Power Exhausted.....		<u>0.00%</u>

***Remedies Upon Default***

Under current law, provision is made for contract creditors (including the Noteholders) of the Fire District 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 Fire District's contract with holders of its bonds and notes, although any permanent repeal by statute or constitutional amendment of a noteholder's or 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 Fire District indebtedness is past due. The Fire District has never defaulted in the payment of the principal of and interest on any indebtedness.

***Trend of Capital Indebtedness***

The Fire District does not currently have any Bonds or Bond Anticipation Notes outstanding. The District’s most recently issued Bonds (\$650,000 Fire District No. 1 Serial Bonds, 2000) were redeemed on July 16, 2018.

**Direct Capital Indebtedness Outstanding**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds:	\$175,000	\$140,000	\$105,000	\$70,000	\$0
Bond Anticipation Notes:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals:	<u>\$ 175,000</u>	<u>\$ 140,000</u>	<u>\$ 105,000</u>	<u>\$ 70,000</u>	<u>\$ 0</u>

Source: Audited financial statements of the Fire District. Table itself not audited.

***Authorized But Unissued Debt***

Following the issuance of the Bonds, the Fire District will have no authorized but unissued debt.

***Overlapping and Underlying Debt***

The real property taxpayers of the Fire District are responsible for a proportionate share of outstanding debt obligations of the County, the two school districts, and the Town. Such taxpayers’ share of this overlapping debt is based upon the amount of the Fire District’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 Fire District and the approximate magnitude of the burden on taxable property in the Fire District of the debt issued and outstanding by such overlapping entities.

**Statement of Direct and Estimated Overlapping Indebtedness**

<u>Overlapping Debt</u>	<u>Net Debt</u>	<u>As of:</u>	<u>Fire District</u>	<u>Amount Applicable</u>
<u>Issuer</u>	<u>Outstanding</u>		<u>Share</u>	<u>To Fire District</u>
Westchester County	\$810,526,569	04/14/2020	.01%	\$ 81,052
Town/Village of Harrison	87,500,000	12/31/2020	48.62%	42,542,500
Harrison CSD	36,634,500	09/05/2020	0.0%	<u>0</u>
Total Net Overlapping Debt				\$ 42,623,552
Total Net Direct Debt				<u>0</u>
Total Net Direct and Overlapping Debt				<u>\$ 42,623,552</u>

***Debt Ratios***

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

	<u>Amount</u>	<u>Debt Per Capita</u> <sup>(1)</sup>	<u>Debt to Full Value</u> <sup>(2)</sup>
Net Direct Debt	\$0	\$ 0	0.00%
Net Direct and Overlapping Debt	42,623,552	6,021.00	4.73

(1) The population of the Fire District is estimated to be approximately a quarter that of the Village of Harrison. According to the US Census Bureau, the 2017 population of the Village of Harrison was 28,319. The population of the Fire District in 2017 is estimated at 7,079.

(2) The full valuation of real property located in the Fire District for the 2020 fiscal year is \$8,997,067,143

**End of Appendix A**

**APPENDIX B**

**SUMMARY OF BUDGETS AND FINANCIAL STATEMENTS**

**HARRISON WATER DISTRICT NO. 1 ( FIRE DISTRICT NO. 1)**  
**Summary of Budgeted Revenues & Expenditures**  
**Special Districts Fund**  
**Fiscal Years Ending December 31:**

	<u>2018</u>	<u>2019</u>
<u>Revenues:</u>		
Real Property Taxes	\$892,549	\$916,620
Fire Protection Fees	34,500	37,548
Interest Earnings	800	800
Sale of Vehicles	0	0
Miscellaneous	<u>0</u>	<u>0</u>
Total revenues	<u><u>\$927,849</u></u>	<u><u>\$954,968</u></u>
 <u>Expenditures:</u>		
Judgements & Claims	\$5,000	\$5,000
Personal Services	12,000	24,000
Total Equipment	175,000	81,200
Contractual	444,150	459,850
Benefits	150,959	151,918
Debt Service	0	0
Interfund Transfers	<u>140,740</u>	<u>233,000</u>
Total expenditures	<u><u>\$927,849</u></u>	<u><u>\$954,968</u></u>

Source: Adopted Fire District Budgets

**HARRISON WATER DISTRICT NO. 1 ( FIRE DISTRICT NO. 1 )**  
**Comparative Balance Sheets**  
**Special Districts Fund**  
**Fiscal Years Ended December 31:**

	<u>2018</u>	<u>2019</u>
Assets:		
Cash	\$1,041,441	\$1,195,834
Accounts Receivable	0	0
Prepaid Expenditures	<u>68,464</u>	<u>84,413</u>
Total Assets	<u><u>\$1,109,905</u></u>	<u><u>\$1,280,247</u></u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts Payable and Accrued Liabilities	<u>183,048</u>	<u>325,464</u>
Total Liabilities	<u>183,048</u>	<u>325,464</u>
Fund Balance:		
Nonspendable	68,464	84,413
Assigned	<u>858,393</u>	<u>870,370</u>
Total Fund Balance	<u>926,857</u>	<u>954,783</u>
Total Liabilities and Fund Balance	<u><u>\$1,109,905</u></u>	<u><u>\$1,280,247</u></u>

Sources: Town's Audited Financial Statements. Table itself not audited.



**HARRISON WATER DISTRICT NO. 1 ( FIRE DISTRICT NO. 1 )**  
**Combined Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**Special Districts Fund**  
**Fiscal Years Ended December 31:**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>					
Real Property Taxes	\$865,866	\$870,539	\$876,439	\$892,549	\$916,620
Departmental Income	34,500	34,500	34,500	34,500	37,548
Use of Money and Property	836	896	889	4,034	5,871
State Aid					
Sale of property		13,500	3,000		
Miscellaneous					9,660
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	<u>\$901,202</u>	<u>\$919,435</u>	<u>\$914,828</u>	<u>\$931,083</u>	<u>\$969,699</u>
<b>EXPENDITURES</b>					
Current:					
General Government Support	2,084	2,301	1,134	3,473	5,363
Public Safety	618,094	596,726	576,224	599,582	699,221
Home and Community Services					
Employee Benefits	3,301	21,765	834	2,067	4,189
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>623,479</u>	<u>620,792</u>	<u>578,192</u>	<u>605,122</u>	<u>708,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>277,723</u>	<u>298,643</u>	<u>336,636</u>	<u>325,961</u>	<u>260,926</u>
Other Financing Sources					
Operating transfers in					
Operating transfers out	(419,983)	(170,820)	(117,621)	(210,740)	(233,000)
Total Other Financing Sources	<u>(419,983)</u>	<u>(170,820)</u>	<u>(117,621)</u>	<u>(210,740)</u>	<u>(233,000)</u>
Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses	(142,260)	127,823	219,015	115,221	27,926
Fund Balance - Beginning of Year	607,058	464,798	592,621	811,636	926,857
Fund Balance - End of Year	<u>\$464,798</u>	<u>\$592,621</u>	<u>\$811,636</u>	<u>\$926,857</u>	<u>\$954,783</u>

Sources: Town's Audited Financial Statements. Table itself not audited.

**APPENDIX C**

**TOWN/VILLAGE OF HARRISON  
AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2019\***

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

**<https://emma.msrb.org/SS1488574.pdf>**

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

**APPENDIX D**

**FORM OF BOND COUNSEL'S LEGAL OPINION RELATED TO THE BONDS**

[FORM OF BOND COUNSEL OPINION]

November 19, 2020

Harrison Water District No. 1 (Fire Protection District No. 1)  
in the Town of Harrison,  
County of Westchester,  
State of New York

HARRISON WATER DISTRICT NO. 1 (FIRE PROTECTION DISTRICT NO. 1)  
IN THE TOWN OF HARRISON", WESTCHESTER COUNTY, NEW YORK  
\$\_\_\_\_\_ FIRE (SERIAL) BONDS, 2020

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$\_\_\_\_\_ Fire District (Serial) Bonds, 2020 (the "Obligations"), of the Harrison Water District No. 1 (Fire Protection District No. 1) in the Town of Harrison, Westchester County, New York (the "Obligor"), dated November 19, 2020, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of \_\_\_\_\_ centum (\_\_\_\_%) per annum as to bonds maturing in each of the years 20\_\_ to 20\_\_, both inclusive, payable on November 1, 2021 and semi-annually thereafter on May 1 and November 1, and maturing in the amount of \$\_\_\_\_\_ on November 1, 20\_\_ and \$\_\_\_\_\_ on November 1 in each of the years 20\_\_ to 20\_\_, both inclusive.

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

We have examined:

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

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

In our opinion:

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

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

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

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

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP