

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 23, 2024

NEW ISSUE – SERIAL BONDS

RATING: Moody's
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, as amended (the "Code"). 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 on individuals. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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 consequence related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "Tax Matters". The Bonds will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$17,441,890

CITY OF PLATTSBURGH
CLINTON COUNTY, NEW YORK
(the "City")

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2024

Dated: November 14, 2024

Principal Due: November 1, 2025-2044, inclusive
Interest Due: May 1, 2025, November 1, 2025 and
semiannually thereafter in each year to
maturity

SEE BOND MATURITY SCHEDULE HEREIN

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

Prior Redemption: The Bonds maturing on November 1, 2032 and thereafter are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on any date on or after November 1, 2031. (See "Optional Redemption" under "THE BONDS," herein.)

Form and Denomination: At the option of the purchaser, the Bonds may be issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof, except for one bond of a necessary odd denomination maturing in 2025, which is or includes \$6,890. Bondholders will not receive certificates representing their respective interests in the Bonds purchased in book-entry form. See "Book-entry-only System" under "The Bonds," herein.

Payment: Payment of the principal of and interest on any Bonds issued in book-entry form will be made by the City to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-entry-only System" under "The Bonds," herein. Payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidder's expense.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of an approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about November 14, 2024 or as otherwise agreed to by the City and the Purchaser.

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE CITY FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT WILL BE UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE CITY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE. SEE "DISCLOSURE UNDERTAKING" HEREIN.

**CITY OF PLATTSBURGH
CLINTON COUNTY, NEW YORK**

\$17,441,890 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2024

BOND MATURITY SCHEDULE

Dated: November 14, 2024

**Principal Due: November 1, 2025-2044, inclusive
Interest Due: May 1, 2025, November 1, 2025 and
semiannually thereafter in each
year to maturity**

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2025	\$786,890			
2026	795,000			
2027	815,000			
2028	835,000			
2029	875,000			
2030	900,000			
2031	925,000			
2032	920,000**			
2033	945,000**			
2034	950,000**			
2035	890,000**			
2036	905,000**			
2037	850,000**			
2038	835,000**			
2039	865,000**			
2040	820,000**			
2041	845,000**			
2042	885,000**			
2043	910,000**			
2044	890,000**			

*Amounts are subject to adjustment by the City following the sale, pursuant to the terms of the Notice of Bond Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.

**Subject to redemption prior to maturity.



**CITY OF PLATTSBURGH
CLINTON COUNTY, NEW YORK**

41 City Hall Place
Plattsburgh, New York 12901
Telephone: (518) 563-7704
Fax: (518) 563-1714

Christopher Rosenquest, Mayor

COUNCILORS

Julie Baughn, Ward 1
Jacob Avery, Ward 2
Elizabeth Gibbs, Ward 3

Jennifer Tallon, Ward 4
David Monette, Ward 5
Jeffrey Moore, Ward 6

Richard A. Marks, City Chamberlain

Sylvia Parrotte, City Clerk

Dean Schneller, Esq., Corporation Counsel

* * *

BOND COUNSEL



Orrick, Herrington & Sutcliffe LLP
New York, New York

* * *

MUNICIPAL ADVISOR



12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: <https://www.munistat.com>

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

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OFFICIAL STATEMENT

\$17,441,890

CITY OF PLATTSBURGH CLINTON COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2024

This Official Statement and the appendices hereto present certain information relating to the City of Plattsburgh, in the County of Clinton, in the State of New York (the "City," "County" and "State," respectively) in connection with the sale of \$17,441,890 Public Improvement (Serial) Bonds, 2024 (the "Bonds") of the City.

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

THE BONDS

Description of the Bonds

The Bonds will be dated November 14, 2024, and will mature on November 1, in each of the years 2025 to 2044, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either issued in registered certificated form in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof, except for one bond of a necessary odd denomination maturing in 2025, which is or includes \$6,890. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased. See "Book-entry-only System" under "The Bonds," herein.

Interest on the Bonds will be payable May 1, 2025, November 1, 2025 and semi-annually thereafter in each year to maturity. For Bonds issued as book-entry bonds through DTC, principal and interest will be paid by the City to DTC as the securities depository, 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. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the City referred to therein.

The Record Date of the Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

The City will act as Paying Agent for the Bonds. The City's contact information is as follows: Richard A. Marks, Chamberlain, City of Plattsburgh, Department of Finance, 41 City Hall Place, Plattsburgh, NY 12901, Phone (518) 563-1680 and email: marksr@cityofplattsburgh-ny.gov. However, payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidders expense.

Optional Redemption

The Bonds maturing on or before November 1, 2031 will not be subject to redemption prior to maturity. The Bonds maturing on November 1, 2032 and thereafter, will be subject to redemption, at the option of the City, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after November 1, 2031, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the City. Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. 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. Interest shall cease to be paid thereon after such redemption date.

Book-entry-only System

DTC will act as Securities Depository for the Bonds, if the book-entry-only format is chosen by the successful bidder. The Bonds will be issued as fully-registered securities, 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 and deposited with DTC for each maturity of the Bonds.

DTC is 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 certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of 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 or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect 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 accounts 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.

Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 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 City on the payable date, in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such

Participant and not of DTC (nor its nominee) or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, 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.

Source: The Depository Trust Company, New York, New York.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the City takes no responsibility for the accuracy thereof.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

Continuing Disclosure Undertaking for the Bonds

At the time of delivery of the Bonds, the City will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interest in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board ("MSRB") established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (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 relating to the Bonds under the headings "The City", "Indebtedness of the City", "Financial Matters", "Real Property Tax Information", "Litigation" and all Appendices (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, 2024, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2024 is attached; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the City 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 City of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;

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

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

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and official 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 City.

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

(3) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide the annual financial information by the date specified.

The City’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provisions, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the City, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the City to comply with the Undertaking will not constitute a default with respect to the Bonds.

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

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City 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 and a successor depository is not obtained, the following provisions will apply: The Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one bond of a necessary odd denomination maturing in 2025, which is or includes \$6,890. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the City as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust 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 City Supervisor authorizing the sale of the Bonds and fixing the details thereof and in accordance with the New York State Local Finance Law.

Authorization and Purpose for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and certain bond resolutions duly adopted by the City Council as described below, authorizing the issuance of serial bonds for certain capital projects in and for the City.

Such projects, and the allocated principal amount of Bonds to be issued is as follows:

Date of Authorization	Purpose	Amount Outstanding	Amount to Pay Down	Additional Amount to be Issued	Total Amount to be Issued
12/16/2021	Farmers' Market Improvements	\$ 42,614	\$ 5,000		\$ 37,614
12/16/2021	Street Resurfacing	1,105,950	116,041		989,909
12/16/2021	Fire Station Ramp Replacement	85,000	15,000		70,000
12/16/2021	DPW Boiler System Replacement	119,167	15,000		104,167
12/16/2021	DPW Boiler System Replacement	111,666	15,000		96,666
12/16/2021	Construction of a New Water Supply Well	990,000	25,000		965,000
02/17/2022	2022 Water System Improvements	600,000	141,022		458,978
06/02/2022	2022 Water System Improvements	6,621,000	886,606		5,734,394
02/17/2022	2022 Equipment Purchase	415,334	30,000		385,334
02/17/2022 & 10/20/22 &					
09/21/2023	2022 Public Service Building Improvements	2,004,090	80,000	\$ 541,699	2,465,789
12/15/2022	Parks Maintenance and Upgrades			1,000,000	1,000,000
07/21/2022	Fire Engine Purchase	798,776			798,776
10/06/2022	Ambulance Purchase	250,545			250,545
04/20/2023	Water Tank Valve Connection	200,000	36,112		163,888
03/16/2023	Margaret Street Construction	1,985,394	1,985,394		0
03/16/2023	Margaret Street Construction	2,183,089			2,183,089
09/07/2023	Margaret Street Lighting System	837,741			837,741
09/21/2023	Water Supply Well Construction	900,000			900,000
	Totals:	<u>\$19,250,366</u>	<u>\$3,350,175</u>	<u>\$1,541,699</u>	<u>\$17,441,890</u>

Nature of Obligation

The Bonds when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of notes or bonds of the City 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 City and will contain a pledge of the faith and credit of the City 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 City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations. See "Tax Levy Limitation Laws", herein.

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

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

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

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

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.

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). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitations 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 was set to expire on June 15, 2020 but has been permanently extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are 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. 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”), included 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 were 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 were 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 towns 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 was 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 agreement 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.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applied starting in the year 2016 and was fully phased in in 2019 and includes continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

The Bonds when duly issued and paid for will constitute a contract between the City and the holder thereof. Under current law, provision is made for contract creditors of the City 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 City 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 City may not be enforced by levy and execution against property owned by the City.

Authority to File for Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, 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. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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 City 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 Bonds to receive interest and principal from the City could be adversely affected by the restructuring of the City'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 City (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 City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

State Debt Moratorium Law

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

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

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

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 City is presently not working with the FRB, nor does it reasonably anticipate the need to do so. 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 and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See “Nature of Obligation” and “State Debt Moratorium Law” herein.

No Past Due Debt

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

THE CITY

General Information

The City, with a land area of 6.6 square miles and a population of 19,343 according to the 2020 U.S. Census Bureau estimates, is located in the northeastern corner of New York State about 26 miles south of the Canadian border. Situated on the western shore of Lake Champlain, the City, which was founded in 1902, serves as the County seat of Clinton County and as the commercial, industrial and cultural center for an area which includes about 82,000 people.

The City enjoys a diversified economic base encompassing manufacturing plants (paper products, plastics, etc.), commercial and financial establishments, a branch of the State University, recreation-oriented facilities (hotels, motels, restaurants) and several departmental regional offices of the State and Federal governments. Residential development consists primarily of single-family homes with some apartment complexes. The City purchases power and distributes it over city owned distribution facilities. Its sewerage treatment plant, with a capacity of 16 million gallons per day, commenced operations in 1973. The City also maintains a police force, a fire department, a public library, a mile-long beach on Lake Champlain, and a marina.

The State University College at Plattsburgh, located in the City, has a total enrollment of approximately 4,564 and offers degrees in the liberal arts and such courses as nursing, teacher education and medical technician. Clinton Community College, which moved its operations to the SUNY Plattsburgh campus, enrolls approximately 1,015 students in the liberal arts, business and other fields of study. The College of Saint Rose, which closed on June 30, 2024 has implemented teach-out programs with various institutions including SUNY Plattsburgh which will offer a graduate program. The Miner Center (an environmental studies center operated by the Miner Foundation and the State College at Plattsburgh) and the Miner Agricultural Research Institute - Cornell University agricultural research and demonstration center offer additional opportunities for advanced study. Lake Placid, the site of the 1932 and 1980 Winter Olympics, is a one-hour drive from the City. Montreal, located 62 miles to the north, offers cultural, entertainment and sports events throughout the year.

On September 30, 1995, the Federal Government closed the Plattsburgh Air Force Base, approximately 25% of which is located in the City. The Plattsburgh Airbase Redevelopment Corporation, a local development agency largely funded by the Department of Defense, has been formed to assist in the development and implementation of the base reuse strategy. See "Plattsburgh International Airport" herein.

The Clinton County Airport, located just outside the City on the site of the closed air base, is serviced by commuter and major airlines providing direct flights to Albany, Boston, South Carolina, Florida, etc. Passenger and freight rail transportation is provided by the Canadian Pacific Railway. There is a terminal of the New York State Barge Canal system in the City on Lake Champlain and ferry service across the Lake to Vermont is available. Highways include Interstate Route 87 (the Adirondack Northway) with three interchanges at Plattsburgh and New York State Routes 3, 9 and 22.

Governmental Organization

The Mayor is the chief executive officer in city government. The office of the Mayor is a full-time salaried position; the Mayor is elected at large for a four-year term. The Common Council is the legislative branch of government and consists of six councilors, one from each of the six wards which comprise the City. Councilors are elected for three-year terms by voters within the wards which they represent. The new four year terms for Mayor and all six Councilors began January 1, 2014. Voting for Mayor and all six Councilors have been staggered since January 1, 2014, instead of all seven positions being elected at one time.

The City Chamberlain is the chief fiscal officer of the City. The office of City Chamberlain is a civil service position, qualification for which is by civil service test. The office of City Clerk is also a civil service position, and qualification for this office is also by civil service test.

Public meetings of the Common Council are held the 1st and 3rd Thursday of each month at 5:30 p.m. with a work session prior to each meeting beginning at 4:30 pm. The agenda for public meetings is established no later than noon two days before each scheduled meeting. The Mayor may vote in the Council if a tie results.

Employees

The City provides services through approximately 200 full-time employees and 27 part-time employees. Some of such employees are represented by organized labor as follows:

Employee Organization	Term of Contract	Est. No. of Employees
AFSCME, Council 66, AFL-CIO, Local 788 (City Library)	June 30, 2026	10
AFSCME, Council 66, AFL-CIO-Local 788	June 30, 2024 ^a	78
Plattsburgh Permanent Firemen’s Association(IAFF) Local 2421	December 31, 2026	34
AFSCME, Council 82, AFL-CIO, Local 812 Plattsburgh Police Officers Union	December 31, 2025	47
International Brotherhood of Electrical Workers Local 1249	June 30, 2027	28

a. An MOA has been signed by both parties agreeing to a contract renewal that will expire on June 30, 2029.

There have been no strikes against the City and its labor relations have been amicable.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the City, the County, and the State.

Population Characteristics

Since 1990, the City has had a population trend, as compared to the County and State, as indicated below:

Year	Plattsburgh City	Clinton County	State of New York
1990	21,255	85,969	17,990,455
2000	18,816	79,894	18,976,457
2010	19,989	82,128	19,378,102
2020	19,343	80,320	19,514,849

Source: U.S. Bureau of the Census and current estimates.

Selected Wealth and Income Indicators

	Per Capita Money Income			
	1990	2000	2010	2020 ^a
City of Plattsburgh	\$11,814	17,127	20,842	27,246
County of Clinton	11,444	17,946	22,607	29,960
State of New York	16,501	23,389	30,791	40,898

	Median Household Income			
	1990	2000	2010	2020 ^a
City of Plattsburgh	\$22,691	28,846	37,638	51,588
County of Clinton	26,903	37,028	46,843	59,510
State of New York	32,965	43,393	55,603	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2016-2020)

Building Permits

<u>Year</u>	<u>Total</u>	<u>Estimated Costs</u>
2019	430	\$23,304,939
2020	393	23,725,525
2021	428	17,703,311
2022	455	8,243,083
2023	364	7,964,722

Large Employers

<u>Name ^a</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
CVPH Medical Center	Medical Center	2,440
State University at Plattsburgh	Educational	901
County of Clinton Government	Municipal Services	754
MRP Solutions	Manufacturer	475
Plattsburgh City School District	Educational	375
Meadow Brook Health Care	Health Care Facility	300
Alstom	Manufacturer	245
City of Plattsburgh	Municipal Services	242
Chartwells	Commercial	120
Georgia-Pacific Corporation	Manufacturer	90

Source: City Officials.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Clinton County (%)</u>	<u>New York State (%)</u>
2019	4.4	4.0
2020	8.0	10.0
2021	5.0	7.2
2022	3.2	4.4
2023	3.4	4.2
2024 (YTD Average)	4.1	4.4

Source: Department of Labor, State of New York

Plattsburgh International Airport

In February 2003, the Clinton County Legislature agreed to take title to the portion of the former Plattsburgh Air Force Base containing the aviation assets. On February 28, 2003, the Chairperson of the Clinton County Legislature executed a “Lease in Furtherance of Conveyance” agreement with the U.S. Air Force that allowed the County to assume control over 1,700 acres of land for the operation of an airport. The County also entered into an agreement with Plattsburgh Airbase Redevelopment Corp. (“PARC”) on February 28, 2003 that obligated PARC to manage and operate the airport on behalf of the County for one year.

Over the past several years, the County has been engaged in several capital improvement projects to relocate Clinton County Airport to Plattsburgh International Airport. The projects include construction of a new passenger terminal, major renovations of the ILS (instrument landing system) and precision instrument approach, runway improvements and repairs, and construction of a new fuel farm. The projects are now complete, and the airport operates as a Part 139 certificate Commercial Service Airport, supporting activities of industrial tenants, general aviation, and passenger flights.

Plattsburgh International Airport – Terminal Expansion and Capacity Enhancement Project – This terminal expansion project at Plattsburgh International Airport is intended to accommodate current demand as well as forecasted demand through 2030. The proposed expansion is expected to address the passenger terminal (including ancillary functions such as fueling, aircraft boarding, etc.), vehicle parking, roadway, and utility enhancements needed to accommodate 2030 forecasted demands. The project included design for the following major terminal expansion elements:

- Approximately \$55,000,000 million, 60,000 +/- SF expansion of the existing terminal building including additional boarding gates, ticket counters, passenger screening facilities, concessions, baggage makeup and claim facilities, passenger circulation and waiting rooms and concessions.
- Re-configuration and expansion of vehicular access and circulation roadway system within the airport property.
- Re-configuration and expansion of existing terminal parking lot to accommodate future demand and replace parking capacity that will be lost due to the terminal building expansion.
- Conversion of the existing aircraft apron between nose docks 7 and 8 to vehicle parking lots to provide vehicle parking to accommodate 2030 forecasted demand and replace parking capacity that will be lost due to terminal building expansion.
- Upgrades to and relocation of utilities, as needed.
- Storm water management measures needed to meet regulatory requirements for added impervious surface.
- Security enhancements as needed to comply with Transportation Security Administration requirements for perimeter and access control, monitoring, etc.

The project has now been completed and provides a long term solution to the capacity shortcomings in the terminal area.

INDEBTEDNESS OF THE CITY

Constitutional Requirements

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

Purpose and Pledge. The City 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 City may contract indebtedness only for a City 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, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and no installment may be more than fifty per centum in excess of the smallest prior installment, unless the City has authorized the issuance of indebtedness having substantially level or declining annual debt service. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The City is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the City so as to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the City's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. See "Tax Levy Limitation Law," herein.

Statutory Procedure

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

Pursuant to the Local Finance Law, the City authorizes the incurrence of indebtedness by the adoption of a bond ordinance approved by at least two-thirds of the members of the Common Council, the finance board of the City. Certain such resolutions may be subject to permissive referendum, or may be submitted to the City voters at the discretion of the Common Council.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions, the City complies with this estoppel procedure. The City is in compliance with such requirements with respect to the other bond ordinances authorizing the issuance of the Notes.

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 and notes subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

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

In addition, under each bond resolution, the Common Council may delegate, and has delegated, power to issue and sell bonds, to the City Chamberlain, the chief fiscal officer of the City.

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

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the City 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 and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the City by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the City to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limitation Law. See "Nature of Obligation" and "Tax Levy Limitation Law," herein.

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of November 18, 2024)

<u>Fiscal Year Ending Dec 31:</u>	<u>Assessed Valuation</u>	<u>State Equalization Rate (%)</u>	<u>Full Valuation</u>
2020	\$ 989,869,458	100.00	\$ 989,869,458
2021	999,444,777	100.00	999,444,777
2022	1,023,680,698	100.00	1,023,680,698
2023	1,093,511,964	100.00	1,093,511,964
2024	1,215,203,861	100.00	1,215,203,861
Total Five Year Full Valuation			\$5,321,710,758
Average Five Year Full Valuation			1,064,342,152
Debt Limit - 7% of Average Full Valuation			74,503,951
Inclusions:			
Various Purpose Bonds			\$8,368,876
Electric System Bonds			2,357,727
Water Purpose Bonds			2,203,397
EFC Short-Term Debt			11,783,860
Bond Anticipation Notes (BANs)			19,250,366
Total Indebtedness			<u>43,964,226</u>
Exclusions:			
Appropriations for Bonds			875,000
Appropriations for Notes			3,350,175
Electric Purpose Bonds			2,357,727
Water Purpose Bonds and BANs			12,705,412
Total Exclusions			<u>19,288,314</u>
Total Net Indebtedness Before the Issuance of the Bonds			24,675,912
The Bonds			17,441,890
Less: BANs to be Redeemed by the Issuance of the Bonds			15,900,191
Total Net Indebtedness After the Issuance of the Bonds			<u>26,217,611</u>
Net Debt Contracting Margin			<u><u>48,286,340</u></u>
Per Cent of Debt Contracting Margin Exhausted			35.19%

a. See also "Water System Improvements" Herein

Details of Short-Term Indebtedness Outstanding
(As of October 23, 2024)

As of the date of this Statement, the City has a total bond anticipation notes outstanding in the amount of \$19,250,366 for various projects maturing November 15, 2024. The issuance of the Bonds, along with available funds in the amount of \$3,350,175 will redeem such notes.

Additionally, the City has short-term debt outstanding through the New York State Environmental Facilities Corporation ("EFC"), with amounts of \$9,308,977 maturing on November 7, 2026, and \$2,474,883 also maturing on November 7, 2026.

Source: City Officials.

Details of New York State Environmental Facilities Corporation ("EFC") Indebtedness

The City adopted a bond ordinance for \$12,489,000 to finance sewer projects through the Environmental Facilities Corporation (EFC). To date, \$9,488,977 has been borrowed via EFC short-term financing. The project is currently in the construction phase, with the loan expected to be converted to long-term financing through the EFC in November 2026. Additionally, \$2,474,883 has been borrowed for drinking water projects, which are also in the construction phase, out of a total authorized amount of \$2,801,800.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31:	Principal	Interest	Total
2024	\$3,145,000	\$450,097	\$3,595,097
2025	2,715,000	346,693	3,061,693
2026	2,640,000	252,762	2,892,762
2027	2,475,000	172,137	2,647,137
2028	1,620,000	104,420	1,724,420
2029	1,625,000	57,291	1,682,291
2030	980,000	22,550	1,002,550
Totals:	<u>\$15,200,000</u>	<u>\$1,405,951</u>	<u>\$16,605,951</u>

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable(%)	Applicable Total Indebtedness	Applicable Net Indebtedness
Clinton County	05/20/2024	19.95	\$ 8,499,316	\$ 7,836,360
Plattsburgh CSD	12/07/2023	100.00	7,660,000	7,660,000
Totals:			<u>\$16,159,316</u>	<u>\$15,496,360</u>

Sources: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller or more recently published Official Statements.

Capital Program and Authorized But Unissued Debt

The City is generally responsible for providing services as required to the citizens on a City-wide basis. The City maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the City owns, operates, maintains and improves recreation facilities. As has been noted, the City generally has provided the financing for water and sewer purposes and maintains primary responsibility for these functions. In general, needs for capital funding for the above described projects which the City has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past. It is expected that the City will receive grant funds for a significant portion of the authorized but unissued amount and therefore the amount to be financed will be significantly reduced. A summary of the City's capital plan is contained in Appendix A.

Adopted Capital Budget

The Adopted Capital Budget of the City, which sets forth the Capital Improvement Plan (“CIP”) for the years 2024 to 2028, is set forth in Appendix A.

Trend of Outstanding Debt

	Fiscal Year Ending December 31:				
	2019	2020	2021	2022	2023
Debt Outstanding End of Year:					
Bonds	\$20,700,000	\$24,423,519	\$21,355,000	\$18,305,000	\$15,200,000
BANs	0	0	0	11,857,231	19,250,366
EFC Notes	0	0	0	4,691,990	9,561,977
Total Debt Outstanding	<u>\$20,700,000</u>	<u>\$24,423,519</u>	<u>\$21,355,000</u>	<u>\$34,854,221</u>	<u>\$44,012,343</u>

Debt Ratios (As of October 23, 2024)

	Amount	Per Capita ^a	Percentage of Full Value (%) ^b
Total Direct Debt	\$41,742,343	\$2,158	3.435
Net Direct Debt	22,454,029	1,161	1.848
Total Direct & Applicable Total Overlapping Debt	57,901,659	2,993	4.765
Net Direct & Applicable Net Overlapping Debt	37,950,389	1,962	3.123

a. The current estimated population of the City is 19,343.

b. The full valuation of taxable real property in the City for 2023-2024 is \$1,215,203,861.

FINANCIAL MATTERS

Financial Statements and Accounting Procedures

The City maintains its financial records in accordance with the Uniform System of Accounts for Cities prescribed by the State Comptroller. The financial records of the City are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2023 and is attached as Appendix B. A summary of operating results are presented in Appendix A. In addition, the financial affairs of the City are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the City has complied with the requirements of various State and Federal statutes. See “The State Comptroller’s Fiscal Stress Monitoring System” section herein.

As required by law, the City also prepares an Annual Financial Report Update Document (“AUD”), which is unaudited and not prepared in accordance with generally accepted accounting principles, for submission to the office of the State Comptroller.

The City is in compliance with the Governmental Accounting Standards Board (“GASB”) Statement 34, “Basic Financial Statements and Management’s Discussions and Analysis for State and Local Governments”. City finances are operated through its General Fund, Special Revenue Funds and the Municipal Lighting Department Fund. All property taxes and most non-tax revenues are paid into the General Fund and applicable revenues are paid into the Special Revenue and Lighting Department Funds. All current operating expenditures are made from the funds pursuant to appropriations of the Common Council. The City’s fiscal year begins January 1 and ends December 31.

Fund Structure and Accounts

The City utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature and; (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The City maintains the following governmental funds: General Fund, Water Fund, Sewer Fund, Special Grant Fund, Municipal Parking Fund, Recreation Complex Fund, Public Library Fund, Debt Service Fund, Insurance Reserve Fund and Capital Projects Fund. The General Fund is the operating fund of the City and accounts for general tax revenues, miscellaneous receipts not allocated by law or contractual agreement to other funds, general operating expenses, and fixed charges. The Water Fund is used to account for water operations which are not required to be accounted for on an enterprise basis. The Sewer Fund is used to account for sewer operations which are not required to be accounted for on an enterprise basis. The Special Grant Fund is used to account for Community Development Block Grants, Urban Development Action Grants and other community development programs. The Capital Projects Fund is used to account for moneys used for the acquisition of capital facilities and improvements. The Municipal Lighting Fund is proprietary in nature. Fiduciary funds consist of the Trust and Agency Fund.

Basis of Accounting

The City maintains its records and reports on the modified accrual basis of accounting for recording transactions in its Governmental Funds. Under this method, (1) revenues are recorded when received in cash, except for revenues which are material and susceptible to accrual, that is when they become "measurable" and "available in which case the revenues are recorded when earned, and (2) expenditures, other than retirement plan contributions, vacation and sick pay and accrued interest on bond anticipation notes and general long-term debt, are recorded at the time liabilities are incurred.

Investment Policy

Pursuant to the statutes of the State of New York, the City is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, 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; (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 are 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 in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the City; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are considered lawful investments for the City pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the City pursuant to law, in obligations of the City. Any investments made by the City pursuant to law are required to be payable or redeemable at the option of the City within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the City's investments, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. Historically, the City has not chosen to invest in repurchase agreements.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

Revenues

The City receives most of its revenues from real property taxes and assessments. A summary of such revenues for the five recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

The City receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year of future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the audited results, the City received approximately 12.54% of its total General Fund operating revenue from State aid in 2023. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

Although the City cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years or whether there will be additional Federal Stimulus Act monies made available to pay State aid in future years, the City may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the City's General Fund revenue comprised of State and Federal Aid for each of the fiscal years 2019 through 2023 and as budgeted for 2024.

<u>Fiscal Year Ending December 31:</u>	<u>Total Revenue</u>	<u>State Aid</u>	<u>Real Property Taxes to Revenues (%)</u>
2019	\$24,444,881	\$3,165,378	12.95
2020	23,584,956	2,592,639	10.99
2021	25,315,895	3,783,076	14.94
2022	25,442,756	3,342,045	13.14
2023	27,109,832	3,400,517	12.54
2024 (Budgeted)	26,739,922	3,319,982	12.42

Source: Audited Financial Statements (2019-2023) and Adopted Budget of the City (2024). Table itself is not audited.

Expenditures

The major categories of expenditure for the City are General Government Support, Public Safety, Transportation, Culture and Recreation, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A - Financial Statements.

Budget Procedure

The Budget Procedure is established by provisions of the City Charter. On or before October 1 of each year, the Mayor submits to the Common Council a tentative operating budget for the fiscal year commencing the following January 1. The operating budget includes expenditures and the sources of financing. Public Hearings are conducted to obtain taxpayers' comments on or before October 22. The Common Council adopts the budget and necessary implementing ordinances not later than 14 days after the start of the fiscal year.

Summary of Recent Operating Results and Fund Balance Trends

2019 Results of Operations

For the fiscal year ended December 31, 2019, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$24,444,881 and the total expenditures, including transfers were \$22,542,156, resulting in an operating surplus of \$1,902,725. The total overall fund balance in the General Fund increased from \$1,629,473 to \$3,532,198.

2020 Results of Operations

For the fiscal year ending December 31, 2020, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund will be approximately \$23.41 million and the total expenditures, including transfers will be approximately \$21.26 million, resulting in an operating surplus of approximately \$2,146,962. The total overall fund balance in the General Fund is expected to increase from \$3.53 million to \$5.71 million.

2021 Results of Operations

For the fiscal year ending December 31, 2021, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund will be approximately \$25.31 million and the total expenditures, including transfers will be approximately \$23.77 million, resulting in an operating surplus of approximately \$1,538,473. The total overall fund balance in the General Fund increased from \$5.71 million to \$7.25 million.

2022 Results of Operations

For the fiscal year ending December 31, 2022, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund will be approximately \$25.44 million and the total expenditures, including transfers will be approximately \$25.23 million, resulting in an operating surplus of approximately \$204,964. The total overall fund balance in the General Fund increased from \$7.25 million to \$7.45 million.

2023 Results of Operations

For the fiscal year ending December 31, 2023, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund will be approximately \$27.11 million and the total expenditures, including transfers will be approximately \$26.74 million, resulting in an operating surplus of approximately \$367,024. The total overall fund balance in the General Fund is expected to increase from \$7.45 million to \$7.82 million.

Plattsburgh Municipal Lighting Department

The City of Plattsburgh Municipal Lighting Department ("PMLD") owns and operates an electric transmission and distribution system serving the area within the corporate limits of the City of Plattsburgh. The PMLD purchases all of its energy requirements from the New York Power Authority and the New York Municipal Power Agency. Revenues are derived from the sale of electric power to all types of users within the City; major categories of expense include the purchase of electricity, transmission and administration and general expenses. A summary of such revenues and expenses for the five most recently completed fiscal years may be found in Appendix A.

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 ("OSC") has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

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

The most current applicable report of the State Comptroller designates the City as “No Designation” with a fiscal score of 3.30% and an environmental score of 0.0%. Additional details regarding FSMS can be found on the website of the State Comptroller. Reference to this website implies no warranty of accuracy of information herein nor inclusion herein by reference. The following table shows the City’s fiscal scores for the years 2019 through 2023:

Fiscal Year Ending December 31:	Fiscal Stress Score	Environmental Score
2019	26.30%	23.30%
2020	3.30%	23.30%
2021	6.70%	13.30%
2022	6.70%	20.00%
2023	3.30%	0.00%

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released May 27, 2015. The purpose of such audit was to examine the City’s internal controls procedures from the period January 1, 2013 – December 31, 2013. The complete report and the City’s response may be found on the OSC’s official website. There are no other recently completed audits or any audits in progress. Reference to this website implies no warranty of accuracy of information therein, nor inclusion herein by reference.

Employee Pension System

Substantially all employees of the City are members of the New York State and Local Employees’ Retirement System (“ERS”) or the State and Local Police and Fire Retirement System (“PFRS” and together with ERS, the “Retirement System”). The Retirement System is a cost-sharing multiple public employee retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service, except for “Tier 6” employees, as discussed below, whose benefits vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in the 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 System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the City. Under the previous method, the City was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the City is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

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

Due to significant capital market declines in the past, the State’s Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State’s Retirement System continues to be higher than the minimum contribution rate established in the past. The State calculates contribution amounts based upon a five-year rolling average. As a result, contribution rates are expected to remain higher than the minimum contribution rates set by past legislation. To mitigate the expected increases in the employer contribution rate, various forms of legislation has been enacted that would permit local governments to borrow a portion of their required payments from the State pension plan.

Members of the PFRS are divided into four tiers. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. PFRS members that were hired between July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. PFRS members hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution. PFRS members hired after April 1, 2012 are in Tier 6, which also originally has a 3% contribution requirement for members for fiscal year 2012-2013; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

The City has not elected to amortize contributions and does not expect to do so in the foreseeable future.

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$1,112,298	\$1,519,740	\$2,632,038
2020	1,126,889	1,331,867	2,458,756
2021	1,102,243	1,566,308	2,668,551
2022	933,656	1,401,363	2,335,019
2023	1,325,481	1,679,964	3,005,445
2024 (Budgeted)	1,255,118	1,957,480	3,212,598

Other Post-Employment Benefits

The City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, 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. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the City adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. 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 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 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the City implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The City's total OPEB liability at December 31, 2023 is as follows:

Total OPEB Liability at Dec 31, 2022	<u>\$123,850,308</u>
Charges for the Year:	
Service Cost	820,293
Interest	5,253,238
Changes of Benefit Terms	
Difference between Expected and Actual Experience	(3,608,033)
Changes in Assumptions or Other Inputs	(3,980,074)
Benefit Payments	<u>(5,278,810)</u>
Net Changes in total OPEB liability	<u>(6,793,386)</u>
Total OPEB Liability at Dec 31, 2023	<u><u>\$117,056,922</u></u>

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

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. The City continues funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAXES

Constitutional Tax Margin 2024

Five-Year Average Full Valuation	\$1,064,342,152
Tax Limit - 2% Thereof	21,286,843
Tax Levy for City Purposes	12,156,402
Exclusions	4,218,103
Tax Levy Subject to Tax Limit	<u>7,928,299</u>
Constitutional Tax Margin	<u><u>13,348,544</u></u>
Percentage of Unused Taxing Power	37.29%

The following table sets forth the percentage of the City’s General Fund revenue (including other financing sources) comprised of real property taxes for each of the fiscal years 2019 through 2023 and budgeted for 2024.

Fiscal Year Ending December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2019	\$24,444,881	\$11,679,004	47.78
2020	23,584,956	11,601,221	49.19
2021	25,315,895	11,383,733	44.97
2022	25,442,756	11,662,981	45.84
2023	27,109,832	11,880,577	43.82
2024 (Budgeted)	26,739,922	12,121,349	45.33

Source: Audited Financial Statements (2019-2023) and Adopted Budget of the City (2024). Table itself is not audited.

Tax Collection Procedure

Combined City-County property taxes, together with total of all other tax roll charges are payable in four equal installments, or in any multiples of installments; there is no discount. Installment due dates are the 15th of each month, March through June. Penalties on installments remaining unpaid after 30 days following each respective due date are imposed at the rate of one per cent (1%) per month or part thereof for each installment.

The Summary of the Tax Levy, Collection Procedure and the Tax Rates for the last five years is included in Appendix A.

Payments in Lieu of Taxes

Pursuant to the terms of an agreement between the City, the Town of Plattsburgh, the County of Clinton and the Beekmantown Central School District, the City received payment in lieu of taxes from Saranac Power Partners, LLP during 2016 for \$93,333. The City received \$93,333 during 2017 for payment in lieu of taxes from the agreement but was informed by the Town of Plattsburgh that the revenue would be reduced by roughly 92% for periods 2018 and forward due to a renegotiation of the Saranac Powers Partners revenue sharing agreement. The City received a payment from the Town of Plattsburgh in the amount of \$7,644 in 2018, \$7,280 in 2019 \$6,734 in 2020, \$6,946.33 in 2021, \$6,370 in 2022 and \$7,280 in 2023. Saranac Power Partners constructed a \$500 million co-generating plant in the City of Plattsburgh; the plant generates through a combination of steam and natural gas, a total of 400 megawatts on the power grid of the New York State Electric & Gas Corporation. The plant was completed and on line in June 1994.

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Selected Listing of Large Taxable Properties
2024 Assessment Roll ^a

Name	Type	Assessed Valuation
Meadowbrook Realty Group LLC	Nursing Home	\$16,400,000
Georgia Pacific Corp.	Industrial	11,277,600
Terry M. Meron	Apartments	9,769,100
Bombardier Mass Transit Corp	Industrial	10,500,000
Mousseau Properties LLC	Commercial	11,576,600
Lake Forest Senior Living	Nursing Home	10,092,200
AGNL CAPS LLC	Industrial	12,145,000
EZ Properies	Commercial	14,014,000
Plattsburgh Plaza LLC	Industrial	7,279,922
Skyway Properties LLC	Shopping Center	6,210,000
NYSEG	Utility	7,641,351
Rise Opporunities II LLC	Commercial	11,000,000
15 Champlain LLC	Apartments	6,302,300
Green Beekman Towers	Commercial	5,794,200
LIH Beekman Towers Ass. LLC	Residential	9,402,400
Pierre Saba	Apartments	4,840,600
CVPH Medical Center	Medical	4,729,900
Lewis Heighrs LLC	Commercial	4,726,200
Tall Pne Estates LLC	Commercial	5,252,300
NY Telephone	Utility	4,334,971
Pine Harbor Inc.	Nursing Home	5,000,000
	Total ^b	\$178,288,644

- a. Assessment Roll established in 2023 for levy and collection of taxes during 2024 Fiscal Year.
- b. There are several real property tax cases pending against the City. Historically many cases are abandoned or settled by modest reductions in assessed value in future years. It is unlikely that any pending case will result in a refund of overpaid taxes. In the opinion of the City, any liability that may arise would be immaterial in relation to the financial statements taken as a whole. See “Litigation” and “Tax Certiorari Claims” sections herein.
- c. Represents approximately 14.67% of the total full taxable assessed valuation of the City for 2024 of \$1,215,203,861.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings pending involving properties that are subject to the levy of City taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. A refund of excess taxes is also generally requested. Historically, certiorari claims have been settled through negotiations, resulting in amounts, at times, substantially less than originally claimed. Many settlements provide for future adjustments with no direct outlay of money. Presently, there are no significant claims that are reasonably expected would have an adverse effect on the financial condition of the City.

Sales Tax

Most counties in the State share some portion of the proceeds from their sales tax with cities, towns, villages, or school districts. These sales tax distributions are done in accordance with sharing agreements based on population, real property valuation and/or other factors, some of which are required by statute under certain circumstances and others or which are left to the discretion of the county. All of the sharing agreements must be approved by the county legislature, and any agreement between cities and counties that does not allocate revenues solely in proportion to population must also be approved by the State Comptroller.

The County presently imposes a sales tax and use tax of 4%, in addition to the 4% tax imposed by the State for a countywide sales tax rate of 8%. Such sales and use tax collections are administered by the State Tax Commission and paid at least monthly to the County. The County, pursuant to a Sales Tax Sharing Agreement shares the proceeds of the County’s 4% sales and use tax with the City, fourteen towns and four villages within the County. Under the terms of the Agreement, on the first 3%, the County retains 55% of the sales tax revenues up to \$27.1 million, 65% of the sales tax revenues over \$27.1 million with the balance disbursed quarterly to the municipalities on a formula basis. The additional 1% is retained by the County.

The following table sets forth the percentage of the County’s General Fund revenue (excluding other financing sources) comprised of sales tax for each of the fiscal years 2019 through 2023 and as budgeted for 2024.

Fiscal Year Ending December 31:	Total Revenue	Sales Taxes	Sales Taxes to Revenues (%)
2019	\$24,444,881	\$4,425,749	18.11
2020	23,584,956	4,300,185	18.23
2021	25,315,895	5,127,185	20.25
2022	25,442,756	5,616,063	22.07
2023	27,109,832	5,809,371	21.43
2024 (Budgeted)	26,739,922	4,925,758	18.42

Source: Audited Financial Statements (2019-2023) and Adopted Budget of the City (2024). Table itself is not audited.

CYBERSECURITY

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

LITIGATION

The City has been named, in the normal course of operations, as a defendant in numerous claims according to its insurance carrier. In the opinion of the City, after considering all relevant facts, except as stated below, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

The City is subject to the following types of risk: general liability and property damage; theft, dishonesty and forgery; special hauling; disability; ambulance errors and omissions; accidental death; and legal enforcement liability. For these kinds of risks, the City has purchased commercial insurance which is significant in amount to risk exposure. All claims are routinely turned over to the insurance carriers.

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 City, threatened against or affecting the City to restrain or enjoin 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 City taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the City.

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 City as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the City’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 City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds could be adversely affected.

The City 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 City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City. In some years, the City 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. (See also "State Aid").

There are a number of general factors which could have a detrimental effect on the ability of the City 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 City. Unforeseen developments could also result in substantial increases in City expenditures, thus placing strain on the City'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 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 Bond and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Bonds (See "Tax Exemption" herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the City and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the City and hence upon the market price of the Bonds. See "Tax Levy Limitation Law" herein.

TAX MATTERS

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

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Bonds will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds if the taxpayer elects original issue discount treatment.

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 City has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or 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) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

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

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from personal 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.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect 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, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

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

BOND RATING

The City has applied to Moody’s Investors Service (“Moody’s”), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 for rating on the Bonds and such application is pending at this time. This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant. Any such action could have an adverse effect on the market for and market price of the Bonds.

MUNICIPAL ADVISOR

Munistat Services, 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 City 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 and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City 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.

OTHER MATTERS

The City is in the process of complying with the procedure for the validation of \$1,000,000 of the Bonds provided in Title 6 of Article 2 of the Local Finance law relating to the Parks Maintenance and Upgrades project. Such procedure will be complied with prior to the closing date.

There is no bond or note principal or interest past due.

The fiscal year of the City is January 1 to December 31.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the City, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of City Chamberlain Richard A. Marks, Chamberlain, City of Plattsburgh, Department of Finance, 41 City Hall Place, Plattsburgh, NY 12901, Phone (518) 563-1680 and email: marksr@cityofplattsburgh-ny.gov or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number (631) 331-8888 and website: www.munistat.com.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the City’s management’s beliefs as well as assumptions made by, and information currently available to, the City’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 City’s files with the repositories. When used in City’s documents or oral presentation, the words “anticipate”, “believe”, “intend”, “plan”, “foresee”, “likely”, “estimate”, “expect”, “objective”, “projection”, “forecast”, “goal”, “will”, or “should”, or similar words or phrases 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.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.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. Munistat Services, Inc. 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 City nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the City 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. Munistat Services, Inc. and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Bonds, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the City Chamberlain pursuant to the power delegated to him by the authorizing note resolutions to sell and deliver the Bonds.

This Official Statement has been duly executed and delivered by the City Chamberlain of the City of Plattsburgh.

CITY OF PLATTSBURGH, CLINTON COUNTY, NEW YORK

By: s/s RICHARD A. MARKS
City Chamberlain

November , 2024

APPENDIX A

Financial Statements

Balance Sheet

Budget Summary

Tax Levy and Collection Record

Tax Rates Per \$1,000 Assessed Valuation

Capital Improvement Plan

Balance Sheets

	Fiscal Year Ending December 31, 2023	
	General Fund	Special Revenue
Assets:		
Cash	\$ 3,044,168	\$ 2,721,957
Taxes Receivable: Net	925,531	
Other Receivables	221,204	1,513,937
State & Federal Receivables	2,817,883	24,314
Economic Development Loan		283,355
Due from Other Funds	781,235	
Due from Other Governments	1,815,903	
Restricted Assets	357,471	15,022,955
Prepaid Expenses	568,541	158,593
Total Assets	\$ 10,531,936	\$ 19,725,111
Liabilities:		
Accounts Payable	\$ 654,032	\$ 316,515
Accrued Liabilities	330,197	261,370
Due to Other Funds	14,886	359,333
Due to Other Governments	251,606	
Due to School Districts		
Other Deposits		
Other Liabilities	48,429	
Total Liabilities	1,299,150	937,218
Deferred Inflows of Resources:		
Unearned Federal Aid	1,409,440	
Fund Balances:		
Nonspendable	568,541	408,614
Restricted	357,471	15,056,982
Assigned	474,215	3,423,227
Unassigned	6,423,119	(100,930)
Total Fund Balances	7,823,346	18,787,893
Total Liabilities & Fund Balances	\$ 10,531,936	\$ 19,725,111

Sources: Audited Annual Financial Report (2023)

Note: This Schedule is Not Audited.

Balance Sheets

	Fiscal Year Ending December 31, 2022	
	General Fund	Special Revenue
Assets:		
Cash	\$ 2,872,572	\$ 1,898,338
Taxes Receivable: Net	545,198	
Other Receivables	282,549	1,630,889
State & Federal Receivables	1,841,447	24,085
Economic Development Loan		
Due from Other Funds	467,560	
Due from Other Governments	1,808,810	
Restricted Assets	373,594	10,408,573
Prepaid Expenses	478,356	154,711
	<u>\$ 8,670,086</u>	<u>\$ 14,116,596</u>
Total Assets		
Liabilities:		
Accounts Payable	\$ 535,244	\$ 236,197
Accrued Liabilities	297,709	164,489
Due to Other Funds	22,195	
Due to Other Governments	261,469	
Other Deposits		
Other Liabilities	97,147	374,078
	<u>1,213,764</u>	<u>774,764</u>
Total Liabilities		
Deferred Inflows of Resources:		
Deferred Inflows of Resources	_____	_____
Fund Balances:		
Nonspendable	533,939	349,944
Restricted	404,474	10,545,029
Assigned	810,797	2,517,739
Unassigned	5,707,112	(70,880)
	<u>7,456,322</u>	<u>13,341,832</u>
Total Fund Balances		
Total Liabilities & Fund Balances	<u>\$ 8,670,086</u>	<u>\$ 14,116,596</u>

Sources: Audited Annual Financial Report (2022)

Note: This Schedule is Not Audited.

**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund**

Fiscal Year Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 11,679,004	\$ 11,601,221	\$ 11,383,733	\$ 11,662,981	\$ 11,880,577
Real Property Tax Items	205,942	247,333	193,910	221,365	152,331
Non-property Taxes	4,690,090	4,596,316	5,127,185	5,616,063	5,809,371
Departmental Income	1,998,312	1,910,806	1,898,270	1,873,836	2,054,084
Use of Money and Property	37,523	8,251	19,212	103,445	376,683
Licenses and Permits	176,341	67,343	432,014	178,719	170,274
Fines and Forfeitures	285,103	99,003	234,548	186,455	117,678
Sale of Property and Comp. for Loss	71,634	213,523	80,280	86,132	48,988
Miscellaneous	67,970	64,468	121,695	29,242	42,879
Interfund	867,867	767,598	655,988	863,442	980,666
State Aid	3,165,378	2,592,639	3,783,076	3,342,045	3,400,517
Federal Aid	13,611	31,910			528,942
Total Revenues	<u>23,258,775</u>	<u>22,200,411</u>	<u>23,929,911</u>	<u>24,163,725</u>	<u>25,562,990</u>
Expenditures:					
General Government Support	1,875,403	1,872,450	2,004,006	2,072,616	2,219,873
Public Safety	7,471,444	7,529,594	8,096,367	8,605,041	9,425,082
Transportation	1,139,253	1,117,680	1,249,424	1,329,174	1,536,201
Economic Assistance and Opportunity	606,323	462,895	424,907	632,317	563,531
Culture and Recreation	191,498	42,842	154,522	223,031	37,101
Home and Community Services	494,965	500,203	502,006	481,594	726,865
Employee Benefits	7,438,788	6,989,241	7,598,141	8,267,200	8,125,359
Total Expenditures	<u>19,217,674</u>	<u>18,514,905</u>	<u>20,029,373</u>	<u>21,610,973</u>	<u>22,634,012</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>4,041,101</u>	<u>3,685,506</u>	<u>3,900,538</u>	<u>2,552,752</u>	<u>2,928,978</u>
Other Financing Sources:					
Operating Transfers In	1,186,106	1,210,727	1,385,984	1,279,031	1,546,842
Operating Transfers (Out)	<u>(3,324,482)</u>	<u>(2,749,271)</u>	<u>(3,748,049)</u>	<u>(3,626,819)</u>	<u>(4,108,796)</u>
Total Other Financing Sources (Uses)	<u>(2,138,376)</u>	<u>(1,538,544)</u>	<u>(2,362,065)</u>	<u>(2,347,788)</u>	<u>(2,561,954)</u>
Net Change in Fund Balances	<u>1,902,725</u>	<u>2,146,962</u>	<u>1,538,473</u>	<u>204,964</u>	<u>367,024</u>
Fund Balance Beginning of Year	<u>1,629,473</u>	<u>3,532,198</u>	<u>5,712,885</u>	<u>7,251,358</u>	<u>7,456,322</u>
Prior Period Adjustment		<u>33,725</u> ^a			
Fund Balance, Restated	<u>1,629,473</u>	<u>3,565,923</u>	<u>5,712,885</u>	<u>7,251,358</u>	<u>7,456,322</u>
Fund Balance End of Year	<u>\$ 3,532,198</u>	<u>\$ 5,712,885</u>	<u>\$ 7,251,358</u>	<u>\$ 7,456,322</u>	<u>\$ 7,823,346</u>

Sources: Audited Financial Statements (2019-2023).

Note: This Schedule is not Audited.

a. Prior Period Adjustments: The City implemented GASB 84 during the year ended December 31, 2020. As such, certain amounts historically reported in the Trust + Agency Fund were moved to the Governmental Funds.

Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds *

Fiscal Year Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Real Property Taxes	\$ 85,010	\$ 85,010	\$ 85,010	\$ 85,010	\$ 85,010
Departmental Income	8,844,895	8,364,927	8,469,152	9,310,420	10,950,886
Intergovernmental Charges	1,274,139	1,141,800	1,185,061	1,419,224	1,582,572
Use of Money and Property	171,509	124,005	59,154	160,597	685,575
Licenses and Permits	1,850				
Sale of Property and Comp. for Loss	17,219	119,766	308,075	22,986	41,350
Miscellaneous	17,032	24,222	141,165	66,859	120,787
Interfund Revenues	114,348	127,796	135,675	95,167	95,697
State Aid	161,862	345,035	126,226	104,675	444,632
Federal Aid	5,670	11,406	10,439	141,892	16,954
Total Revenues	<u>10,693,534</u>	<u>10,343,967</u>	<u>10,519,957</u>	<u>11,406,830</u>	<u>14,023,463</u>
Expenditures:					
General Government Support	558,296	510,610	470,888	435,899	461,316
Transportation	70,104	86,690	115,220	161,575	186,150
Culture and Recreation	1,473,619	786,080	1,185,720	1,477,500	1,066,975
Home and Community Services	5,175,805	4,989,344	5,135,567	5,516,893	6,225,979
Employee Benefits	2,259,826	2,366,460	2,352,394	2,409,274	2,251,418
Debt Service					
Total Expenditures	<u>9,537,650</u>	<u>8,739,184</u>	<u>9,259,789</u>	<u>10,001,141</u>	<u>10,191,838</u>
Excess (Deficit) of Revenues					
Over (Under) Expenditures	<u>1,155,884</u>	<u>1,604,783</u>	<u>1,260,168</u>	<u>1,405,689</u>	<u>3,831,625</u>
Other Financing Sources:					
Operating Transfers In	1,374,615	1,052,677	1,685,654	1,516,096	7,360,420
Operating Transfers (Out)	<u>(3,320,724)</u>	<u>(1,303,071)</u>	<u>(2,891,560)</u>	<u>(5,347,054)</u>	<u>(5,745,984)</u>
Total Other Financing Sources (Uses)	<u>(1,946,109)</u>	<u>(250,394)</u>	<u>(1,205,906)</u>	<u>(3,830,958)</u>	<u>1,614,436</u>
Net Change in Fund Balances	<u>(790,225)</u>	<u>1,354,389</u>	<u>54,262</u>	<u>(2,425,269)</u>	<u>5,446,061</u>
Fund Balance Beginning of Year	<u>12,791,243</u>	<u>12,001,018</u>	<u>15,712,839</u>	<u>15,767,101</u>	<u>13,341,832</u>
Prior Period Adjustment		<u>2,357,432</u> ^a			
Fund Balance, Restated	<u>12,791,243</u>	<u>14,358,450</u>	<u>15,712,839</u>	<u>15,767,101</u>	<u>13,341,832</u>
Fund Balance End of Year	<u>\$ 12,001,018</u>	<u>\$ 15,712,839</u>	<u>\$ 15,767,101</u>	<u>\$ 13,341,832</u>	<u>\$ 18,787,893</u>

* Includes the following funds: Special Grants, Municipal Parking Lot, Recreation Complex, Water, Sewer, and Public Library

Sources: Audited Financial Statements (2019-2023).

Note: This Schedule is not Audited.

a. Prior Period Adjustments: The City implemented GASB 84 during the year ended December 31, 2020. As such, certain amounts historically reported in the Trust & Agency Fund were moved to the Governmental Funds.

Statement of Revenues, Expenditures and Changes in Fund Balances/Net Assets*
Municipal Lighting Department Enterprise/Proprietary Fund

Fiscal Year Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues:					
Municipal Charges	\$ 20,505,825	\$ 18,330,464	\$ 19,850,316	\$ 22,107,540	\$ 21,079,758
Interfund Charges	226,149	230,113	232,698	236,489	236,489
Miscellaneous Income	74,125	69,298	73,331	103,793	97,051
Total Revenues	<u>20,806,099</u>	<u>18,629,875</u>	<u>20,156,345</u>	<u>22,447,822</u>	<u>21,413,298</u>
Expenses:					
Total Other General Gov. Support	1,857,551	1,826,202	1,903,829	1,887,875	2,142,786
Electric and Power	13,640,908	12,184,231	13,968,702	15,734,944	15,233,049
Other Expenses	414,871	1,560,447	3,014,294	1,075,546	372,429
Interest Expense			101,633	93,933	89,576
Depreciation	2,239,469	2,140,977	2,158,806	2,182,155	2,203,727
Total Expenses	<u>18,152,799</u>	<u>17,711,857</u>	<u>21,147,264</u>	<u>20,974,453</u>	<u>20,041,567</u>
Income (Loss) From Operations	<u>2,653,300</u>	<u>918,018</u>	<u>(990,919)</u>	<u>1,473,369</u>	<u>1,371,731</u>
Non-Operating Revenues (Expenses)					
Interest Expense	(218,403)	(140,308)	(114,630)	(97,006)	(147,741)
Contributions in Lieu of Taxes	10,597	258,555	77,484	54,781	413,168
Use of Money and Property	33,084	25,962	10,549	72,325	312,859
Transfer to City for Shared Services	(426,848)	(422,884)	(652,997)	(652,997)	(416,508)
Contributions to Municipality	(2,065,772)	(230,113)			(236,489)
Total Non-Operating Gains (Losses)	<u>(2,667,342)</u>	<u>(508,788)</u>	<u>(679,594)</u>	<u>(622,897)</u>	<u>(74,711)</u>
Net Income or (Loss)	<u>(14,042)</u>	<u>409,230</u>	<u>(1,670,513)</u>	<u>850,472</u>	<u>1,297,020</u>
Retained Earnings - Beginning of Fiscal Year	<u>11,421,612</u>	<u>11,407,829</u>	<u>11,817,059</u>	<u>10,146,546</u>	<u>10,997,018</u>
Prior Period Adjustment	<u>259</u>				
Beginning of Fiscal Year, Restated	<u>11,421,871</u>	<u>11,407,829</u>	<u>11,817,059</u>	<u>10,146,546</u>	<u>10,997,018</u>
Retained Earnings - End of Year	<u>\$ 11,407,829</u>	<u>\$ 11,817,059</u>	<u>\$ 10,146,546</u>	<u>\$ 10,997,018</u>	<u>\$ 12,294,038</u>

Sources: Audited Financial Statements (2019-2023).

Note: This Schedule is not Audited.

Municipal Lighting Department
Statement of Net Assets

Fiscal Year Ending December 31

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assets:					
Cash	\$ 283,357	\$ 347,603	\$ 99,126	\$ 116,025	\$ 377,492
Accounts Receivable (Net)	1,401,667	1,678,059	1,566,346	1,518,599	1,882,013
Inventories	1,476,789	1,345,793	1,367,261	1,473,587	2,037,518
Prepaid Expenses	151,549	159,564	152,701	125,500	141,190
Due from Other Funds	234,573	135,754	80,310	67,438	71,296
Restricted Assets (Cash)	2,054,633	2,134,154	3,180,338	4,221,813	4,129,869
Net Pension Asset - Proportionate Share				576,495	
Fixed Assets (Net)	32,721,359	31,716,468	30,630,198	29,201,243	29,100,946
Deferred Outflows of Resources	2,365,060	2,413,567	2,911,836	1,373,114	1,484,063
Total Assets	<u>\$ 40,688,987</u>	<u>\$ 39,930,962</u>	<u>\$ 39,988,116</u>	<u>\$ 38,673,815</u>	<u>\$ 39,224,387</u>
Liabilities and Fund Balances:					
Accounts Payable	\$ 1,462,685	\$ 1,329,269	\$ 1,661,954	\$ 1,488,298	\$ 1,902,716
Accrued Liabilities	157,565	85,525	101,487	123,038	182,899
Due to Other Funds	6,848	6,458	76,990	59,642	600,441
Other Deposits	744,681	649,509	773,952	1,043,674	900,650
Bonds Payable-Current	857,334	633,388	643,191	711,517	1,565,985
Bond Payable-Long Term	5,445,971	4,716,398	3,987,322	3,200,323	2,472,079
Compensated Absences	578,747	567,623	541,789	589,844	551,396
Other Post Employment Benefits	16,327,548	17,735,324	19,718,017	13,856,885	13,066,762
Net Pension Liability - Proportionate Share	578,727	2,047,329	7,857	2,064,868	1,736,236
Deferred Revenues	3,121,052	343,080	2,329,011	4,538,707	3,951,185
Total Liabilities	<u>29,281,158</u>	<u>28,113,903</u>	<u>29,841,570</u>	<u>27,676,796</u>	<u>26,930,349</u>
Net Assets:					
Net Investment in Capital Assets	26,418,054	26,366,682	25,999,685	25,289,403	25,062,882
Restricted for Capital Projects	91,515	92,133	677,579	841,761	469,163
Restricted for Debt Service	276,168	218,481	206,487	205,925	207,517
Restricted for Other Purposes	1,686,950	1,818,793	2,296,272	2,124,757	3,453,189
Unrestricted	<u>(17,064,858)</u>	<u>(16,679,030)</u>	<u>(19,033,477)</u>	<u>(17,464,828)</u>	<u>(16,898,713)</u>
Total Fund Equity	<u>11,407,829</u>	<u>11,817,059</u>	<u>10,146,546</u>	<u>10,997,018</u>	<u>12,294,038</u>
Total Liabilities & Fund Equity	<u>\$ 40,688,987</u>	<u>\$ 39,930,962</u>	<u>\$ 39,988,116</u>	<u>\$ 38,673,814</u>	<u>\$ 39,224,387</u>

Sources: Audited Financial Statements (2019-2023).

Note: This Schedule is not Audited.

Summary of 2024 Operating Budget by Funds

	Total	General Fund	Recreation Complex	Parking Lot	Water Fund	Sewer Fund	Library Fund	Debt Service Fund	Municipal Lighting
Appropriations:									
Legislative	\$ 64,050	\$ 64,050	\$	\$	\$	\$	\$	\$	\$
Judicial	140,188	140,188							
Executive	289,753	289,753							
Finance	640,285	640,285							
Staff	501,280	501,280							
Shared Services	596,491	596,491							
Special Items	782,893	268,980	33,835		319,166	152,590	8,322		
Public Safety	9,049,477	9,049,477							
Public Works	1,806,193	1,549,740		256,453					
Economic Assistance	428,197	428,197							
Culture & Recreation	1,121,137	500	420,930				699,707		
Home & Community Service	27,541,812	967,792			1,921,031	4,906,364			19,746,625
Employee Benefits	12,625,389	8,563,213	80,047	45,159	760,238	1,245,613	260,647		1,670,471
Inter-Fund Transfers	5,768,833	3,679,976	145,117	66,721	1,336,579	535,592	4,847		
Debt Service	5,067,798							4,237,515	830,283
Transfer Fund Balance	0								
Total Appropriations	\$ 66,423,774	\$ 26,739,922	\$ 679,929	\$ 368,333	\$ 4,337,015	\$ 6,840,159	\$ 973,523	\$ 4,237,515	\$ 22,247,379
Estimated Revenues:									
Tax Levy	\$ 12,121,349	\$ 10,790,341	\$ 483,798	\$ 90,671	\$	\$	\$ 756,539	\$	\$
Real Property Tax Items	224,787	224,787							
Non-Property Tax Items	5,159,258	5,159,258							
Departmental Fees	44,950	44,950							
Public Safety Fees	204,720	204,720							
Health	1,029,000	1,029,000							
Transportation	14,000	14,000							
Culture & Recreation	185,900		185,900						
Home & Community Service	32,451,484	778,000			3,802,984	5,540,500			22,330,000
Use of Money & Property	1,110,115	449,580	9,481	20,920	39,250	566,350	24,534		
Licenses & Permits	762,152	655,620		106,532					
Fines & Forfeitures	260,550	195,350		65,000			200		
Minor Sales, Comp Loss, Misc	430,450	400,000	750	200	200	2,300	27,000		
Inter-Governmental Charges	1,274,251				411,051	863,000	200		
Inter-Fund Revenues	6,523,347	2,143,326			115,506	27,000		4,237,515	
State Aid	3,459,839	3,319,982					139,857		
Federal Aid	25,193						25,193		
Total Estimated Revenues	65,281,345	25,408,914	679,929	283,323	4,368,991	6,999,150	973,523	4,237,515	22,330,000
Appropriated/ (Surplus) Fund Balances	(273,588)				(31,976)	(158,992)		0	(82,621)
Special Assessments - Parking Lot	85,010			85,010					
Transfers	1,331,008	1,331,008							
Total Estimated Revenues & Resources	\$ 66,423,774	\$ 26,739,922	\$ 679,929	\$ 368,333	\$ 4,337,015	\$ 6,840,159	\$ 973,523	\$ 4,237,515	\$ 22,247,379

Source: Adopted Budget of the City

Summary of 2023 Operating Budget by Funds

	Total	General Fund	Recreation Complex	Parking Lot	Water Fund	Sewer Fund	Library Fund	Debt Service Fund	Municipal Lighting
Appropriations:									
Legislative	\$ 63,000	\$ 63,000	\$	\$	\$	\$	\$	\$	\$
Judicial	48,481	48,481							
Executive	285,002	285,002							
Finance	582,662	582,662							
Staff	415,390	415,390							
Shared Services	590,266	590,266							
Special Items	912,436	368,987	32,178	59,911	296,973	146,820	7,567		
Public Safety	8,690,542	8,690,542							
Public Works	1,785,934	1,573,278		212,656					
Economic Assistance	396,370	396,370							
Culture & Recreation	1,084,269	4,250	430,520				649,499		
Home & Community Service	26,499,707	841,691			1,960,192	4,233,910			19,463,914
Employee Benefits	12,140,374	8,168,185	75,803	39,103	740,518	1,203,107	260,341		1,653,317
Inter-Fund Transfers	5,214,857	3,384,139	206,657	86,621	1,176,267	356,092	5,081		
Debt Service	4,357,078							3,562,690	794,388
Transfer Fund Balance	0								
Total Appropriations	\$ 63,066,369	\$ 25,412,244	\$ 745,158	\$ 398,291	\$ 4,173,950	\$ 5,939,929	\$ 922,487	\$ 3,562,690	\$ 21,911,619
Estimated Revenues:									
Tax Levy	\$ 10,529,394	\$ 10,529,394	\$	\$	\$	\$	\$	\$	\$
Real Property Tax Items	230,683	230,683							
Non-Property Tax Items	4,904,569	4,904,569							
Departmental Fees	64,930	64,930							
Public Safety Fees	137,232	137,232							
Health	987,000	987,000							
Transportation	14,000	14,000							
Culture & Recreation	160,500		160,500						
Home & Community Service	31,262,600	711,000			3,439,950	5,066,650			22,045,000
Use of Money & Property	135,693	64,100	7,000	21,968	(400)	42,200	825		
Licenses & Permits	413,308	171,995		241,313					
Fines & Forfeitures	286,500	236,500		50,000					
Minor Sales, Comp Loss, Misc	874,700	404,500			440,200		30,000		
Inter-Governmental Charges	1,231,200				371,000	860,000	200		
Inter-Fund Revenues	5,813,116	2,115,826			107,600	27,000		3,562,690	
State Aid	3,185,051	3,080,180					104,871		
Federal Aid	21,953	5,000					16,953		
Total Estimated Revenues	60,252,429	23,656,909	167,500	313,281	4,358,350	5,995,850	152,849	3,562,690	22,045,000
Appropriated/ (Surplus) Fund Balances	167,718	408,039			(184,400)	(55,921)			
Special Assessments - Parking Lot	85,010			85,010					
Transfers	2,561,211	1,347,296	577,658				769,638		(133,381)
Total Estimated Revenues & Resources	\$ 63,066,369	\$ 25,412,244	\$ 745,158	\$ 398,291	\$ 4,173,950	\$ 5,939,929	\$ 922,487	\$ 3,562,690	\$ 21,911,619

Source: Adopted Budget of the City

Tax Levy and Collection Record and Tax Rates

Fiscal Year Ending December 31:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City Taxes	11,665,129	11,570,828	11,411,727	11,639,251	11,911,103
County Taxes	<u>5,698,126</u>	<u>5,873,303</u>	<u>5,542,614</u>	<u>5,625,416</u>	<u>5,359,431</u>
Total Taxes on Roll	<u>17,363,255</u>	<u>17,444,131</u>	<u>16,954,341</u>	<u>17,264,667</u>	<u>17,270,534</u>
Relevied:					
School Taxes	1,295,232	1,201,970	1,140,833	1,264,906	789,545
Water & Sewer Rents	19,216	22,713	58,961	56,108	25,623
General Miscellaneous	<u>86,971</u>	<u>85,010</u>	<u>85,010</u>	<u>85,010</u>	<u>85,010</u>
Total Tax Roll Receivable	<u>18,764,674</u>	<u>18,753,824</u>	<u>18,239,145</u>	<u>18,670,691</u>	<u>18,170,712</u>
Cancellations During Year					
Net Taxes Receivable	<u>18,764,674</u>	<u>18,753,824</u>	<u>18,239,145</u>	<u>18,670,691</u>	<u>18,170,712</u>
Collected During Year	<u>18,437,312</u>	<u>18,488,728</u>	<u>17,979,393</u>	<u>18,327,332</u>	<u>17,860,152</u>
Uncollected End of Year	<u><u>327,362</u></u>	<u><u>265,096</u></u>	<u><u>259,752</u></u>	<u><u>343,359</u></u>	<u><u>310,560</u></u>
Per Cent Uncollected	1.74%	1.41%	1.42%	1.84%	1.71%
Tax Rates per \$1,000 of Assessed Valuation:					
City Taxes	12.20	11.65	11.37	11.37	10.86
County Taxes	5.94	5.92	5.53	5.50	4.89

Source: Tax Records of the County

CAPITAL PROJECTS BUDGET 5-YEAR SUMMARY

Description of Project	2024	2025	2026	2027	2028	5 Year Total
Organics Recycling Facility	\$ 500,000	\$	\$	\$	\$	\$ 500,000
Water Pollution Control Plant	6,250,000	10,450,000	1,050,000	550,000	50,000	18,350,000
Sanitary Sewer System	3,100,000	750,000	400,000	200,000		4,450,000
Storm Sewer System	1,000,000			850,000		1,850,000
Water Filtration Plant	850,000	300,000	1,200,000	500,000	500,000	3,350,000
Water Source of Supply	5,250,000	3,850,000	8,650,000	2,850,000	16,050,000	36,650,000
Water Distribution System	60,000	60,000	1,060,000	1,660,000	60,000	2,900,000
Street Resurfacing & Repair	1,564,195	895,000	3,120,000	3,770,000	120,000	9,469,195
Bridge & Riverfront Maintenance	288,000	2,500,000				2,788,000
Public Service Buildings	3,255,000	655,000	555,000	700,000	80,000	5,245,000
Recreation Complex Facilities	903,793	1,700,000	1,000,000		250,000	3,853,793
Downtown Improvements	145,000	175,000				320,000
Public Service Equipment	635,000	415,000	1,360,000	470,000	140,000	3,020,000
Municipal Lighting Department	3,200,000	4,000,000	7,400,000	1,380,000	3,200,000	19,180,000
TOTAL	\$ 27,000,988	\$ 25,750,000	\$ 25,795,000	\$ 12,930,000	\$ 20,450,000	\$ 111,925,988

CITY OF PLATTSBURGH

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

[▶ Click Here For 2023 Audit](#)

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN REVIEWED AND/OR UPDATED IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.

APPENDIX C

BOND COUNSEL OPINION

FORM OF BOND COUNSEL’S OPINION

November 14, 2024

City of Plattsburgh, Clinton County
State of New York

Re: City of Plattsburgh, New York
\$17,441,890 Public Improvement (Serial) Bonds, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$17,441,890 Public Improvement (Serial) Bonds, 2024 (the "Obligation"), of the City of Plattsburgh, Clinton County, in the State of New York (the "Obligor"), dated November, 14 2024, 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 _____ per centum (_____%) per annum as to bonds maturing in the following amounts: \$ _____ on November 1, 2025, \$ _____ on November 1, 2026, \$ _____ on November 1, 2027, \$ _____ on November 1, 2028, \$ _____ on November 1, 2029, \$ _____ on November 1, 2030, \$ _____ on November 1, 2031, \$ _____ on November 1, 2032, \$ _____ on November 1, 2033, \$ _____ on November 1, 2034, \$ _____ on November 1, 2035, \$ _____ on November 1, 2036, \$ _____ on November 1, 2037, \$ _____ on November 1, 2038, \$ _____ on November 1, 2039, \$ _____ on November 1, 2040, \$ _____ on November 1, 2041, \$ _____ on November 1, 2042, \$ _____ on November 1, 2043, and \$ _____ on November 1, 2044, with interest thereon payable on May 1, 2025 and semi-annually thereafter on November 1 and May 1.

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 Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation 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 Obligation 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 Obligation 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 Obligation 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 Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (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 Obligation; 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 Obligation 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 Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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 Obligation.

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 Obligation) may be taken or omitted.

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 Obligation 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation 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 Obligation 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 revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation 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 Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP