

Capital Markets Advisors, LLC

Independent Financial Advisors

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DATE: October 29, 2020

Faxed (716) 662-6684 or telephoned (716) 662-3910 bids will be received by Capital Markets Advisors, LLC, Municipal Advisor to the Town of West Seneca, Erie County, New York, on **Tuesday, November 10, 2020** until 11:00 AM for the purchase at not less than par of the following notes:

TERM SHEET

ISSUER:	Town of West Seneca, Erie County, New York (the "Town")
ISSUE:	\$600,000 Deficiency Notes, 2020B (the "Series B Notes")
SALE DATE / TIME:	November 10, 2020 11:30AM
DATE OF ISSUE:	November 19, 2020
DATE OF MATURITY:	November 18, 2022
DENOMINATION AND FORM:	<p>The purchaser shall have the option of having the Notes issued in certificated form either registered in the name of the purchaser or in the form of fully registered book-entry only notes registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"). The purchaser must indicate in its proposal the form in which the Notes will be issued.</p> <p>If the Notes are issued in certificated form, a single note will be registered in the name of the purchaser.</p> <p>If the Notes are issued in book-entry only form, a single note registered in the name of Cede & Co., as nominee for DTC shall be issued. 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 respective ownership interests in the Notes. The purchaser shall be responsible for establishing eligibility with DTC for the Notes and applying for the assignment of a CUSIP number for the Notes. All expenses relating thereto shall be paid by the purchaser.</p>
SECURITY:	The Notes are general obligations of the Town. The Town has pledged its faith and credit for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York.
DELIVERY:	Delivery of the Notes will be in West Seneca, New York or New York, New York on or about the Date of Issue or as otherwise mutually agreed upon by the Town and the purchaser.
LEGAL OPINION:	Approving opinion of Harris Beach PLLC, Bond Counsel, Buffalo, New York will be provided at closing.
CALL FEATURE:	The Series B Notes are <u>not</u> subject to optional redemption.
DESIGNATION:	The Notes will be designated or deemed designated as qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**AUTHORITY FOR AND
PURPOSE OF ISSUE:**

The Series B Note is being issued pursuant to Section 29.20 of the New York Local Finance Law to finance a revenue deficiency in the Town, for which no other source of financing is available, arising from revenues being less than the amounts estimated in the budget for the current fiscal year of the Town primarily due to the economic effects of the COVID-19 epidemic, pursuant to a deficiency note resolution expected to be adopted by the Town Board on November 9, 2020 authorizing the issuance of deficiency notes in an amount not to exceed \$600,000 for such purpose. The proceeds of the Note will provide original financing for said deficiency.

COVID-19:

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

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic.

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

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide liquidity, but the markets have experienced significant volatility, and such volatility may continue.

Federal Response

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

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

Businesses will benefit from various federal tax law changes, including a payroll tax credit. Air carriers and businesses critical to national security are eligible for direct loans and loan guarantees from the United States Department of the Treasury, and the Federal Reserve has received financial support for its lending programs. Smaller businesses have been incentivized to keep workers in their jobs through the Paycheck

Protection Program (offering short-term loans that can be forgiven in whole or in part).

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

Municipal Liquidity Facility: The Federal Reserve established its “Municipal Liquidity Facility” (“MLF”) that will offer up to \$500 billion in direct federal lending to certain state and local issuers, NOT including the Town, subject to certain restrictions and limitations. Proceeds borrowed under the MLF may be used to help manage the cash flow impact of income tax deferrals resulting from an extension of income tax filing deadlines, potential reductions of tax and other revenues or increases in expenses related to or resulting from the pandemic, and requirements for the payment of principal and interest on outstanding obligations.

State Response

Executive Orders: Governor Cuomo has released a number of executive orders in response to the COVID-19 pandemic, including various mandates requiring “non-essential” employees to work from home. As of March 22, 100% of such “non-essential” employees were mandated to work from home or take leave without accruals.

As of May 15, 2020, regions of the State that meet certain criteria have been allowed to begin reopening. The Western region (in which the Town is located) was allowed to begin reopening on Tuesday, May 19, 2020. Accordingly, in such regions the reductions and restrictions on the in-person workforce at non-essential businesses or other entities shall no longer apply to “Phase One” industries (i.e., Construction, Agriculture, Forestry, Fishing and Hunting, Retail (limited to curbside or in-store pickup or drop off), Manufacturing, and Wholesale Trade).

On June 2, 2020 Phase Two was authorized to open certain industries based on priority and risk level. Businesses considered "more essential" with inherent low risks of infection in the workplace and to customers are prioritized, followed by other businesses considered "less essential," or those that present a higher risk of infection spread. As the infection rate declines, the pace of re-opening businesses will be increased.

The region must not open attractions or businesses that would draw a large number of visitors from outside the local area.

There will be two weeks in between each phase to monitor the effects of the re-opening and ensure hospitalization and infection rates are not increasing.

State Budget: The City of New York has been the epicenter of the COVID-19 pandemic in the United States, and as a result the State has suffered (and expects to continue to suffer) significant revenue shortfalls and unanticipated expenses. At the

time that the State budget was being finalized in early April, the Budget Director estimated that, due to COVID-19, the State would suffer an anticipated budget gap of \$10-\$15 billion.

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

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

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

Local Response

The impact to the Town's operations and finances cannot be predicted at this time 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, including the State and the County, to contain or mitigate its impact. There can be no assurances that the spread of COVID-19 will not materially adversely impact the financial condition of the Town. Potential impacts to the Town include, but are not limited to, costs and challenges to maintain existing services with decreases in major revenues such as mortgage tax and sales tax. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. The Town continues to evaluate various options to mitigate the impact of COVID-19 on the Town's finances, including short-term borrowings, reductions of budgeted expenditures, and eligibility for federal or state aid for COVID-19 related costs and revenue losses. The Town has identified a revenue deficiency with respect to the 2020 Budget. The Series B Notes are being issued to finance the revenue

shortfall, pursuant to a deficiency note resolution expected to be adopted by the Town Board on November 9, 2020 authorizing the issuance of deficiency notes in an amount not to exceed \$600,000.

PROPOSAL REQUIREMENTS:

Proposals must be for all of the Notes and must state, in a multiple of one-hundredth or one-eighth of 1%, a rate of interest per annum which such Notes shall bear.

The Notes will be awarded and sold to the bidder complying with the terms of sale and offering to purchase the Notes at the lowest net interest cost, and if two or more such bidders offer the same lowest net interest cost, then to one of such bidders selected by the Sale Officer by lot from among all such bidders.

The right is reserved to reject any or all bids and any bid not complying with the terms of this notice in all material respects will be rejected.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). The Municipal Advisor will advise the winning bidder if the Competitive Sale Requirements were met at the same time it notifies the winning bidder of the award of the Notes. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.

The winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial public offering price or yield of the Notes (the "Initial Reoffering Prices") as of the date of the award.

By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Requirements are not met, it will elect and satisfy either option (1) or option (2) described below. Such election must be made on the bid form submitted by each bidder.

(1) Hold the Price. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Town and Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will neither offer nor sell to any person any Notes within a maturity at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Notes of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Notes, and

(c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

(2) Follow the Price. The winning bidder(s):

(a) will make a bona fide offering to the public of all of the Notes at the Initial Reoffering Prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,

(b) will report to the Town information regarding the actual prices at which at least 10 percent of the Notes within each maturity of the Notes have been sold to the public,

(c) will provide the Town and Bond Counsel with reasonable supporting documentation or certifications of such sale prices the form of which is acceptable to Bond Counsel. This reporting requirement, which may extend beyond the closing date of the Notes, will continue until such date that 10 percent of each maturity of the Notes has been sold to the public, and

(d) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

For purposes of the “hold the price” or “follow the price” requirement, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the Town and Bond Counsel a certificate (the “Issue Price Certificate”), satisfactory to Bond Counsel, prior to the delivery of the Notes stating the applicable facts as described above. The form of Issue Price Certificate is available by contacting Bond Counsel or the Municipal Advisor.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Requirements were met, the Issue Price Certificate will recite such facts and identify the price or prices at which the purchase of the Notes was made.

The right is also reserved to reject any or all bids and any bid not complying with the terms of this notice will be rejected.

DISCLOSURE INFORMATION:

The Town has not prepared an official statement in connection with the sale of these Notes. Financial information is available from the Town’s recent EMMA continuing disclosure filing, dated June 24, 2020, or upon request to the Town’s Financial Advisor.

RATING:

The Notes will not be rated.

Moody’s Investors Service has previously assigned an underlying rating of “A1” to the uninsured outstanding bonded indebtedness of the Town.

MUNICIPAL ADVISOR:

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ISSUER:

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Director of Finance
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mwnek@twsny.org

PROPOSAL FOR NOTES

Gary A. Dickson
Town Supervisor
Town of West Seneca, New York
Capital Markets Advisors, LLC
4211 N. Buffalo Rd., Suite 19
Orchard Park, NY 14127

November 10, 2020
11:30am

TELEPHONE: (716) 662-3910

FACSIMILE: (716) 662-6684

TOWN OF WEST SENECA, NEW YORK

\$600,000 DEFICIENCY NOTES, 2020B
(the "Series B Notes")

DATED: November 19, 2020

MATURITY: November 18, 2022

<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Premium</i>	<i>Net Interest Cost</i>
\$600,000	%	\$	%

Signature:

Name of Bidder: _____

Address of Bidder: _____

Telephone Contact of Bidder (Include Area Code):

Facsimile Contact of Bidder (Include Area Code):

Email Address of Bidder: _____

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have been selected by the purchaser):

- Book-Entry-Only registered to Cede & Co.
- Registered in the Name of the Purchaser

Please check one of the following:

- We are purchasing the Notes for our own account and not with a view to distribution or resale to the public.
- In the event the Competitive Sale Requirements are not met, we hereby elect to:
 - Hold the Price
 - Follow the Price

The bidder represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

Yes
No