

PRELIMINARY OFFICIAL STATEMENT

DRAFT

NEW/RENEWAL ISSUE

BOND RATING: S&P Global Ratings "[]"

SERIAL BOND

See "BOND RATING" herein

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

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

\$8,266,929

TOWN OF NEW HARTFORD
ONEIDA COUNTY, NEW YORK
GENERAL OBLIGATIONS
CUSIP BASE #: 644890

\$8,266,929 Public Improvement (Serial) Bonds, 2019
(referred to herein as the "Bonds")

Dated: March 6, 2019

Due: March 6, 2020-2042

MATURITIES**

Table with columns: Year, Amount, Rate, Yield, CSP. Rows list maturity years from 2020 to 2042 with corresponding amounts and rates.

* The Bonds maturing in the years 2028-2042 are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."
** Subject to change pursuant to the accompanying Notice of Private Competitive Bond Sale in order to achieve substantially level or declining annual debt service.

The Bonds are general obligations of the Town of New Hartford, Oneida County, New York (the "Town"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limits imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX LEVY LIMITATION LAW" and "NATURE OF THE OBLIGATION" herein.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing in 2020, which is or includes \$6,929. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on March 1, 2020, September 1, 2020 and semi-annually thereafter on March 1 and September 1 in each year until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination maturing in 2020, which is or includes \$6,929. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$8,266,929 and accrued interest, if any, on the total principal amount of the Bonds. Proposals must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of the Town of New Hartford, Oneida County, New York, in the amount of \$165,339.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, on or about March 6, 2019.

ELECTRONIC BIDS for the Bonds must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on February 20, 2019 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Private Competitive Bond Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

February 14, 2019

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS AS DESCRIBED IN THE RULE, SEE "APPENDIX C - CONTINUING DISCLOSURE UNDERTAKING" HEREIN.

TOWN OF NEW HARTFORD
ONEIDA COUNTY, NEW YORK



TOWN OFFICIALS

PAUL A. MISCIONE
Supervisor

ANTHONY J. TREVISANI
Deputy Supervisor

TOWN BOARD

JAMES J. MESSA
PHIL CITTADINO

DAVID M. REYNOLDS
RICH WOODLAND

* * * * *

GAIL WOLANIN YOUNG
Town Clerk

HERBERT J. CULLY.
Town Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE, LLP
Bond Counsel

No person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town.

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PREPARED WITH THE ASSISTANCE OF



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TOWN OF NEW HARTFORD
ONEIDA COUNTY, NEW YORK

Relating To

\$8,266,929 Public Improvement (Serial) Bonds, 2019

This Official Statement, which includes the cover page and appendices, has been prepared by the Town of New Hartford, Oneida County, New York (the "Town," "County," and "State," respectively), in connection with the sale by the Town of its aggregate principal amount of \$8,266,929 Public Improvement (Serial) Bonds, 2019 (referred to herein as the "Bonds").

The factors affecting the Town's financial condition and the Bonds are described throughout this Official Statement. Inasmuch as 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 and Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF THE OBLIGATION

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

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

The Bonds will be general obligations of the 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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to applicable statutory limitations.

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

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and 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 "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 Town'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 Town'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.

THE BONDS

Description of the Bonds

The Bonds are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, subject to applicable statutory limitations. See “NATURE OF THE OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated March 6, 2019 and will mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption." The “Record Date” of the Bonds will be the fifteenth day of the calendar month preceding each such interest payment date. Interest will be calculated on a 30-day month and 360-day year basis.

The Bonds will be issued as registered bonds and, when issued, if issued in book-entry only form, will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing in 2020, which is or includes \$6,929. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on March 1, 2020, September 1, 2020 and semi-annually thereafter on March 1 and September 1 in each year until maturity. Principal and interest will be paid by the Town to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination maturing in 2020, which is or includes \$6,929. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Optional Redemption

The Bonds maturing on or before March 1, 2027 shall not be subject to redemption prior to maturity. The Bonds maturing on or after March 1, 2028 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Town on March 1, 2027 or on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Town by lot in any customary manner of selection as determined by the Town Supervisor. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of New York State, including among others, the Town Law and the Local Finance Law, and various bond resolutions adopted by the Town Board authorizing the following:

Purpose of Issue	Bond Resolution Date	Amount Due	Principal Payment	New Money	This Issue
Settlement/Court Order	2/8/2017	\$ 325,000	\$ 10,000	\$ -	\$ 315,000
Grange Hill Storm Water	5/10/2017	900,000	10,000	-	890,000
Reconstruction/Resurfacing of Tilden Ave.	5/10/2017	350,000	15,000	-	335,000
Equipment	2/15/2018	1,386,929	-	-	1,386,929
Purchase of New Town Hall	4/4/2018	1,900,000	-	-	1,900,000
Reconstruction of New Town Hill	4/4/2018	2,600,000	-	-	2,600,000
Ice Chiller for Rink	1/24/2019	-	-	325,000	325,000
Communty Center Kitchen	1/24/2019	-	-	75,000	75,000
Paving Projects	1/24/2019	-	-	440,000	440,000
Totals:		\$ 7,461,929	\$ 35,000	\$ 840,000	\$ 8,266,929

The proceeds of the Bonds, less a principal paydown of \$35,000, will redeem \$7,461,929 bond anticipation notes maturing on March 7, 2019, and will provide \$840,000 in new money for the aforementioned purposes.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if requested. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such issue, 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, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered 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.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Town, on payable dates 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 to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity, except for one necessary odd denomination maturing in 2020, which is or includes \$6,929. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the Town upon termination of the book-entry-only system. Interest on the Bonds will be payable on March 1, 2020, September 1, 2020, and semi-annually thereafter on March 1 and September 1 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the fifteenth day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the Town Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the fifteenth day of the calendar month preceding an interest payment date and such interest payment date.

THE TOWN

General Information

The Town of New Hartford, established in 1827, is located southwest of and adjacent to the City of Utica in Oneida County, and is approximately 15 miles southeast of the City of Rome, New York. The Town covers 24.7 square miles and has a population of 21,907 according to the 2017 U. S. Census estimate.

The Town is a unique blend of residential, semi-rural and agricultural communities. Within this setting, the Town also serves as the area's primary commercial retail center, supporting some of the region's major employers.

Water is supplied to a majority of the populated areas of the Town through the Upper Mohawk Valley Regional Water Authority. Sanitary sewer service is provided through Town interceptors that feed into the Oneida County treatment plant. Gas and electric service is supplied by National Grid. Telephone service is supplied by Verizon. Police protection is provided by New Hartford Police Department, and supplemented by the Oneida County Sheriff's Department and the New York State Police. Fire protection is provided by various volunteer fire companies located throughout the Town. Ambulance service is also available. Other Town facilities include three parks, a recreation center and one community meeting center.

Public schooling is provided by the New Hartford Central School District, together with the New York Mills Union Free School District, Sauquoit Valley Central School District, Clinton Central School District and the Board of Cooperative Educational Services (BOCES) which provides technical training for a developing labor force. Institutions of higher learning located nearby include Utica College, SUNY Institute of Technology at Utica/Rome, Hamilton College, and Mohawk Valley Community College, as well as other community colleges located within a reasonable distance.

Major highway transportation includes New York State Routes, #5, #8, #12, #12B, #840 and #90 (the New York State Thruway). Rail transportation is provided by Conrail, New York, Susquehanna and Western Railway, and Amtrak, while the Utica Transit Authority and certain charter lines provide bus services for the Town. Air service is provided by USAir to New York and other major cities from the Hancock International Airport in the City of Syracuse.

Recent developments in the Town’s economy include new businesses, expansions, and renovations. Aldi’s, several retail restaurants including Moe’s Southwest Grill and Olive Garden, and the Hampton Inn have come to the area since 2010. Consumer Square is expanding at its current location, and a new housing project has started on Middlesettlement Road. Several shopping areas are being renovated, such as the old Nichols Plaza and Big Apple Music. In residential areas such as Applewood and Cherrywood, expansion is occurring as well. There are two new hotels and several national retail stores and restaurants that are planning to develop in the Town.

Since 2010, over \$35 million has been added to the tax roll assessed valuation. (See “TAX INFORMATION - Largest Taxpayers – 2019 Assessment Roll” herein). A large portion of this is attributable to the growth being experienced in the commercial sector and more specifically within the newly formed New Hartford Business Park. It is anticipated that development within the Park alone will add an estimated \$5 million per year in assessed valuation over the next 5-7 years. As the New Hartford Business Park continues to grow it is expected that the surrounding areas will continue to further develop and expand. The growth being experienced in the commercial sector also assists with residential development by bringing in more companies and new jobs.

Source: Town officials.

Population Trends

<u>Year</u>	<u>Town of New Hartford</u>	<u>Oneida County</u>	<u>New York State</u>
1970	21,430	273,070	18,236,882
1980	21,286	253,466	17,558,072
1990	21,640	250,836	17,990,455
2000	21,285	235,469	18,976,457
2010	22,166	234,878	19,378,102
2016	21,992	231,190	19,745,289
2017 (Estimate)	21,907	231,332	19,849,399

Source: U.S. Census Bureau.

Major Employers

<u>Name</u>	<u>Type of Products or Services</u>	<u>Number of Employees</u>
Faxton St. Luke’s Healthcare`	Geriatric Health & Residential Services	2,494
Sangertown Mall	Retail	1,347
Con Med	Industrial	703
Utica National Insurance Group	Insurance	687
Hartford Insurance	Industrial	600
Sitrin Home	Geriatric Health & Residential Services	550
Slocum Dickson Medical Group	Geriatric Health & Residential Services	547
Presbyterian Home	Geriatric Health & Residential Services	485
Wal Mart	Retail	447
New Hartford Central School Dist.	Education	409
Special Metals	Industrial	355
Hannaford’s	Food Center	318
Par Technology	Manufacturing Electronics	267
National Grid	Utility	210
Price Chopper	Food Center	186
Home Depot	Retail	156
Lowe’s Home Improvement Store	Retail	140
Remet	Industrial	24

Source: Town officials.

Selected Wealth and Income Indicators

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Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000 US Census Report, and the 2006-2010 and 2013-2017 American Community Surveys.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2000</u>	<u>2013-2017</u>	<u>2000</u>	<u>2006-2000</u>	<u>2013-2017</u>
Town of:						
New Hartford	\$ 23,177	\$ 33,819	\$ 37,958	\$ 56,406	\$ 77,733	\$ 82,213
County of:						
Oneida	18,516	23,458	27,283	45,341	58,017	65,284
State of:						
New York	23,389	30,948	31,177	51,691	67,405	70,850

Note: 2014-2018 American Community Survey estimates are not available as of the date of this Official Statement.

Unemployment Rate Statistics

Unemployment statistics are not available for the Town as such. The smallest area for which such statistics are available (which includes the Town) is the County. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the Town, or vice versa.

	<u>Annual Averages</u>						
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Oneida County	8.2%	7.4%	6.1%	5.3%	4.8%	5.1%	4.7%
State of New York	8.5%	7.7%	6.3%	5.3%	4.8%	4.7%	4.2%

	<u>2018 Monthly Figures</u>											
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Oneida County	6.1%	6.3%	5.8%	5.1%	4.3%	4.5%	4.4%	4.1%	3.9%	3.6%	3.6%	4.2%
New York State	5.1%	5.1%	4.8%	4.3%	3.7%	4.2%	4.2%	4.1%	3.8%	3.6%	3.5%	3.8%

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

Form of Town Government

The chief executive officer and the chief fiscal officer of the Town is the Supervisor, who is elected to a term of four years and is eligible for re-election. The Supervisor is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected to four-year terms. There is no limitation as to the number of terms which may be served by members of the Town Board.

The Town elects its Town Clerk and Assessments and Highway Superintendent to four-year terms. The Town Attorney and Town Comptroller are appointed to a one-year term. The Town Board also appoints an Assessor to a six-year statutory term. Effective January 1, 2012, as a result of a mandatory referendum, the office of Receiver of Taxes and Assessments was abolished, and the duties and powers were transferred to the Office of Town Clerk.

Financial Organization

The Supervisor and Finance Director are responsible for all financial and budgetary transactions of the Town. Their duties include administration, direction and control of the following divisions: Accounting, Purchasing, Accounts Payable, Accounts Receivable, Audit and Control, Budgeting, and Payroll/Personnel.

Budgetary Procedures

The Supervisor is the Budget Officer of the Town. The Supervisor prepares a preliminary budget each year, pursuant to various laws of the State of New York, and holds a public hearing thereon. Subsequent to the public hearing revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum.

In 2017 and 2018, the Town did not exceed the tax cap. The Town’s 2018 tax levy increase was 1% which was within the tax cap limit of 2%. The Town’s 2019 tax levy increase is within the tax cap limit of 2%.

Investment Policy

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either, a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the Town's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America, (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America, (4) obligations of the State of New York, (5) repurchase agreements are permitted to the extent that all repurchase agreements must be entered into subject to a Master Repurchase Agreement with collateral held by a third party bank, (6) obligations issued, or fully insured or guaranteed as to the payment of principal in interest, by the United States of America, or (7) obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporations of the State of New York.

Employees

The Town employs a total of approximately 81 employees, excluding part-time and seasonal. The Town provides services through employees which are represented by the following unions:

<u>Union Representation</u>	<u>Number Employed</u>	<u>Contract Expiration Date</u>
New Hartford Police Contract	31	December 31, 2020
Highway Contract	26	December 31, 2020
New Hartford Dispatch Contract	2	December 31, 2019
New Hartford Parks & Recreation Contract	5	December 31, 2019

Source: Town officials.

Status and Financing of 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”; with ERS, the “Retirement Systems”). The ERS is generally also known as the “Common Retirement Fund”. The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. 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 ERS is non- contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non- contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase in contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Town’s payments to ERS and PFRS since the 2014 fiscal year have been as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>PFRS</u>
2014	\$ 554,524	\$ 428,212
2015	484,813	476,102
2016	519,902	397,862
2017	416,337	416,259
2018	409,352	428,947
2019 (Budgeted)	414,638	430,576

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding or contemplated at this time.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees’ and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2016 to 2020) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2016	18.2%	24.7%
2017	15.5	24.3
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and the Local Police and Fire Retirement System ("PFRS"), when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option. The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate is 12.0% for ERS and 20% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years, than "Smoothing" contributions.

The Town is not amortizing or smoothing any pension payments, nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Town's employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the Town provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the Town, to account for post-retirement healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

OPEB. Other Post-Employment Benefits ("OPEB") refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The Town is required to adopt the provisions of Statement No. 75 for the year ending December 31, 2018.

GASB 45. Prior to GASB 75, GASB Statement No. 45 ("GASB 45"), required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC. The Town is not certain that municipalities will be mandated to implement GASB 45 since the potential liability will have to be determined by an actuarial and will be astronomical with the potential of bankrupting municipalities.

The Town has contracted with Armory Associates, LLC, an actuarial firm, to prepare its post-retirement benefits valuation. Based on the actuarial valuation dated January 1, 2017 the following tables shows the components of the Town's annual OPEB cost, the amount actuarially contributed to the plan, changes in the Town's net OPEB obligation and funding status for the fiscal year ending December 31, 2016 and December 31, 2017 for the General, Highway and Water Funds combined:

<i>Actuarial Accrued Liability and Annual OPEB Cost:</i>	<u>2016</u>	<u>2017</u>
Annual required contribution (ARC)	\$ 1,787,537	\$ 1,964,119
Interest on net OPEB obligation	317,545	320,309
Adjustment to ARC	<u>(528,215)</u>	<u>(601,593)</u>
Annual OPEB cost (expense)	1,576,867	1,682,835
Contributions made	<u>(363,826)</u>	<u>(390,759)</u>
Increase in net OPEB obligation	1,213,041	1,292,076
Net OPEB obligation - beginning of year	<u>7,938,631</u>	<u>9,151,672</u>
Net OPEB obligation - end of year	<u><u>\$ 9,151,672</u></u>	<u><u>\$ 10,443,748</u></u>
Percentage of annual OPEB cost contributed	23.0%	23.2%

Funding Status:

Actuarial Accrued Liability (AAL)	\$ 16,026,454	\$ 17,751,735
Actuarial Value of Assets	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 16,026,454</u></u>	<u><u>\$ 17,751,735</u></u>
Funded Ratio (Assets as a Percentage of AAL)	0.0%	0.0%

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2017	\$ 1,682,835	23.2%	\$ 10,443,748
2016	1,576,867	23.0	9,151,672
2015	1,502,202	23.0	7,938,631
2014	1,431,944	25.0	6,783,215

Note: The above tables are not audited.

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the Town's audited financial statements.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

The Town's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town's finances and could force the Town to reduce services, raise taxes or both.

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

In April 2015 and again in 2016, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state’s OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller’s proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller’s proposed legislation will be reintroduced.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Bonds are to be issued, is the Town Law and the Local Finance Law.

The Town is in the process of complying with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of this Town is past due.

The fiscal year of the Town is January 1 through December 31.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

Financial Statements

The Town retains an independent certified public accounting firm for a continuous independent audit of all financial transactions of the Town. The Audited Financial report for Fiscal Year ended December 31, 2017 is attached hereto as “APPENDIX – E”. The financial affairs of the Town are also subject to annual audits by the State Comptroller.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending December 31, 2003, the Town was required to issue its audited financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis. The Town is and has been in compliance with GASB Statement No. 34 for all years required.

Unaudited Results for the Fiscal Year Ending December 31, 2018

The Town ended the fiscal year ending December 31, 2018 with a cumulative unappropriated unreserved fund balance of \$4,766,000.

Summary unaudited information for the General Fund for the period ending December 31, 2018 is as follows:

Revenues:	\$ 4,300,000
Expenditures:	<u>4,166,000</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ 134,000</u>
Total Fund Balance:	\$ 2,330,000

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

Source: Town officials.

New York State Comptroller Report of Examination

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The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

On March 9, 2018, the State Comptroller's office released an audit report of the Town. The purpose of the audit was to determine whether Town officials used competitive methods when procuring goods and services for the period January 1, 2015 through December 31, 2016.

Key Findings:

- Town officials did not consider the aggregate amount to be expended for storm water remediation projects that totaled \$401,510 over a two-year period.
- Town officials did not seek competition for three professional service contracts totaling \$332,262.
- Town officials did not comply with procurement policy requirements for obtaining quotes and documenting emergency and sole source determinations for 10 purchases totaling \$82,928.

Key Recommendations:

- Consider the aggregate amount projected to be expended for the same or similar type of work when determining if competitive bidding is required.
- Seek competition when acquiring professional services.
- Document emergency and sole source purchases as required by the procurement policy.

The Town provided a complete response to the State Comptroller's office on February 9, 2018. The Town understands the State Comptroller's findings, and as of January 1, 2018, is under new administration which has already implemented online bidding practices and also has replaced procurement policies which aims to eliminate any of the prior issues moving forward. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's audits of the Town that are currently in progress or pending release.

The State Comptroller's Fiscal Stress Monitoring System

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

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

The reports of the State Comptroller for the past five years for the Town are as follows:

<u>Fiscal Year Ending</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2017	No Designation	0.0%
2016	No Designation	15.8%
2015	No Designation	9.6%
2014	No Designation	3.3%
2013	No Designation	0.0%

Source: Website of the Office of the New York State Comptroller.

Taxable Valuations

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Valuation	\$ 1,347,535,847	\$ 1,354,915,531	\$ 1,345,282,459	\$ 1,330,619,921	\$ 1,329,608,962
New York State Equalization Rate	83.00%	81.07%	81.00%	81.00%	77.60%
Total Taxable Full Valuation	\$ 1,623,537,165	\$ 1,671,290,898	\$ 1,660,842,542	\$ 1,642,740,643	\$ 1,713,413,611

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund, Town-Wide	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.09
General fund, Part-Town	1.77	1.77	1.77	1.76	1.88
Highway Item I (Town-Wide)	-	-	-	-	-
Highway Items II, III, & IV (Part-Town)	-	-	-	-	-

Tax Collection Procedure

Taxes are collected from January 1 to June 1. Taxes for County purposes are levied together with Town and special district taxes as a single bill. The Towns and special districts receive the full amount of their levies from the first amounts collected on the combined bills. The County assumes enforcement responsibility for any uncollected taxes levied on the combined bill.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending December 31:</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Tax Levy	\$ 5,666,440	\$ 5,752,173	\$ 5,687,037	\$ 5,589,344	\$ 5,798,859
Amount Uncollected	-	-	-	-	N/A
% Uncollected	0.00%	0.00%	0.00%	0.00%	N/A

⁽¹⁾ See "Tax Collection Procedure" herein.

Ten Largest Taxpayers – 2019 Assessment Roll

<u>Name</u>	<u>Type of Entity</u>	<u>Assessed Valuation</u>
Sangertown Square Mall	Regional Shopping Mall	\$ 62,480,000
Preswick Glen	Commercial	32,485,802
Consumer Square	Multi Retail	25,550,000
Inland Western NY Orchards	Multi Retail	13,440,000
Trahwen-B LLC (Walmart)	Retail & Gas Station	11,749,800
Applewood Community	Mobile Home Park	11,272,551
Utica National Insurance	Commercial	11,111,200
Slocum-Dickson Medical Group	Health Services	10,630,000
Goodrich NH	Multi Retail	8,698,000
IATT Investments	Shopping Center	7,956,400

The ten largest taxpayers, listed above, have a total assessed valuation of \$195,373,753, which represents 14.69% of the tax base of the Town.

The Town currently does not have any pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the Town.

Source: Town tax rolls.

Additional Tax Information

Real property subject to Town taxes is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

The total assessed valuation of the Town consists of approximately 73%-residential, 25%-commercial, 1%-industrial, and 1%-agricultural properties.

The total property tax bill of a \$100,000 market value residential property located in the Town is approximately \$4,300 including County, School District and Town taxes.

TAX LEVY LIMITATION LAW

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 15, 2020 unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments are required for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A town may exceed the tax levy limitation for the coming fiscal year only if the governing body of such town first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law, to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality, prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

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

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said 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 outside of any statutorily determined tax levy amount is not clear.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 ("Chapter 59"), includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

Purpose and Pledge. Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or 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 year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty per centum in excess of the smallest prior installment. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its notes and such required annual installments on its bonds.

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the 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 or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate 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. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Pursuant to Article VIII of the State Constitution and Title 9 of Article 2 of the Local Finance Law, the debt limit of the Town is calculated by taking 7% of the latest five-year average of the full valuation of all taxable real property.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers 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 specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution, approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

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

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

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

In general, the Local Finance Law contains provisions providing the Town with the power to issue certain other short-term general obligations indebtedness including revenue and tax anticipation notes, budget, deficiency and capital notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

<u>Years Ending December 31:</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Bonds	\$ 9,481,489	\$ 8,727,345	\$ 8,896,279	\$ 8,113,291	\$ 7,333,382
Bond Anticipation Notes	1,071,571	1,156,571	0	1,575,000	2,961,929
Other Debt ⁽¹⁾	<u>0</u>	<u>503,679</u>	<u>352,073</u>	<u>473,140</u>	<u>347,345</u>
Total Debt Outstanding	\$ 10,553,060	\$ 10,387,595	\$ 9,248,352	\$ 10,161,431	\$ 10,642,656

⁽¹⁾ Represents a capital leases for various equipment. See "Capital Lease Payable" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of February 14, 2019.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2019-2037	\$ 7,333,382
Bond Anticipation Notes		
Reconstruction/Resurfacing Tilden Ave.	March 7, 2019	\$ 350,000 ⁽¹⁾
Grange Hill Stormwater Project	March 7, 2019	900,000 ⁽¹⁾
Highway Equipment and Various Purposes	March 7, 2019	1,386,929 ⁽¹⁾
Payment of Settlement Court Order	March 7, 2019	<u>325,000 ⁽¹⁾</u>
	Total Indebtedness	<u>\$ 10,295,311</u>

⁽¹⁾ To be redeemed at maturity with the proceeds of the Bonds along with \$35,000 available funds of the Town.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of February 14, 2019:

Five-Year Average Full Valuation of Taxable Real Property	\$ 1,662,364,972
Debt Limit - 7% thereof	116,365,548

Inclusions:

Bonds	\$ 7,333,382	
Bond Anticipation Notes	7,461,929	
Total Inclusions		\$ 14,795,311

Exclusions:

Appropriations	\$ 680,000	
Water Debt ⁽¹⁾	2,738,382	
Sewer Debt ⁽²⁾	0	
Total Exclusions		\$ 3,418,382

Total Net Indebtedness Subject to Debt Limit	\$ 11,376,929
Net Debt-Contracting Margin	\$ 104,988,619
The percent of debt contracting power exhausted is	9.78%

- (1) Water Debt is excluded pursuant to Article VIII, Section 5B of the New York State Constitution.
- (2) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law.

Bonded Debt Service

A schedule of Bonded Debt Service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The Town has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past and does not reasonably expect to issue such notes in the foreseeable future.

Capital Lease Payable

The Town is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Governmental Funds. The term of the lease is 5 years, starting in 2016, and has an interest rate of 2.17%.

The following is a schedule of future minimum lease payments under capital leases.

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 125,113	\$ 9,130
2020	128,275	5,967
2021	46,307	2,724
2022	47,650	1,382
Total	\$ 347,345	\$ 19,203

Estimate of Obligations to be Issued

Other than the issuance of the Bonds, the Town has no other projects authorized or contemplated at this time.

Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. The estimated outstanding indebtedness of such political subdivisions is as follows:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Oneida	12/31/2016	\$ 188,926,689	\$ 44,384,844 ⁽²⁾	\$ 144,541,845	15.47%	\$ 22,360,623
Village of:						
New Hartford	5/31/2017	1,400,000	- ⁽²⁾	1,400,000	100.00%	1,400,000
New York Mills	5/31/2017	525,000	- ⁽²⁾	525,000	9.31%	48,878
School District:						
Clinton	6/30/2017	14,178,511	11,186,845 ⁽³⁾	2,991,666	8.77%	262,369
New Hartford	6/30/2017	21,857,682	16,283,973 ⁽³⁾	5,573,709	97.34%	5,425,448
New York Mills	6/30/2017	5,930,290	4,228,297 ⁽³⁾	1,701,993	51.53%	877,037
Sauquoit Valley	6/30/2017	15,405,000	13,402,350 ⁽³⁾	2,002,650	17.27%	345,858
Total:						<u>\$ 30,720,213</u>

- (1) Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond sales, if any.
- (2) Pursuant to applicable constitutional and statutory provisions, this indebtedness is deductible from gross indebtedness for debt limit purposes.
- (3) Estimated State Building aid.

Source: Most recent available official statement or continuing disclosure statement of the respective municipality or school district.

Debt Ratios

The following table sets forth certain ratios relating to the Town's indebtedness as of February 14, 2019:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 11,376,929	\$ 519.33	0.66%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	42,097,142	1,921.63	2.46

- (a) The 2017 estimated population of the Town is 21,907. (See "THE TOWN – Population" herein.)
- (b) The Town's full valuation of taxable real estate for 2019 is \$1,713,413,611. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt statement Summary" for the calculation of Net Indebtedness, herein.
- (d) Estimated net overlapping indebtedness is \$30,720,213. (See "Estimated Overlapping Indebtedness" herein.)

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.

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

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

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

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

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

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

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

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

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

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend

any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance, nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service, but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the Town as well as the market for the Bonds 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 and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or 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 Bonds could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In some years, the Town has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations.

There are a number of general factors which could have a detrimental effect on the ability of the Town to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the Town. Unforeseen developments could also result in substantial increases in Town expenditures, thus placing strain on the Town’s financial condition. These factors may have an effect on the market price of the Bonds.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the Town. Any such future legislation would have an adverse effect on the market value of the Bonds (See “TAX MATTERS” herein).

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. No assurances can be given that such security and operational control measures implemented would 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 Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Town has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to and may not be relied upon in connection with any such actions, events or matters.

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

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

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

The legality of the authorization and issuance of the Bonds is covered by the approving legal opinion of Bond Counsel. The proposed form of Bond Counsel's opinion is attached hereto at "APPENDIX – D".

LITIGATION

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

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

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Town will enter into a Continuing Disclosure Undertaking Certificate, a description of which is attached hereto as "APPENDIX – C".

Historical Compliance

Except as noted below, the Town has in the previous five years complied, in all material respects, with any previous undertakings pursuant to the Rule.

- The Town timely filed its Annual Financial Information and Operating Data ("AFIOD") for the fiscal year ended December 31, 2013. However, the operating data that was filed as part of the AFIOD was dated as of June 13, 2013, prior to the fiscal year end. A material event notice to this effect was posted to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Market Municipal Access ("EMMA") website on March 20, 2018.
- The Town failed to file its Audited Financial Statements for the fiscal year ending December 31, 2016 within sixty days of completion as required under the Town's prior disclosure undertaking agreements. The Audited Financial Statements for the fiscal year ended December 31, 2016 were dated May 30, 2017, but were not filed until October 30, 2017. A material event notice disclosing the Town's failure to file was posted to EMMA on March 20, 2018.
- The Town failed to file its Audited Financial Statements for the fiscal year ended December 31, 2017 within 60 days following receipt by the Town, but, in any event, not later than the last business day of the respective succeeding fiscal year. The Town's Audited Financial Statements for the fiscal year ended December 31, 2017 were dated as of July 13, 2018, and were posted to EMMA on January 25, 2019. A material event notice disclosing the Town's failure to file was filed to EMMA on January 25, 2019.

BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "[_]" to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. A rating reflects only the view of the rating agency assigning such rating and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the Bonds may have an adverse effect on the market price of the Bonds.

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Town to the Municipal Advisor are partially contingent on the successful closing of the Bonds.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town provided, however; the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates in good faith, no assurance can be given that the facts will materialize as so opined or estimated. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Bonds.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the 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's 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.

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

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

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

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

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

The Town hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The Municipal Advisor may place a copy of this Official Statement on its website at www.fiscaladvisors.com. 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. The Municipal Advisor 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 the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor 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. The Municipal Advisor and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town will act as Paying Agent for the Bonds. The Town contact information is as follows: Daniel T. Dreimiller, Director of Finance, Town of New Hartford, 8635 Clinton Street, New Hartford, NY 13413, Phone: (315) 733-7500, Fax: (315) 724-8499, Email: ddreimiller@townofnewhartfordny.gov.

Additional copies of the Notice of Private Competitive Bond Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

TOWN OF NEW HARTFORD

Dated: February 14, 2019

PAUL A. MISCIONE
Town Supervisor

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APPENDIX - A
Town of New Hartford

GENERAL FUND

Balance Sheets

Fiscal Years Ending December 31:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 582,610	\$ 884,300	\$ 1,042,207	\$ 1,246,269	\$ 919,525
Accounts Receivable	106,224	138,614	151,713	162,435	133,764
State and Federal Aid Receivables	-	-	-	-	-
Due from Other Funds	28,480	25	2,222	587	898,162
Due from Other Governments	1,069,636	963,350	1,014,050	1,048,223	646,800
Prepaid Expenses	110,615	121,019	94,182	119,697	126,271
Inventories	5,163	5,163	5,163	5,163	5,163
TOTAL ASSETS	<u>\$ 1,902,728</u>	<u>\$ 2,112,471</u>	<u>\$ 2,309,537</u>	<u>\$ 2,582,374</u>	<u>\$ 2,729,685</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 83,839	\$ 80,878	\$ 189,481	\$ 76,551	\$ 111,489
Due to Other Funds	303,014	226,780	239,820	256,098	182,502
Due to Other Governments	-	-	-	-	135,352
Due to ERS	185,133	166,270	178,028	146,201	-
Due to New York State	-	-	-	-	-
BAN Payable	-	114,926	57,463	-	83,200
Judgements and Claims Payable	-	71,898	-	60,382	-
Accrued Liabilities	68,432	15,237	23,154	20,583	22,086
Overpayment and Collections in Advance	-	-	-	-	-
Deferred Revenues	5,479	1,475	1,365	-	-
TOTAL LIABILITIES	<u>645,897</u>	<u>677,464</u>	<u>689,311</u>	<u>559,815</u>	<u>534,629</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 115,778	\$ 126,182	\$ 99,345	\$ 124,860	\$ 131,434
Restricted	-	-	-	-	-
Assigned	-	-	-	-	10,870
Unassigned	1,141,053	1,308,825	1,520,881	1,897,699	2,052,752
TOTAL FUND EQUITY	<u>\$ 1,256,831</u>	<u>\$ 1,435,007</u>	<u>\$ 1,620,226</u>	<u>\$ 2,022,559</u>	<u>\$ 2,195,056</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 1,902,728</u>	<u>\$ 2,112,471</u>	<u>\$ 2,309,537</u>	<u>\$ 2,582,374</u>	<u>\$ 2,729,685</u>

Source: Audited Financial Statements of the Town. This Appendix is not itself audited.

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APPENDIX - A1
Town of New Hartford

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending December 31:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES					
Real Property Taxes and Items	\$ 1,772,730	\$ 1,785,270	\$ 1,707,521	\$ 1,711,187	\$ 1,692,409
Non-Property Tax Items	2,042,661	1,740,157	1,815,992	1,565,982	1,597,529
Departmental Income	392,134	346,662	410,490	377,620	344,581
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	2,782	2,533	4,159	2,306	2,657
Licenses and Permits	28,976	24,984	28,989	27,784	29,653
Fines and Forfeitures	125,354	128,980	142,400	149,120	171,070
Sale of Property and Compensation for Loss	9,669	4,855	-	2,135	-
Miscellaneous	76,420	30,848	67,413	39,293	50,217
Interfund Transfers	-	-	-	-	-
Revenues from State Sources	499,207	548,599	433,986	565,391	451,239
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 4,949,933</u>	<u>\$ 4,612,888</u>	<u>\$ 4,610,950</u>	<u>\$ 4,440,818</u>	<u>\$ 4,339,355</u>
EXPENDITURES					
General Government Support	\$ 1,340,493	\$ 1,427,271	\$ 1,518,498	\$ 1,444,338	\$ 1,406,613
Public Safety	113,661	108,053	116,784	102,211	95,727
Transportation	119,522	126,555	144,694	134,478	130,627
Economic Assistance and Opportunity	129,354	122,851	128,990	128,775	125,892
Culture and Recreation	1,164,439	1,024,268	1,119,952	1,024,727	863,670
Home and Community Services	122,844	39,972	53,270	72,177	34,957
Employee Benefits	783,344	803,141	727,080	776,294	703,523
Debt Service	716,921	636,347	623,506	590,359	576,013
Other	-	-	-	-	-
Total Expenditures	<u>\$ 4,490,578</u>	<u>\$ 4,288,458</u>	<u>\$ 4,432,774</u>	<u>\$ 4,273,359</u>	<u>\$ 3,937,022</u>
Excess of Revenues Over (Under) Expenditures	<u>459,355</u>	<u>324,430</u>	<u>178,176</u>	<u>167,459</u>	<u>402,333</u>
Other Financing Sources (Uses):					
Operating Transfers In	95,740	-	-	17,760	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing	<u>95,740</u>	<u>-</u>	<u>-</u>	<u>17,760</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>555,095</u>	<u>324,430</u>	<u>178,176</u>	<u>185,219</u>	<u>402,333</u>
FUND BALANCE					
Fund Balance - Beginning of Year	412,306	932,401	1,256,831	1,435,007	1,620,226
Prior Period Adjustments (net)	(35,000)	-	-	-	-
Fund Balance - End of Year	<u>\$ 932,401</u>	<u>\$ 1,256,831</u>	<u>\$ 1,435,007</u>	<u>\$ 1,620,226</u>	<u>\$ 2,022,559</u>

Source: Audited Financial Statements of the Town. This Appendix is not itself audited.

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APPENDIX - A2
Town of New Hartford

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending December 31:

	2017			2018	2019
	Adopted <u>Budget</u>	Final <u>Budget</u>	Audited <u>Actual</u>	Adopted <u>Budget</u>	Adopted <u>Budget</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 1,712,645	\$ 1,712,645	\$ 1,717,773	\$ 1,764,427	\$ 1,841,498
Non-Property Tax Items	1,238,212	1,238,212	1,276,640	1,212,727	1,165,555
Departmental Income	391,165	392,244	312,227	320,555	238,465
Intergovernmental Charges	-	-	-	-	-
Use of Money & Property	2,700	2,700	3,766	2,700	3,000
Licenses and Permits	30,702	30,702	29,906	30,050	29,425
Fines and Forfeitures	155,000	155,000	141,301	-	-
Sale of Property & Compensation for Loss	-	-	-	160,000	170,000
Miscellaneous	20,976	20,976	28,101	19,357	20,581
Interfund Transfers	-	-	-	-	-
Revenues from State Sources	499,500	510,070	490,380	497,603	496,603
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	\$ 4,050,900	\$ 4,062,549	\$ 4,000,094	\$ 4,007,419	\$ 3,965,127
EXPENDITURES					
General Government Support	\$ 1,398,946	\$ 1,447,043	\$ 1,318,633	\$ 1,416,428	\$ 1,370,291
Public Safety	117,524	113,678	108,128	109,907	145,488
Transportation	129,857	133,623	132,394	131,791	134,935
Economic Assistance and Opportunity	139,981	139,981	127,465	140,634	104,883
Culture and Recreation	853,133	854,212	819,002	863,293	798,858
Home and Community Services	30,500	30,580	30,612	35,500	-
Employee Benefits	753,007	715,480	661,707	696,668	726,576
Debt Service	627,952	627,952	629,656	624,067	684,096
Other	-	-	-	-	-
Total Expenditures	\$ 4,050,900	\$ 4,062,549	\$ 3,827,597	\$ 4,018,289	\$ 3,965,127
Excess of Revenues Over (Under) Expenditures	-	-	172,497	(10,870)	-
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing	-	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	172,497	(10,870)	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	2,022,559	10,870	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 2,195,056	\$ -	\$ -

Source: 2017 Audited Financial Statements and adopted budgets of the Town. This Appendix is not itself audited.

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APPENDIX - A3
Town of New Hartford

CHANGES IN FUND EQUITY

Fiscal Years Ending December 31:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>GENERAL FUND - PART TOWN</u>					
Fund Equity - Beginning of Year	\$ 319,265	\$ 417,124	\$ 242,315	\$ 297,597	\$ 344,791
Prior Period Adjustments	-	-	-	-	-
Revenues & Other Sources	518,668	200,203	445,719	472,786	508,826
Expenditures & Other Uses	420,809	375,012	390,437	425,592	409,781
Fund Equity - End of Year	\$ 417,124	\$ 242,315	\$ 297,597	\$ 344,791	\$ 443,836
<u>HIGHWAY - PART TOWN</u>					
Fund Equity - Beginning of Year	\$ 753,596	\$ 659,503	\$ 415,578	\$ 502,235	\$ 592,834
Prior Period Adjustments	-	-	-	-	-
Revenues & Other Sources	3,612,292	4,099,496	3,866,356	3,441,841	4,244,978
Expenditures & Other Uses	3,706,385	4,343,421	3,779,699	3,351,242	4,553,766
Fund Equity - End of Year	\$ 659,503	\$ 415,578	\$ 502,235	\$ 592,834	\$ 284,046
<u>WATER FUND</u>					
Fund Equity - Beginning of Year	\$ 87,874	\$ 55,059	\$ 73,189	\$ 85,589	\$ 102,649
Revenues & Other Sources	144,622	145,500	141,468	138,126	122,988
Expenditures & Other Uses	177,437	127,370	129,068	121,066	122,988
Fund Equity - End of Year	\$ 55,059	\$ 73,189	\$ 85,589	\$ 102,649	\$ 102,649
<u>SEWER FUND</u>					
Fund Equity - Beginning of Year	\$ 1,500,253	\$ 1,840,004	\$ 1,792,589	\$ 1,597,295	\$ 1,850,633
Prior Period Adjustments	-	-	-	-	-
Revenues & Other Sources	686,668	617,968	658,880	627,514	850,880
Expenditures & Other Uses	346,917	665,383	854,174	374,176	717,115
Fund Equity - End of Year	\$ 1,840,004	\$ 1,792,589	\$ 1,597,295	\$ 1,850,633	\$ 1,984,398

Source: Audited Financial Statements of the Town. This Appendix is not itself audited.

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APPENDIX - B
Town of New Hartford

BONDED DEBT SERVICE

Fiscal Year Ending December 31st	Excluding this Bond Issue			Principal of this Bond Issue	Total Principal All Issues
	Principal	Interest	Total		
2019	\$ 806,831	\$ 126,723.75	\$ 933,554.75	\$ -	\$ 806,831
2020	828,753	106,078.75	934,831.75	106,929	935,682
2021	840,674	86,221.25	926,895.25	255,000	1,095,674
2022	757,596	67,175.00	824,771.00	260,000	1,017,596
2023	589,518	50,625.00	640,143.00	270,000	859,518
2024	481,439	39,710.00	521,149.00	280,000	761,439
2025	373,360	31,312.50	404,672.50	290,000	663,360
2026	380,282	23,131.25	403,413.25	300,000	680,282
2027	387,203	14,687.50	401,890.50	310,000	697,203
2028	219,125	9,675.00	228,800.00	325,000	544,125
2029	221,047	7,425.00	228,472.00	330,000	551,047
2030	217,968	5,250.00	223,218.00	345,000	562,968
2031	219,890	3,150.00	223,040.00	355,000	574,890
2032	221,812	1,050.00	222,862.00	370,000	591,812
2033	153,733	-	153,733.00	380,000	533,733
2034	155,655	-	155,655.00	395,000	550,655
2035	157,577	-	157,577.00	405,000	562,577
2036	159,499	-	159,499.00	425,000	584,499
2037	161,420	-	161,420.00	435,000	596,420
2038	-	-	-	450,000	450,000
2039	-	-	-	470,000	470,000
2040	-	-	-	485,000	485,000
2041	-	-	-	505,000	505,000
2042	-	-	-	520,000	520,000
TOTALS	\$ 7,333,382	\$ 572,215.00	\$ 7,905,597.00	\$ 8,266,929	\$ 15,600,311

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APPENDIX - B1 Town of New Hartford

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2002 General			2002 Sewer - Woodbury		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 27,000	\$ 3,206.25	\$ 30,206.25	\$ 4,000	\$ 665.00	\$ 4,665.00
2020	27,000	1,923.75	28,923.75	4,000	475.00	4,475.00
2021	27,000	641.25	27,641.25	4,000	285.00	4,285.00
2022	-	-	-	4,000	95.00	4,095.00
TOTALS	\$ 81,000	\$ 5,771.25	\$ 86,771.25	\$ 16,000	\$ 1,520.00	\$ 17,520.00

Fiscal Year Ending December 31st	2002 Sewer - Clinton Street			2002 Sewer		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 40,000	\$ 6,745.00	\$ 46,745.00	\$ 4,000	\$ 665.00	\$ 4,665.00
2020	40,000	4,845.00	44,845.00	4,000	475.00	4,475.00
2021	40,000	2,945.00	42,945.00	4,000	285.00	4,285.00
2022	42,000	997.50	42,997.50	4,000	95.00	4,095.00
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
TOTALS	\$ 162,000	\$ 15,532.50	\$ 177,532.50	\$ 16,000	\$ 1,520.00	\$ 17,520.00

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APPENDIX - B2 Town of New Hartford

CURRENT BONDS OUTSTANDING

Fiscal Year Ending December 31st	2008 Water - 0% EFC Bond			2016 Various Projects		
	Principal	Interest	Total	Principal	Interest	Total
	2019	\$ 126,831	-	\$ 126,831.00	\$ 105,000	\$ 11,355.00
2020	128,753	-	128,753.00	110,000	9,847.50	119,847.50
2021	130,674	-	130,674.00	110,000	8,115.00	118,115.00
2022	132,596	-	132,596.00	110,000	6,162.50	116,162.50
2023	134,518	-	134,518.00	115,000	3,881.25	118,881.25
2024	136,439	-	136,439.00	115,000	1,322.50	116,322.50
2025	138,360	-	138,360.00	-	-	-
2026	140,282	-	140,282.00	-	-	-
2027	142,203	-	142,203.00	-	-	-
2028	144,125	-	144,125.00	-	-	-
2029	146,047	-	146,047.00	-	-	-
2030	147,968	-	147,968.00	-	-	-
2031	149,890	-	149,890.00	-	-	-
2032	151,812	-	151,812.00	-	-	-
2033	153,733	-	153,733.00	-	-	-
2034	155,655	-	155,655.00	-	-	-
2035	157,577	-	157,577.00	-	-	-
2036	159,499	-	159,499.00	-	-	-
2037	161,420	-	161,420.00	-	-	-
TOTALS	\$ 2,738,382	\$ -	\$ 2,738,382.00	\$ 665,000	\$ 40,683.75	\$ 705,683.75

Fiscal Year Ending December 31st	2013 Capital Project			2018 Refunding of 2009 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2019	\$ 215,000	\$ 42,362.50	\$ 257,362.50	\$ 285,000	\$ 61,725.00
2020	225,000	36,862.50	261,862.50	290,000	51,650.00	341,650.00
2021	220,000	31,300.00	251,300.00	305,000	42,650.00	347,650.00
2022	150,000	26,675.00	176,675.00	315,000	33,150.00	348,150.00
2023	155,000	22,668.75	177,668.75	185,000	24,075.00	209,075.00
2024	155,000	18,212.50	173,212.50	75,000	20,175.00	95,175.00
2025	160,000	13,387.50	173,387.50	75,000	17,925.00	92,925.00
2026	165,000	8,206.25	173,206.25	75,000	14,925.00	89,925.00
2027	170,000	2,762.50	172,762.50	75,000	11,925.00	86,925.00
2028	-	-	-	75,000	9,675.00	84,675.00
2029	-	-	-	75,000	7,425.00	82,425.00
2030	-	-	-	70,000	5,250.00	75,250.00
2031	-	-	-	70,000	3,150.00	73,150.00
2032	-	-	-	70,000	1,050.00	71,050.00
TOTALS	\$ 1,615,000	\$ 202,437.50	\$ 1,817,437.50	\$ 2,040,000	\$ 304,750.00	\$ 2,344,750.00

CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS

In accordance with the requirements of Rule 15c2-12 as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission"), the Town has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated February 14, 2019 of the Town relating to the Bonds under the headings "THE TOWN", "TAX INFORMATION", "STATUS OF INDEBTEDNESS", "LITIGATION" and all Appendices (other than "APPENDIX – C & D" and other than any related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2019, and (ii) a copy of the audited financial statements, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2019; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time or, within sixty days following receipt by the Town of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the Town of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults; if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the Town;

- (m) 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) 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
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

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

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

For the purposes of the event identified in (l) of this section, 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 governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

With respect to events (o) and (p), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

- (iii) in a timely manner, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, on or before the date specified.

The Town reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town's obligations under its continuing disclosure undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town, provided that, the Town agrees that any such modification will be done in a manner consistent with the Rule.

A Continuing Disclosure Undertaking Certificate to this effect shall be provided to the purchaser at closing.

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FORM OF BOND COUNSEL'S OPINION

APPENDIX – D

March 6, 2019

Town of New Hartford,
County of Oneida,
State of New York

Re: Town of New Hartford, Oneida County, New York
\$8,266,929 Public Improvement (Serial) Bonds, 2019

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$8,266,929 Public Improvement (Serial) Bonds, 2019 (the "Obligations"), of the Town of New Hartford, Oneida County, New York (the "Obligor"), dated March 6, 2019, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (____%) per annum as to bonds maturing in ____, payable on March 1, 2020, September 1, 2020 and semi-annually thereafter on March 1 and September 1, and maturing in the amount of \$_____ on March 1, 2020, \$_____ on March 1, 2021, \$_____ on March 1, 2022, \$_____ on March 1, 2023, \$_____ on March 1, 2024, \$_____ on March 1, 2025, \$_____ on March 1, 2026, \$_____ on March 1, 2027, \$_____ on March 1, 2028, \$_____ on March 1, 2029, \$_____ on March 1, 2030, \$_____ on March 1, 2031, \$_____ on March 1, 2032 \$_____ on March 1, 2033, \$_____ on March 1, 2034, \$_____ on March 1, 2035, \$_____ on March 1, 2036 \$_____ on March 1, 2037, \$_____ on March 1, 2038, \$_____ on March 1, 2039, \$_____ on March 1, 2040 \$_____ on March 1, 2041, and \$_____ on March 1, 2042.

The Obligations maturing on or before March 1, 2027 shall not be subject to redemption prior to maturity. The Obligations maturing on or after March 1, 2028 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the Town on March 1, 2027 or on any date thereafter at par, plus accrued interest to the date of redemption.

We have examined:

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

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

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In our opinion:

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

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

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

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

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

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APPENDIX – E

**TOWN OF NEW HARTFORD
ONEIDA COUNTY, NEW YORK**

AUDITED FINANCIAL REPORT

For the Year Ended December 31, 2017

Such Audited Financial Statements and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.