

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 26, 2023

NEW MONEY ISSUE

BOND ANTICIPATION NOTES

In the opinion of Harris Beach PLLC, Bond Counsel to the Town, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

The Notes **will be** designated by the Town as "qualified tax-exempt obligations" pursuant to Section 265 of the Code

TOWN OF WEST SENECA ERIE COUNTY, NEW YORK

\$4,025,000

BOND ANTICIPATION NOTES – 2023A
(the "Notes")

Date of Issue: October 25, 2023

Maturity Date: February 9, 2024

The Notes are general obligations of the Town of West Seneca, Erie County, New York, (the "Town"), and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law"). See "REAL PROPERTY TAXES - "Tax Levy Limitation Law," in Appendix A hereto.

The Notes will not be subject to optional redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in registered form (i) registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee of The Depository Trust Company ("DTC")

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in registered book-entry form, such notes ("DTC Notes") will be delivered to DTC, which will act as Securities Depository for the DTC Notes. Beneficial owners will not receive certificates representing their interest in the DTC Notes. Individual purchases may be made in book-entry form only, in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those DTC Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said DTC Notes will be paid in Federal Funds by the Paying Agent to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the DTC Notes as described herein. See "Book-Entry-Only System" herein.)

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

The Notes are offered when, as and if issued by the Town subject to the receipt of the final approving opinions of Harris Beach PLLC, Buffalo, New York, Bond Counsel to the Town, and certain other conditions. Capital Markets Advisors, LLC has served as Municipal Advisor to the Town in connection with the issuance of the Notes. It is expected that delivery of the Notes will be made on or about October 25, 2023.

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

Dated: September __, 2022

This Preliminary Official Statement and the information contained in it are subject to completion and amendment in a final Official Statement. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there may not be any sale of the Notes offered by this Preliminary Official Statement, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of that jurisdiction.

**TOWN OF WEST SENECA
ERIE COUNTY, NEW YORK**

**Supervisor
Gary A. Dickson**

TOWN BOARD

Susan K. Kims..... Council Member
Jeffrey A. Piekarec Council Member
Joseph J. Cantafio..... Council Member
Robert J. Breidenstein Council Member

Amy Kobler..... Town Clerk
Chris Trapp..... Attorney for the Town
Alissa Straus Director of Finance

BOND COUNSEL



**Harris Beach PLLC
Buffalo, New York**

MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Long Island * Western New York
(716) 662-3910**

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

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OFFICIAL STATEMENT

TOWN OF WEST SENECA ERIE COUNTY, NEW YORK

Relating to

\$4,025,000 BOND ANTICIPATION NOTES – 2023A

This Official Statement (the “Official Statement”), which includes the cover page and appendices hereto, presents certain information relating to the Town of West Seneca, Erie County, in the State of New York (the “Town,” “County” and “State” respectively), in connection with the sale of \$4,025,000 Bond Anticipation Notes – 2023A (the “Notes”).

The factors affecting the Town’s financial condition are described throughout this Official Statement and many of these factors, including economic and demographic factors, are complex and may influence the Town’s tax base, revenues, and expenditures. This Official Statement should be read in its entirety.

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

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

THE NOTES

Description

The Notes will be dated their date of delivery and bear interest from that date until February 9, 2024, the maturity date, at the annual rate or rates as specified by the purchaser(s) of the Notes. The Notes will not be subject to redemption prior to maturity. Interest will be calculated on a 30-day month and a 360-day year basis, payable at maturity.

At the option of the purchaser(s), the Notes will be issued in registered form (i) registered in the name of the successful bidder(s) or (ii) book-entry form registered to Cede & Co., as the partnership nominee for DTC.

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town at such bank(s) or trust company(ies) located and authorized to do business in the State as selected by the successful bidders.

If the Notes are issued in registered book-entry form, such notes (“DTC Notes”) will be delivered to DTC, which will act as securities depository for the DTC Notes. Beneficial owners will not receive certificates representing their interest in the DTC Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. A single note certificate will be issued for those DTC Notes

bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said DTC Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the DTC Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. See "Book-Entry-Only System" herein.

Authorization and Purpose of the Notes

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Town Law and the Local Finance Law, bond resolutions duly adopted by the Town Board on their respective dates, authorizing the issuance of serial bonds (and notes in anticipation thereof) for various capital projects in and for the Town. Such projects, and their respective amounts, are described below:

<u>Purpose</u>	<u>Date</u> <u>Authorized</u>	<u>Authorized</u> <u>Amount</u>	<u>New</u> <u>Money</u>	<u>The Notes</u>
Phase 8 Sewer Improvements	7/17/2023	\$15,500,000	\$2,300,000	\$2,300,000
2021 Water Project	3/22/2021	1,575,000	1,575,000	1,575,000
Playgrounds	7/17/2023	<u>1,000,000</u>	<u>150,000</u>	<u>150,000</u>
	Totals:	\$18,075,000	\$4,025,000	\$4,025,000

Nature of the Obligations

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the Town, subject to certain applicable statutory limitations set forth in Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limitation Law"). (See "REAL PROPERTY TAXES - Tax Levy Limitation Law" herein).

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the Town to levy taxes on real estate therefor. The State Constitution requires the Town to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the Town to provide in each year by appropriation for the payment of all installments of principal of the Notes which will become due and payable in such year.

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

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes 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 Town'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 "REAL PROPERTY TAXES – "Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State 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 bondholders 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.

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.

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.

Book-Entry-Only System

The following applies to those Notes issued in book entry form. The Depository Trust Company (“DTC”) will act as securities depository for the Notes. The Notes will be issued as fully-registered notes 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 note certificate will be issued for each book-entry Note bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes 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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all the Notes 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 Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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 the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

The financial condition of the Town as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the Town'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 Notes. 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 Town to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Town does not receive a significant amount of financial assistance from the State in the form of State aid. Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies and not by a cut in State aid, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

CYBERSECURITY

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

TAX MATTERS

In the opinion of Harris Beach PLLC, Bond Counsel to the Town, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Town with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for Federal income tax purposes. Bond Counsel is of further opinion that interest of the Notes is not an "item of tax preference" for purposes of Federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, the Internal Revenue Code of 1986, as amended (the "Code") imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on

tax-exempt obligations such as the Notes is included in the computation of a corporation's "adjusted financial statement income".

The Code imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the Federal Government. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of Federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the Town executed in connection with the issuance of the Notes, the Town has covenanted to comply with certain procedures, and it has made certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Notes **will be** designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

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 and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to Federal, State or local income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of the law herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Buffalo, New York, Bond Counsel to the Town. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes 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 Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see "REAL

PROPERTY TAXES - Tax Levy Limitation Law” in Appendix A hereto); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the Town Supervisor of the Town pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes, as applicable, has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein 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 Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of such Notes, 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.

DISCLOSURE UNDERTAKING

This Preliminary Official Statement is in a form “deemed final” by the Town for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the Town will provide an executed copy of its “Undertaking to Provide Notices of Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the Town for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

- (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 Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers;
- (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the

Town; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

The Town's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the Town, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the Town to comply with the Undertaking will not constitute a default with respect to the Notes.

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

Prior Disclosure History

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

RATINGS

The Town did not receive a rating on the Notes.

Moody's has assigned a rating of "A1" to the uninsured outstanding bonded indebtedness of the Town.

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

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 Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. 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 Town files with the repositories. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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.

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

MUNICIPAL ADVISOR

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

ADDITIONAL INFORMATION

Additional information may be obtained from the Town's Municipal Advisor, Capital Markets Advisors, LLC, (716) 662-3910. The Paying Agent contact for the Town is Gary Dickson, Town Supervisor and Paying Agent, 1250 Union Road, West Seneca, New York, 14224, 716-558-3203, Email: gdickson@twсны.org. The Town Contact is also the paying agent for the Notes.

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

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

Harris Beach PLLC expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the Town for use in connection with the offer or sale of the Notes, including this Official Statement. This Official Statement has been prepared only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

**TOWN OF WEST SENECA
ERIE COUNTY, NEW YORK**

By: _____
Gary A. Dickson
Town Supervisor

DATED: September __, 2023

APPENDIX A

THE TOWN

General Information

The Town, incorporated in 1851, consists of approximately 21 square miles located on the South side of the City of Buffalo. The Town is situated in the center of the Western New York region with convenient access to the Niagara Falls, Ontario area, which serves as a gate-way to several Canadian communities including St. Catherines, Hamilton and Toronto. The Town is suburban-residential in nature, with some light manufacturing and commercial development; residents find employment within the Town as well as in the City of Buffalo and in the surrounding area. The population is 45,206 according to the 2022 U.S. Census.

The Town encompasses a wide assortment of parks, playgrounds, an ice rink, recreation center, swimming pools, a public library and a senior citizen center. There are several organized sports leagues, a youth theater program and the Charles E. Burchfield Nature and Art Center. The Town is the location of the \$7.2 million state of the art Southtowns Family YMCA, which opened in 2003.

Transportation to and from the Town is provided by the New York State Thruway, the Aurora Expressway (U.S. 400) and U.S. Route 20. Bus service is provided by the Niagara Frontier Transportation Authority (Metro) on a regular, commuter basis. Air transportation is available at the Buffalo Niagara International Airport. Rail transportation is provided by Conrail and Amtrak

Police protection is provided by the Town, Erie County Sheriff's Department and the New York State Police. The Town has six independent volunteer fire districts.

The following banks have one or more offices within the Town: Bank of America, KeyBank, Citizens Bank, Northwest Savings Bank, Evans National Bank and M&T Bank.

The Government

There are three independently governed school districts, West Seneca Central, Orchard Park Central and Cheektowaga-Sloan UFSD, located in whole or in part within the Town, which rely on their own taxing powers granted by the State to raise revenues. The school districts use the Town's assessment roll as a basis for taxation of property located within the Town.

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

The legislative power of the Town is vested in the Town Board, which consists of three members, including the Supervisor, who is the chief fiscal officer of the Town, elected for a term of four years. The two other members of the Town board are elected to four-year terms, which terms are staggered such that one or two members are elected every two years. In 2015 (for terms beginning in 2016), one member will be elected to a four-year term and the other elected to a two year term. All the Town Board members are elected at large and there is no limitation to the number of terms each may serve.

Town Services

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

The Erie County Water Authority supplies water for the Town and is responsible for the maintenance of the necessary facilities. The Authority charges the cost for the water service, including maintenance costs, against the property or property owners served. The Town has a number of special assessment water

districts that are responsible for the financing and construction of the water transmission lines within their respective boundaries.

Employees

The Town employs approximately 240 full time and 120 part time employees, many of whom are represented by the bargaining units listed below. Town employees are represented by several labor organizations, which include:

<u>Bargaining Unit</u>	<u># of Members</u>	<u>Contract Expiration</u>
Civil Service Employees Association, Inc. Blue Collar Unit	95	12/31/2025
Civil Service Employees Association, Inc. White Collar Unit	34	12/31/2023
West Seneca Police Benevolent Association, Inc.	61	12/31/2031

Source: Town Officials

Employee Pension Benefits

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"). (Both systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. As of April 9, 2022, Tier C members only need five years of service credit to be vested. This affects members of both ERS and PFRS. Previously, Tier V and VI members needed 10 years of service to be eligible for a service retirement benefit. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 must contribute 3% of their gross annual salary toward the costs of retirement programs. The 3% contribution is waived when the employee completes ten (10) years of service.

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

On December 10, 2009, the Governor signed in to law a new Tier V. The law is effective for new ERS employees hired after January 1, 2010. New ERS employees will now contribute 3% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On May 14, 2003, the Governor signed a pension reform bill into law as Chapter 49 of the Law of 2003 ("Chapter 49"). Chapter 49 changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the Town. Under the previous method, the Town was not provided with the required payment until after its budget was implemented. Under the reforms implemented by Chapter 49, the employer contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the Town is notified of and can include the actual cost of the employer contribution in its budget. Chapter 49 also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

During its 2004 Session the New York State Legislature enacted further pension relief in the form of Chapter 260 of the Laws of 2004 (“Chapter 260”). Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future.

The New York State Retirement System has advised the Town that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discounted amount. The Town has elected to make such payments in December of each year.

According to OSC, the estimated average employer contribution rate for ERS will be lowered from 16.2% to 11.6% of payroll. The estimated average employer contribution rate for PFRS will be reduced from 28.3% to 27% of payroll.

The following schedule reflects the Town's contribution to ERS and PFRS for the last three audited fiscal years and the budgeted contributions for the current fiscal year:

Fiscal Year	ERS	PFRS
<u>Ending December 31:</u>	<u>Contribution</u>	<u>Contribution</u>
2023 Budget	\$1,475,608	\$1,975,000
2022	1,139,897	1,760,809
2021	1,577,006	1,792,409
2020	1,396,314	1,680,908

Due to significant capital market declines in the recent past, the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rate for the State’s Retirement System in 2011 and subsequent years will be higher than the minimum contribution rate established by Chapter 49. To mitigate the expected increases in the employer contribution rate, legislation has been enacted that would permit local governments and schools districts to amortize a portion of their required ERS pension contribution payments with the State Retirement System. The new legislation also requires that those local governments and school districts choosing to amortize their ERS pension contribution payments with the State Retirement System to reserve funds for future payment increases that are a result of fluctuations in pension plan performance.

Other Post-Employment Benefits

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

During the year ended December 31, 2022, the Town implemented GASB Statements No. 75.

	<u>Total OPEB</u>
	<u>Liability</u>
Balance at December 31 2021	\$142,169,431
Changes for the year:	
Service cost	4,543,919
Interest cost	2,157,102
Differences between expected and actual experience	(28,879,587)
Change of assumptions or other inputs	(30,062,243)
Actual benefit payments	<u>(2,577,961)</u>
Balance at December 31, 2022	<u>\$87,350,661</u>

FINANCIAL FACTORS

Independent Audit

The annual financial statements of the Town are audited by R.A. Mercer & Co., P.C., independent certified public accountants. The Town is also subject to periodic audit by the State Comptroller's Office. Appendix B to this Official Statement presents a summary of the financial operating results of the General and Special Revenue Funds for each of the last five fiscal years ended, and budget summaries for the prior and current fiscal years.

Fund Structure and Accounts

The accounting practices of the Town conform to those prescribed by generally accepted accounting principles and by the New York State Department of Audit and Control "Uniform System of Accounts for Towns".

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

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

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

Revenues

The Town derives a major portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix B, herein). Real property taxes and other property tax items accounted for 50.7% of total general fund revenues for the fiscal year ended December 31, 2022, while sales taxes accounted for 24.5% and State aid accounted for 4.7%.

Real Property Tax. The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years and the budgeted amounts for the 2023 fiscal year.

TABLE 1
Property Taxes
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2018	26,302,936	14,129,669	53.7%
2019	28,146,905	15,153,558	53.8%
2020	29,047,201	15,713,906	54.1%
2021	30,462,408	16,460,726	54.0%
2022	34,083,271	17,282,619	50.7%
2023 <i>Budget</i>	31,272,068	17,574,709	56.2%

Source: Town's audited financial statements, and 2023 Budget.

Sales Tax. Section 1210 of the New York Tax Law authorizes the County to levy a sales and compensatory use tax of up to 3% in addition to the 4% tax levied by the State. The County levies the maximum 3% tax permitted. Pursuant to State enabling legislation, the County imposes an additional sales

and compensating use tax of 1.75%. Of this total, 1% has been imposed since March 1, 1985 while 0.25% became effective July 1, 2005 and 0.50% became effective January 15, 2006. Such sales tax collections in New York are administered by the State Tax Commissioner and the proceeds are paid to the County quarterly.

The following table sets forth general fund revenues on sales tax receipts during the last five audited fiscal years and the budgeted amounts for the 2023 fiscal year.

TABLE 2
Sales Taxes
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Sales Taxes</u>	<u>Sales Taxes to Revenues</u>
2018	26,302,936	7,125,862	27.1%
2019	28,146,905	7,375,634	26.2%
2020	29,047,201	7,107,401	24.5%
2021	30,462,408	8,022,182	26.3%
2022	34,083,271	8,343,086	24.5%
2023 Budget	31,272,068	7,430,008	23.8%

Source: Town's audited financial statements, and 2023 Budget.

State Aid. The Town also receives a portion of its revenues in the form of State aid. For the fiscal year ended December 31, 2022, State aid represented approximately 5.8% of the total general fund revenues of the Town. However, there is no assurance that the State appropriation for State aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total general fund revenues and State aid during the last five audited fiscal years and the budgeted amounts for the 2023 fiscal year.

TABLE 3
State Aid
(General Fund)

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2018	26,302,936	1,232,012	4.7%
2019	28,146,905	1,318,991	4.7%
2020	29,047,201	1,714,875	5.9%
2021	30,462,408	1,929,519	6.3%
2022	34,083,271	1,960,199	5.8%
2023 Budget	31,272,068	1,418,552	4.5%

Source: Town's audited financial statements, and 2023 Budget.

Budget Process

The Supervisor, with the assistance of the Town Finance Director, acting as Budget Officer, prepares a "tentative" budget annually and presents same to the full Town Board by October 5th. The full Town Board then reviews and may amend the budget and adopt the "preliminary" budget. Upon adoption of this "preliminary" budget a public hearing is called. Following this hearing final revisions are made by the full Town Board and the final budget is then adopted. The budget is not subject to a referendum.

Investment Policy/Permitted Investments

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

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

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation" (see <https://www.osc.state.ny.us/files/local-government/fiscal-monitoring/2021/pdf/2021-munis-summary.pdf>.)

New York State Comptroller's Audit

The financial affairs of the Town are subject to periodic compliance reviews by OSC to ascertain whether the Town has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on March 6, 2020. The purpose of the audit was to determine whether the Town properly planned and managed a capital project.

The complete report can be obtained from OSC's website (<https://www.osc.state.ny.us/files/local-government/audits/pdf/west-seneca-2019-195.pdf>). No additional audits reports have been released in the past five years.

REAL PROPERTY TAXES

Real Property Tax Collection Procedures

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

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

TABLE 4
Tax Levy and Collection Record

<u>Fiscal Year</u> <u>December 31</u>	<u>Total Tax</u> <u>Warrant</u>	<u>Uncollected</u>	
		<u>Amount</u>	<u>Percentage</u>
2019	39,842,200	1,680,817	4.20%
2020	41,016,867	1,887,979	4.60%
2021	41,631,635	1,778,786	4.27%
2022	41,883,036	1,641,131	3.92%
2023 ⁽¹⁾	42,692,609	1,679,485	3.93%

Source: Receiver of Taxes

(1) 2023 Tax Collection is ongoing through June 30, 2023.

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

Table 5
Assessed and Full Valuation

Roll Year	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Taxable Assessed Valuation	\$1,242,450,752	\$1,222,606,263	\$1,245,716,834	\$1,259,385,004	\$1,258,841,104
State Equalization Rate	37.00%	36.00%	34.00%	30.00%	26.00%
Full Valuation	\$3,357,975,005	\$3,396,128,508	\$3,663,873,041	\$4,197,950,013	\$4,841,696,554

Source: Town Assessor

Ten of the Largest Assessed Values for the 2023 Tax Year

The following table presents the total 2023 assessed valuations of the Town's largest property owners used for the 2022 tax levy.

TABLE 6
Assessed Valuations

<u>Property Owner</u>	<u>Nature of Business</u>	<u>Assessed Valuations</u>	<u>% of Total Assessed Valuation</u> ⁽¹⁾
New York State Electric & Gas	Utility	\$10,760,597	0.85%
National Grid	Utility	8,941,735	0.71%
National Fuel Gas	Utility	8,564,898	0.68%
Southgate Associates, LLC	Shopping Plaza	6,663,590	0.53%
Wegmans Enterprises Inc	Supermarket	5,167,199	0.41%
S & R Co of West Seneca	Shopping Plaza	5,072,310	0.40%
National Fuel Gas	Utility	4,599,997	0.37%
R & P Oak Hill	Storage Facility	4,558,900	0.36%
Bridgeview Square P 1 LLC	Apartments	4,182,000	0.33%
Pennsylvania Lines LLC	Railroad	<u>4,126,000</u>	<u>0.33%</u>
		<u>\$62,437,226</u>	<u>4.98%</u>

(1) Represents 4.98% of the Town's 2023 Assessed Valuation of \$1,258,841,104.

Source: Town Assessor.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 which created Section 3-c of the General Municipal Law 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, and the counties comprising New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

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

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This

has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

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

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

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

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

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

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

Therefore, while the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of 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.

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

TOWN INDEBTEDNESS

Constitutional Requirements

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

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

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

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

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers; however, as has been noted under "*Nature of Obligation*" herein, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the Town to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

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

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

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

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

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

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

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

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

There is no constitutional limitation on the amount that may be raised by the Town by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. (See "*Tax Levy Limitation Law*" herein.)

Constitutional Debt Limit

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

TABLE 7
Constitutional Debt Limit

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Equalization Ratio</u>	<u>Full Valuation</u>
2019	\$1,242,450,752	37.00%	\$3,357,975,005
2020	1,222,606,263	36.00%	3,396,128,508
2021	1,245,716,834	34.00%	3,663,873,041
2022	1,259,385,004	30.00%	4,197,950,013
2023	1,258,841,104	26.00%	<u>4,841,696,554</u>
Total Five-Year Valuation			\$19,457,623,122
Average Five-Year Valuation			\$3,891,524,624
Debt Limit – 7% of Average Full Valuation			\$272,406,724

Source: Town Assessor's Office and the New York State Office of Real Property Services.

Statement of Debt Contracting Power

TABLE 8
Statutory Debt Limit and Net Indebtedness
(As of September 26, 2023)

Debt Contracting Limitation	\$272,406,724
Gross Direct Indebtedness	
Serial Bonds	\$36,435,000
BANs	144,000
Deficiency Notes	<u>0</u>
Total Gross Direct Indebtedness	\$36,579,000
Exclusions and Deductions	
Water Bonds	<u>\$1,488,000</u>
Total Exclusions	<u>\$1,488,000</u>
Total Net Indebtedness	<u>\$35,091,000</u>
Net Debt-Contracting Margin	<u>\$237,315,724</u>
Percentage of Debt-Contracting Margin Exhausted	<u>12.88%</u>

Source: Town Officials

Remedies Upon Default

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

Remedies for enforcement of payment are not expressly included in the Town's contract with holders of its notes, although any permanent repeal by statute or constitutional amendment of a bondholders remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

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

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

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

Short Term Indebtedness

Following the Issuance of the Notes, the Town will have \$144,000 and \$4,025,000 outstanding in bond anticipation notes both maturing February 9, 2024.

Energy Performance Contracts

The Town has entered into energy performance contracts for modifications to various facilities. The modifications were made to improve energy efficiency. Principal and interest payments are made quarterly. The Town has \$7,272,460 outstanding for the year ended December 31, 2022.

Authorized but Unissued Indebtedness

On February 11, 2019, a bond resolution adopted by the Town Board authorized the issuance of serial bonds in an amount not to exceed \$750,000 to finance the replacement of sewer mains along East and West Road.

On March 22, 2021, a bond resolution adopted by the Town Board authorized the issuance of serial bonds in the amount not to exceed \$1,575,000 to finance the increase and improvement of facilities of the Water District No. 1, including water main replacements along Seneca Creek Road, Transit Road, and Lien Road. Following the issuance of the Notes, the Town will have no authorized but unissued against this bond resolution.

On July 17, 2023, a bond resolution adopted by the Town Board authorized the issuance of serial bonds in the amount not to exceed \$15,500,000 to finance Phase 8 of sewer repairs. Following the issuance of the Notes, the Town will have \$13,200,000 authorized but unissued against this bond resolution.

On July 17, 2023, a bond resolution adopted by the Town Board authorized the issuance of serial bonds in the amount not to exceed \$1,000,000 to finance playground improvements. Following the issuance of the Notes, the Town will have \$850,000 authorized but unissued against this bond resolution.

Trend of Outstanding Indebtedness

The following table provides information relating to the capital indebtedness outstanding at year end for each of the five prior fiscal years.

TABLE 9
Outstanding Indebtedness

<u>Debt Outstanding</u> <u>December 31:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$49,647,045	\$46,200,000	\$42,715,000	\$39,365,000	\$39,650,000
Bond Anticipation Notes	0	0	360,000	288,000	216,000
Deficiency Notes	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Total Outstanding Debt	<u>\$ 49,647,045</u>	<u>\$ 46,200,000</u>	<u>\$43,677,020</u>	<u>\$40,253,000</u>	<u>\$39,866,000</u>

Source: Town Official

Direct and Overlapping Indebtedness

The real property taxpayers of the Town are responsible for a proportionate share of outstanding debt obligations of the County and other governmental units. Such taxpayers' share of this overlapping debt is based upon the amount of the Town's equalized property values taken as a percentage of each separate units' total values. The table below sets forth both the total outstanding principal amount of debt issued by the Town and the approximate magnitude of the burden on taxable property in the Town of the debt instruments issued and outstanding by such other political units. Authorized but unissued debt has not been included.

TABLE 10
Statement of Direct and Overlapping Indebtedness

Direct Debt

Gross Direct Debt	\$36,579,000
Exclusions & Deductions	<u>1,488,000</u>
Net Direct Debt	<u>\$35,091,000</u>

Overlapping Debt

<u>Issuer</u>	<u>As of:</u>	<u>Net Debt</u> <u>Outstanding</u>	<u>Town Share</u>	<u>Amount Applicable</u> <u>to Town</u>
Erie County	05/31/2023	\$271,059,571	4.94%	\$13,390,343
West Seneca CSD	06/06/2023	44,950,000	80.24%	36,067,880
Orchard Park CSD	07/26/2023	49,770,000	6.93%	3,449,061
Cheektowaga-Sloan UFSD	12/12/2022	13,405,000	5.07%	<u>679,634</u>
Net Overlapping Debt				<u>\$53,586,917</u>
Net Direct Debt				<u>\$35,091,000</u>
Total Net Direct & Overlapping Debt				<u>\$88,677,917</u>

Source: Data provided by District and County Officials.

Debt Ratios

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

TABLE 11
Debt Ratios

	<u>Amount</u>	<u>Debt Per</u> <u>Capita⁽¹⁾</u>	<u>Debt to</u> <u>Full Value⁽²⁾</u>
Net Direct Debt	\$35,091,000	\$776	0.72%
Net Direct & Overlapping Debt	\$88,677,917	\$1,962	1.83%

(1) The population of the Town is 45,206, according to the 2022 US Census Estimate.

(2) The Town's full value of taxable real property for assessment roll 2023 is \$4,841,696,554.

Debt Service Schedule

The following table sets forth all principal and interest payments required on the Town's outstanding bonded indebtedness as of September 26, 2023.

TABLE 12
Bond Principal and Interest Maturity

<u>FYE</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2023	\$315,000	\$61,750	\$376,750
2024	3,265,000	1,351,619	4,616,619
2025	3,390,000	1,190,369	4,580,369
2026	2,755,000	1,022,869	3,777,869
2027	2,630,000	900,519	3,530,519
2028	2,100,000	802,944	2,902,944
2029	1,735,000	722,294	2,457,294
2030	1,605,000	665,294	2,270,294
2031	1,590,000	612,044	2,202,044
2032	1,275,000	563,344	1,838,344
2033	1,320,000	524,044	1,844,044
2034	1,370,000	483,344	1,853,344
2035	1,410,000	439,525	1,849,525
2036	1,465,000	394,456	1,859,456
2037	1,510,000	345,594	1,855,594
2038	1,425,000	295,219	1,720,219
2039	1,470,000	248,906	1,718,906
2040	1,530,000	199,294	1,729,294
2041	1,575,000	147,656	1,722,656
2042	1,430,000	94,500	1,524,500
2043	790,000	44,450	834,450
2044	440,000	16,800	456,800
2045	<u>40,000</u>	<u>1,400</u>	<u>41,400</u>
	<u>\$36,435,000</u>	<u>\$11,128,234</u>	<u>\$47,563,234</u>

ECONOMIC AND DEMOGRAPHIC DATA

Population

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

TABLE 13
Population Trend

	<u>2010</u>	<u>2020</u>	<u>Percentage</u> <u>Change (2010-2020)</u>
Town	44,711	45,500	1.73%
County	919,040	954,236	3.69%
State	19,378,102	20,201,249	4.07%

Source: U.S. Census Bureau

Employment and Unemployment

The following tables provide information concerning employment in the Town, County and State. Data provided for the County and the State may not be representative of the Town.

TABLE 14
Ten Largest Employers

<u>Name</u>	<u>Type</u>	<u>Approx. No. of Employees</u>
West Seneca Central School District	Education	1,179
Erie One BOCES	Education	1,076
West Seneca Development Center	State School	495
Wegmans	Supermarket	400
Multisorb Technologies	Manufacturing	360
Time Warner	Communications	285
Certo Brothers Distributing Co.	Manufacturing	250
Lifetime Health Services	Healthcare	225
Seneca Health Care Center	Healthcare	225
US Foodservice	Manufacturing	200

Source: Erie County Library

TABLE 15
Civilian Labor Force
(Thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Town	23.5	23.5	23.0	22.6	23.1
County	451.6	452.5	445.1	435.6	443.9
State	9,842.3	9,880.2	9,575.0	9,441.5	9,481.3

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

TABLE 16
Yearly Average Unemployment Rates

<u>Year</u>	<u>Town</u>	<u>County</u>	<u>State</u>
2018	4.1%	4.4%	4.1%
2019	3.8%	4.1%	3.8%
2020	8.3%	9.1%	9.9%
2021	5.0%	5.5%	6.9%
2022	3.2%	3.7%	4.4%

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

TABLE 17
Monthly Unemployment Rates

<u>Month</u>	<u>Town</u>	<u>County</u>	<u>State</u>
August 2022	3.2%	3.9%	4.2%
September	2.6%	3.2%	3.6%
October	2.4%	3.0%	3.7%
November	2.8%	3.2%	3.8%
December	3.0%	3.3%	3.8%
January 2023	3.9%	4.2%	4.6%
February	3.8%	3.9%	4.5%
March	3.2%	3.5%	4.0%
April	2.3%	2.7%	3.7%
May	2.5%	3.1%	3.8%
June	2.7%	3.2%	4.2%
July	2.8%	3.3%	4.1%

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

Income

TABLE 18
Per Capita Income

	<u>2010</u>	<u>2020</u>
Town	\$24,840	\$35,447
% of State	(28.7%)	(15.2%)
% of US	(6.7%)	0.2%

Source: U.S. Census Bureau

TABLE 19
Median Family Income

	<u>2010</u>	<u>2020</u>
Town	\$55,979	\$66,362
% of State	(20.8%)	(7.2%)
% of US	2.5%	2.1%

Source: U.S. Census Bureau

LITIGATION

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

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

TOWN OF WEST SENECA, NEW YORK
Comparative Balance Sheets
Fiscal Years Ended December 31:

	<u>General Fund</u>		<u>Special Funds</u>	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Assets:				
Cash	\$12,022,058	\$17,373,922	\$10,722,823	\$13,641,061
Restricted Cash	92,711	92,711	25,218	25,218
Accounts Receivable	111,740	81,664	2,580	30
Prepaid Items	921,927	937,583	167,571	132,749
Due from Other Governments	1,450,432	1,419,340	880,749	1,491,942
Due from Other Funds	440,186	440,186	103,434	615,328
	<u>15,039,054</u>	<u>20,345,406</u>	<u>11,902,375</u>	<u>15,906,328</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	1,727,094	1,511,122	4,461,286	4,096,374
Accrued Liabilities	413,905	446,359	99,078	163,338
Due to Other Funds	499,872	1,688,670	251,786	252,653
Due to Other Governments	1,225	1,775	0	0
Other Liabilities	4,453,653	6,428,112	0	0
	<u>7,095,749</u>	<u>10,076,038</u>	<u>4,812,150</u>	<u>4,512,365</u>
Fund Equity:				
Nonspendable	921,927	937,583	167,571	132,749
Restricted	92,711	92,711	25,218	25,218
Assigned	614,589	1,123,769	6,897,436	11,235,996
Unassigned	6,314,078	8,115,305	0	0
	<u>7,943,305</u>	<u>10,269,368</u>	<u>7,090,225</u>	<u>11,393,963</u>
Total Liabilities & Fund Balance:	<u>\$15,039,054</u>	<u>\$20,345,406</u>	<u>\$11,902,375</u>	<u>\$15,906,328</u>

* Consists of Highway and Sewer Revenues
Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
GENERAL FUND
Fiscal Years Ended December 31:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Real Property Taxes and Tax Items	\$14,129,669	\$15,153,558	\$16,147,085	\$16,460,726	\$17,282,619
Non-Property Taxes	7,125,862	7,375,634	7,107,401	8,022,182	8,343,086
Departmental Income	783,143	766,818	1,029,975	627,078	748,622
Use of Money and Property	153,989	530,787	96,628	96,179	112,017
Sale of Property & Comp. for Loss	23,832	29,053	42,888	28,517	112,141
Licenses & Permits	330,821	435,001	0	415,586	367,983
Fines & Forfeitures	773,115	761,311	492,514	760,452	850,503
Miscellaneous	9,987	13,729	3,307	40,964	52,520
Interfund Revenues	1,737,666	1,762,023	1,893,680	1,876,236	1,890,928
State aid	1,232,012	1,318,991	1,714,875	1,929,519	1,960,199
Federal aid	2,840	0	518,848	204,969	2,362,653
Total Revenues	<u>26,302,936</u>	<u>28,146,905</u>	<u>29,047,201</u>	<u>30,462,408</u>	<u>34,083,271</u>
Expenditures and Other Uses					
General Government Support	3,013,972	3,119,264	3,075,166	3,164,671	3,427,816
Public Safety	8,943,971	9,344,536	9,559,816	8,899,030	9,478,763
Health	5,659	4,892	6,073	5,567	5,723
Transportation	443,942	454,911	406,416	568,142	630,133
Economic Assistance	16,800	16,800	16,915	21,570	16,615
Culture & Recreation	2,194,037	2,406,347	1,948,079	2,324,465	2,551,734
Home & Community Service	2,783,291	3,107,932	3,135,223	3,050,313	3,208,166
Employee Benefits	7,690,564	7,675,327	7,811,719	8,184,598	8,549,913
Debt Service	1,448,245	2,099,021	2,056,168	1,999,417	2,627,547
Total Expenditures	<u>26,540,481</u>	<u>28,229,030</u>	<u>28,015,575</u>	<u>28,217,773</u>	<u>30,496,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(237,545)</u>	<u>(82,125)</u>	<u>1,031,626</u>	<u>2,244,635</u>	<u>3,586,861</u>
Other Uses					
Interfund Transfers In	80,000	0	600,000		
Interfund Transfers Out	(150,000)	(50,820)	0	(270,271)	(1,260,798)
Total Other Uses	<u>(70,000)</u>	<u>(50,820)</u>	<u>600,000</u>	<u>(270,271)</u>	<u>(1,260,798)</u>
Net Change in Fund Balance	(307,545)	(132,945)	1,631,626	1,974,364	2,326,063
Fund Balance - Beginning of Year	<u>4,777,805</u>	<u>4,470,260</u>	<u>4,337,315</u>	<u>5,968,941</u>	<u>7,943,305</u>
Fund Balance - End of Year	<u>\$4,470,260</u>	<u>\$4,337,315</u>	<u>\$5,968,941</u>	<u>\$7,943,305</u>	<u>\$10,269,368</u>

Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
SPECIAL REVENUE FUNDS (HIGHWAY AND SEWER)
Fiscal Years Ended December 31:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Real Property Taxes	\$19,816,338	\$20,466,567	\$20,731,720	\$20,753,365	\$20,126,648
Departmental Income	228,135	3,253,924	135,023	209,070	304,041
Intergovernmental Charges	143,755	130,102	179,665	160,243	416,838
Use of Money and Property	9,929	13,373	8,423	9,741	20,172
Sale of Property & Compensation for Loss	1,381	209	8,572	45,230	61,892
Miscellaneous	938	0	1,084	1,930	0
Interdistrict Revenues	2,877,234	0	2,793,961	0	0
Interfund Revenues	1,387,766	1,504,250	1,542,632	4,511,872	4,050,166
State Aid	749,722	380,252	282,426	520,396	661,643
Federal Aid	364,383	100,000	103,938	0	439,313
Total Revenues	<u>\$25,579,581</u>	<u>\$25,848,677</u>	<u>\$25,787,444</u>	<u>\$26,211,847</u>	<u>\$26,080,713</u>
Expenditures and Other Uses					
Transportation	6,858,394	6,980,496	6,292,071	6,804,239	8,856,514
Home & Community Service	10,479,445	8,649,874	10,910,276	10,786,259	9,770,065
Employee Benefits	4,309,675	3,887,658	3,933,400	3,687,297	3,481,624
Debt Service	3,153,511	4,251,490	4,244,369	4,033,793	3,625,343
Total Expenditures	<u>24,801,025</u>	<u>23,769,518</u>	<u>25,380,116</u>	<u>25,311,588</u>	<u>25,733,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>778,556</u>	<u>2,079,159</u>	<u>407,328</u>	<u>900,259</u>	<u>347,167</u>
Other Uses					
Interfund Transfers In	0	0	0	0	511,027
Interfund Transfers Out	(615,000)	(183,864)	0	0	0
Bond Proceeds	0	0	0	0	3,300,000
Premium on Bonds	0	0	0	0	145,544
Total Other Uses	<u>(615,000)</u>	<u>(183,864)</u>	<u>0</u>	<u>0</u>	<u>3,956,571</u>
Net Change in Fund Balance	163,556	1,895,295	407,328	900,259	4,303,738
Fund Balance - Beginning of Year	<u>3,723,787</u>	<u>3,887,343</u>	<u>5,782,638</u>	<u>6,189,966</u>	<u>7,090,225</u>
Fund Balance - End of Year	<u>\$3,887,343</u>	<u>\$5,782,638</u>	<u>\$6,189,966</u>	<u>\$7,090,225</u>	<u>\$11,393,963</u>

Sources: Annual Audited Financial Reports.
Summary itself is not Audited

TOWN OF WEST SENECA, NEW YORK
General Fund Budget Summaries

Fiscal Year Ending December 31, 2023:

Revenues

Real Property Taxes and Tax items	\$17,574,709
Non-Property Taxes	7,430,008
Departmental Income	1,979,113
Use of Money and Property	138,000
Fines and Forfeitures	770,000
Sales of Assets and Minor Sales	6,000
State aid	1,418,552
Federal aid	0
Interfund Items	1,955,686
Subtotal Revenues	<u>31,272,068</u>

Appropriated Fund Balance	\$ 580,000
Total Revenues	<u>\$ 31,852,068</u>

Expenditures and Other Uses

General Government Support	3,792,620
Public Safety	9,610,471
Health	5,723
Transportation	571,130
Economic Assistance and Opportunity	21,800
Culture and Recreation	2,778,488
Home and Community Services	3,172,108
Employee Benefits	8,968,132
Debt Service	2,081,596
Interfund Transfers	850,000
Total Expenditures	<u>\$ 31,852,068</u>

Fiscal Year Ending December 31, 2022:

Revenues

Real Property Taxes and Tax items	\$16,890,255
Non-Property Taxes	7,172,431
Departmental Income	1,940,448
Use of Money and Property	108,000
Fines and Forfeitures	765,000
Sales of Assets and Minor Sales	4,000
State aid	1,318,552
Federal aid	613,000
Interfund Items	1,890,928
Subtotal Revenues	<u>30,702,614</u>

Appropriated Fund Balance	\$ -
Total Revenues	<u>\$ 30,702,614</u>

Expenditures and Other Uses

General Government Support	3,657,521
Public Safety	9,190,402
Health	5,723
Transportation	540,462
Economic Assistance and Opportunity	16,915
Culture and Recreation	2,539,626
Home and Community Services	3,160,999
Employee Benefits	8,415,754
Debt Service	2,700,212
Interfund Transfers	475,000
Total Expenditures	<u>\$ 30,702,614</u>

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022**

**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/P21724216-P11290569-P21758486.pdf>

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

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