

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 22, 2023

NEW ISSUE/RENEWALS

BOND ANTICIPATION NOTES

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

The Town will designate the Notes as "qualified tax-exempt obligations" pursuant to the provision of Section 265 of the Internal Revenue Code of 1986, as amended.

TOWN OF NEW PALTZ ULSTER COUNTY, NEW YORK (the "Town")

\$8,861,760

BOND ANTICIPATION NOTES, 2023C

Dated Date: October 5, 2023

Maturity Date: October 4, 2024

Security and Sources of Payment: The Notes will constitute general obligations of the Town and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and, unless paid from other sources, all the taxable real property within the Town will be subject to the levy of ad valorem taxes to pay such principal and the interest, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. See "Tax Levy Limitation Law" herein.

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee, which will act as the securities depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the Town, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 10:30 A.M. (Prevailing Time) on September 28, 2023 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered subject to the final approving opinion of Harris Beach PLLC, New York, New York, Bond Counsel to the Town, and certain other conditions. It is expected that delivery of the Notes in book-entry form will be made through the facilities of DTC in New York, New York, on or about October 5, 2023 in New York, New York.

FOR A DESCRIPTION OF THE TOWN'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES, AS DESCRIBED IN RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION, SEE "DISCLOSURE UNDERTAKING" HEREIN.



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* * *

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* * *

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

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OFFICIAL STATEMENT

Relating to

TOWN OF NEW PALTZ ULSTER COUNTY, NEW YORK

\$8,861,760

BOND ANTICIPATION NOTES, 2023C

This Official Statement and appendices thereto presents certain information relating to the Town of New Paltz, in the County of Ulster, and in the State of New York (the "Town", the "County" and "State," respectively) in connection with the sale of \$8,861,760 Bond Anticipation Notes – 2023C (the "Notes").

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

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the Town's overall economic situation and outlook (and all of the specific Town-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "*IMPACT OF COVID-19*" herein.

THE NOTES

Description of the Notes

The Notes will be dated October 5, 2023 and will mature, without right of redemption prior to maturity, on October 4, 2024, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the Town Supervisor in Fishkill, New York.

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

The Town will act as Paying Agent for the Notes. The Town's contact information is as follows: Jean Gallucci, Town Comptroller, Town of New Paltz, 52 Clearwater Road, New Paltz, New York, 12561, telephone number 845-255-0604 Ext. 108, Email: jgallucci@townofnewpaltz.org.

Optional Redemption

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

Book-Entry System

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company

Authorization and Purpose

The Notes are being issued pursuant to the Constitution and Laws of the State of New York, including among others, the Local Finance Law, the Town Law to redeem the Town’s \$9,046,380 Bond Anticipation Note, 2022C, dated October 6, 2022 and maturing on October 6, 2023 and are authorized by a bond resolution duly adopted by the Town Board of the Town on the date and for the following purpose:

<u>Date of Authorization</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Outstanding</u>	<u>Amount to Pay Down</u>	<u>Total Amount to be Issued</u>
7/16/2020	Construction of an Alternative Town and Village Water Supply System in District #5*	\$ 9,231,000	\$ 9,046,380	\$ 184,620	\$ 8,861,760
	Totals:	\$ 9,231,000	\$ 9,046,380	\$ 184,620	\$ 8,861,760

*The full amount of the project is expected to be reimbursed by The City of New York, through the New York Department of Environment Protection, prior to the end of 2024 pursuant to an agreement with the City.

Nature of Obligation

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

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

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon For the payment of such principal and interest, the Town has the power and statutory authorization to levy ad valorem taxes on all taxable real property within the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. See “Tax Levy Limitation Law, 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 New York Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “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 Town’s faith and credit is both a commitment to pay and a commitment of the Town’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the Town’s “faith and credit” is secured by a promise both to pay and to use in good faith the Town’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the Town’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted.... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

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

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

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the New York Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to 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. 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.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

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

Execution/Attachment of Municipal Property

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

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, city, town or village, 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 Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

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

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

State Debt Moratorium Law

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

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

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

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

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The Town is presently not working with the FRB and does not reasonably anticipate doing so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

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

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

Default Litigation

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crisis 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 Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and/or interest on any indebtedness.

THE TOWN

There follows in this Official Statement a brief description of the Town, together with certain information concerning its economy and governmental organization, its indebtedness, current major revenue sources and expenditures and general and specific funds.

General Information

The Town, is located in the southeastern part of Ulster County about 90 miles north of New York City and is just south of the City of Kingston. According to the 2020 census estimate, the estimated population is 14,117. The Town was founded in 1678 by French Huguenots.

The Town is arguably best known around the world for its outdoor attractions. The Town offers a host of trail options for hikers & bicyclists, with some of the best views of the Hudson Valley. The area also boasts an amazingly diverse range of cuisines, as well as twelve wineries on the Shawangunk Wine Trail.

The Town is accessible by a number of different roads. Interstate 87 (the New York State Thruway) is the main thoroughfare and passes through the eastern part of the Town. State routes that traverse through the Town are Route 32, Route 208, and Route 299. The nearest train station is about 11 miles away in Poughkeepsie, which is serviced by both Amtrak and Metro-North. Adirondack Trailways also provides bus transportation to and from the Town to various locations across multiple states.

The State University of New York at New Paltz, one of the largest employers in the County, is located in the Town.

Governmental Organization

One independently governed school district is located partially within the Town, which relies on its own taxing powers granted by the State to raise revenues. The school district uses the Town's assessment roll as the basis for taxation of property located within the Town.

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

The Town Board is comprised of five members, including the Supervisor, all elected at-large (representing the entire Town, not a specific area.) Together, these five elected officials comprise the legislative branch of the government. Each member has one vote with a majority vote required for the passage of most legislation. The Supervisor, elected to a four-year term, is the presiding member of the Town Board and is the chief fiscal officer of the Town. Members are elected to four-year terms during odd numbered years, where only two may run at a time. There is no limitation to the number of terms each may serve. Board members are responsible for passage of all legislation, the adoption of the Town's capital budget and making all decisions relating to personnel matters and property rezoning. Every year, each board member is assigned various liaisons by the Supervisor.

The Town Clerk serves as custodian of the Town's records, maintains the minutes of proceedings of the Town Board and is responsible for the publication and filing of all official notices. The Clerk is elected to a four-year term and the number of terms is unlimited. Other officers of the Town include: two Town Justices, each elected to a four-year term; the Highway Superintendent, elected to a four-year term; and the Town Comptroller and Town Attorney, who are appointed by and serve at the pleasure of the Town Board.

Source: Town Officials.

Employees

The Town provides services through approximately 60 full-time employees, 37 part-time employees and 2 per diem employees. Union representation of full-time employees is as follows:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Contract Expiration Date</u>
UPSEU - General	11	12/31/2025
UPSEU - Public Works	12	12/31/2026
PBA	29	12/31/2023

DEMOGRAPHIC AND STATISTICAL INFORMATION

Population

<u>Year</u>	<u>Town of New Paltz</u>	<u>Ulster County</u>	<u>New York State</u>
1990	NA	165,304	17,990,455
2000	NA	177,749	18,976,457
2010	13,909	182,493	19,378,102
2020	14,117	178,371	19,514,849

Source: U.S. Census Bureau.

Income Data

	Per Capita Money Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of New Paltz	NA	NA	\$26,846	\$33,732
County of Ulster	14,921	20,842	28,532	35,816
State of New York	16,501	23,389	30,948	40,898

	Median Household Income			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
Town of New Paltz	NA	NA	\$63,217	\$75,455
County of Ulster	34,033	42,551	56,434	65,306
State of New York	39,741	51,691	67,405	71,117

Source: United States Department of Commerce, Bureau of the Census.

Summary of Building Activity

The chart below represents the level of building permit activity for the five most recently completed fiscal years.

<u>Year</u>	<u>Number of Building Permits Issued</u>	<u>Value of Building Permits Issued</u>
2018	265	1,021,393
2019	299	4,700,621
2020	383	5,969,224
2021	249	4,908,378
2022	269	2,857,280

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Ulster County (%)</u>	<u>New York State (%)</u>
2018	3.9	4.1
2019	3.8	4.0
2020	8.0	12.3
2021	4.7	6.9
2022	3.1	4.4
2023 (3 Month Average)	3.5	4.4

Source: Department of Labor, State of New York.

Selected Listing of Larger Employers within the County of Ulster

Non-Retail Employers

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
County of Ulster	A	Government	Kingston
Health Alliance of the Hudson Valley	A	Health Services	Kingston/New Paltz
State Correctional Facilities	A	Correctional Services	Wallkill/Napanoch
SUNY New Paltz	A	Educational Services	New Paltz
Bank of America, N.A.	B	Finance	Kingston
Mohonk Mountain House	B	Resort/Hotel	New Paltz
SUNY Ulster	B	Educational Services	Stone Ridge
BOCES	C	Educational Services	New Paltz/Port Ewen
City of Kingston	C	Government	Kingston
Hudson Valley Resort & Spa	C	Resort/Hotel	Kerhonkson
Kingston Consolidated School District	C	Educational Services	Kingston
Northeast Center for Special Care	C	Health Services	Lake Katrine
Ten Broeck Commons	C	Health Services	Lake Katrine
Honor's Haven	C	Resort/Hotel	Ellenville
Ulster Savings	C	Finance/Insurance	Kingston
Ametek Rotron	D	Electrical Manufacturing	Woodstock
Brooklyn Bottling Company	D	Food Manufacturing	Milton
CH Energy Group	D	Utility	Kingston
Ellenville Central School District	D	Educational Services	Ellenville
Ellenville Regional Hospital	D	Health Services	Ellenville
Elna Magnetics	D	Electrical Manufacturing	Saugerties
Fair Rite Products	D	Electronic Manufacturing	Wallkill
Fala Technologies	D	Electronic Manufacturing	Kingston
Full Moon Resort	D	Resort/Hotel	Shandaken
Gateway Community Industries	D	Miscellaneous Manufacturing	Kingston
GHI Insurance	D	Insurance	Lake Katrine
HUCK International	D	Metal Manufacturing	Kingston

Retail Businesses

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
Wal-Mart	B	Retail – All	Kingston
Hannaford	C	Retail - Grocery	Kingston (2)/Highland/Plattekill
Adams Fairacre Farms	D	Retail – Grocery/Garden	Kingston
Home Depot	D	Retail – Home Supply	Kingston
Kohl's	D	Retail – Department Store	Kingston
Lowe's	D	Retail – Home Supply	Kingston/Highland
Price Chopper	D	Retail – Grocery	Saugerties
Sam's Club	D	Retail – All	Kingston
Shop Rite	D	Retail – Grocery	Kingston/New Paltz
Target	D	Retail – Department Store	Kingston

Key:

- A Greater than 1,000 employees
- B 500-999 employees
- C 250-499 employees
- D 100-249 employees

Source: Ulster County Official Statement dated November 3, 2022.

INDEBTEDNESS OF THE TOWN

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, 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 Town has authorized the issuance of indebtedness having substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The Town is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the Town 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 Town 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 Town'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 Town to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Certain such resolutions may be submitted to the Town voters at the discretion of the Town Board.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions, the Town complies with this estoppel procedure. The Town is in compliance with such requirements with respect to the bond resolution 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 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 (subject to certain exceptions) beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five-year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. See "Payment and Maturity" under "Constitutional Requirements".

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

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

Debt Limit. The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional 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 Town 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 Town 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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The following pages set forth certain details with respect to the Indebtedness of the Town.

Computation of Debt Limit and Net Debt Contracting Margin
(As of September 22, 2023)

Fiscal Year Ending <u>December 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2018	\$1,991,021,700	100.00	\$1,991,021,700
2019	1,999,432,624	95.00	2,104,665,920
2020	2,003,897,364	90.00	2,226,552,627
2021	2,023,302,457	86.00	2,352,677,276
2022	2,035,609,326	76.00	<u>2,678,433,324</u>
Total Five Year Full Valuation			\$11,353,350,846
Average Five Year Full Valuation			2,270,670,169
Debt Limit - 7% of Average Full Valuation			158,946,912
Inclusions:			
Outstanding Bonds:			
General Purposes			7,948,480
Sewer Purposes			0
Water Purposes			0
Sub-Total			<u>7,948,480</u>
Outstanding Bond Anticipation Notes:			
General Purposes			612,666
Sewer Purposes			195,500
Water Purposes			9,046,380
Sub-Total			<u>9,854,546</u>
Total Inclusions			<u>17,803,026</u>
Exclusions:			
Water Debt			9,046,380
Bond Appropriations			398,480
Note Appropriations			0
Total Exclusions			<u>9,444,860</u>
Total Net Indebtedness			<u>8,358,166</u>
Net Debt Contracting Margin			<u><u>\$150,588,746</u></u>
Percent of Debt Limit Exhausted			5.26%

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 401,830	\$ 211,158	\$ 612,988
2024	410,000	193,334	603,334
2025	370,000	174,534	544,534
2026	395,000	156,759	551,759
2027	410,000	137,669	547,669
2028	435,000	117,619	552,619
2029	450,000	100,066	550,066
2030	455,000	93,706	548,706
2031	425,000	86,594	511,594
2032	430,000	80,750	510,750
2033	440,000	74,300	514,300
2034	445,000	66,600	511,600
2035	460,000	57,700	517,700
2036	465,000	48,500	513,500
2037	475,000	39,200	514,200
2038	485,000	29,700	514,700
2039	495,000	20,000	515,000
2040	<u>505,000</u>	<u>10,100</u>	<u>515,100</u>
Totals:	<u>\$7,951,830</u>	<u>\$1,698,291</u>	<u>\$9,650,121</u>

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement, the Town has \$9,046,380 Bond Anticipation Notes -2022C outstanding that mature on October 6, 2023. The issuance of the Notes along with \$184,620 in available funds will redeem such Notes maturing October 6, 2023. The Town also has additional bond anticipation notes outstanding as follows: \$90,000 Bond Anticipation Notes- 2023A, dated February 17, 2023 and \$672,332 Bond Anticipation Notes- 2023B, dated October 5, 2023.

Trend of Town Indebtedness

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Outstanding End of Year:					
Bonds	\$ 351,350	\$ 291,850	\$8,322,350	\$8,082,850	\$7,951,830
BANs	<u>1,091,920</u>	<u>3,435,060</u>	<u>873,000</u>	<u>10,653,640</u>	<u>9,854,546</u>
Total Debt Outstanding	<u>\$1,443,270</u>	<u>\$3,726,910</u>	<u>\$9,195,350</u>	<u>\$18,736,490</u>	<u>\$17,806,376</u>

Authorized but Unissued Indebtedness

The Town does not have any unauthorized but unissued debt.

Capital Program

The Town is generally responsible for providing services as required to the citizens on a Town-wide basis. The Town 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. In addition, the Town owns, operates, maintains and improves recreation facilities. The Town generally has provided the financing for water and sewer purposes and maintains primary responsibility for these functions. In general, capital funding for the above described projects for which the Town has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Ulster	11/03/2022	11.78	\$14,548,772	\$13,379,008
Village of New Paltz	01/19/2023	100.00	10,905,000	2,350,000
New Paltz CSD	12/29/2022	90.00	36,846,000	14,738,400
New Paltz FD	12/31/2021	100.00	<u>0</u>	<u>0</u>
Totals:			<u>\$62,299,772</u>	<u>\$30,467,408</u>

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

Debt Ratios (As of September 22, 2023)

	<u>Amount</u>	<u>Per Capita^a</u>	<u>Percentage Of Full Value (%)^b</u>
Total Direct Debt	\$17,803,026	\$1,261	0.66
Net Direct Debt	8,358,166	592	0.31
Total Direct & Applicable Total Overlapping Debt	80,102,798	5,674	2.99
Net Direct & Applicable Net Overlapping Debt	38,825,574	2,750	1.45

a. The current estimated population of the Town is 14,117.

b. The full valuation of taxable real property is \$2,678,433,324.

FINANCES OF THE TOWN

Financial Statements and Accounting Procedures

The Town maintains its financial records in accordance with the Uniform System of Accounts for Towns prescribed by the State Comptroller. The financial records of the Town are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2022. A copy of such report for the fiscal year ended December 31, 2022 is attached as Appendix B. In addition, the financial affairs of the Town are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the Town has complied with the requirements of various State and Federal statutes.

The Town also prepares an Annual Financial Report Update Document (Unaudited) (the "AUD") that is filed with the State Comptroller.

The Statements of Revenues, Expenditures and Changes in Fund Balances presented in Appendix A of this Statement are based on the audited Annual Financial Reports of the Town for the 2018-2022 fiscal years.

Fund Structure and Accounts

The Town 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 special 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 Town presently maintains the following governmental funds: General Fund, Highway Funds, Sewer Fund and the Capital Projects Fund. Fiduciary funds consist of a Miscellaneous Special Revenue Fund. There are no proprietary funds. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The Town's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues which are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting, that is when the related fund liability is incurred. Exceptions to this general rule are: (1) payments to employee retirement systems which are recorded in the General Long-Term Debt Account Group and recognized as an expenditure when due, and, (2) unmatured interest on general long-term debt which is recognized when due.

Investment Policy

Pursuant to the statutes of the State of New York, the Town 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 Town; (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 made lawful investments for the Town pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the Town pursuant to law, in obligations of the Town. Any investments made by the Town pursuant to law are required to be payable or redeemable at the option of the Town 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 Town, within two years of the date of purchase. These statutes also require that the Town's investments, unless registered or inscribed in the name of the Town, must be purchased through, delivered to and held in the 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. The Town is not presently investing 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.

Budgetary Procedures

The Town Board prepares a preliminary budget in the Fall of each year and holds a public hearing thereon. Subsequent to the budget hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming calendar year. The budget is not subject to voter approval.

Chapter 97 of the New York Laws of 2011 imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. All budgets of the Town adopted in accordance with the procedure discussed herein must comply with the requirements of the Tax Levy Limitation Law.

Financial Operations

The Town Supervisor functions as the chief fiscal officer as provided in Section 2.00 of the Local Finance Law; in this role, the Supervisor is responsible for the Town's accounting and financial reporting activities, which are delegated to and carried out by the Town Comptroller. In addition, the Supervisor is also the Town's budget officer and must therefore prepare the annual tentative budget for submission to the Town Board. During the absence of the Supervisor, the Deputy Supervisor may generally exercise the Supervisor's powers.

The Town Board, as a whole, serves as the finance board of the Town and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and the issuance of bonded debt. Pursuant to Section 30.00 of the Local Finance Law, the Supervisor has been authorized to issue or renew certain specific types of notes. As required by law, the Supervisor must execute an authorizing certificate which then becomes a matter of public record.

Town finances are operated primarily through the General, and Highway Funds. All real property taxes and most of the other Town revenues are credited to these funds. Current operating expenditures are paid from these funds subject to available appropriations. The Town also has water and sewer districts, which are accounted for within separate funds. The primary source of income for these districts comes from meter rents. Capital projects and equipment purchases are accounted for in special capital projects funds. The Town observes a calendar year (January 1 through December 31) for operating and reporting purposes.

The State Comptroller's Fiscal Stress Monitoring System and Audit

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

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

The most current applicable report of the State Comptroller designates the Town as "No Designation". (Fiscal Score: 0.0%; Environmental Score: 6.7%).

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

Revenues

The Town receives most of its revenues from real property taxes and assessments. A summary of such revenues and other financings sources for the five most recently completed fiscal years for which financial statements are available may be found in the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix A hereto.

Real Property Taxes

See "Real Property Tax Information," herein.

State Aid

Based on the audited report of the Town, the Town received approximately 4.63% of its total General Fund operating revenue from State aid in 2022. 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 has the ability to reduce funding to municipalities and school districts in order to balance its own budget.

If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, 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 Town, in this year or future years, the Town 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.

Should the Town fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies, the Town is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

The following table sets forth the percentage of the Town's General Fund revenue comprised of State aid for each of the fiscal years 2018 through 2022 and as budgeted, for 2023.

<u>Fiscal Year Ended</u> <u>December 31:</u>	<u>General Fund</u> <u>Total Revenue</u>	<u>State Aid</u>	<u>State Aid to</u> <u>Revenues (%)</u>
2018	\$8,753,032	\$472,416	5.40
2019	8,973,069	302,532	3.37
2020	9,009,497	265,781	2.95
2021	10,047,696	482,373	4.80
2022	11,373,469	527,073	4.63
2023 (Budgeted)	9,947,866	241,745	2.43

Source: Audited financial statements 2018 through 2022, and the adopted budget for 2023. Table itself is not audited.

Expenditures

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

Pension Systems

Substantially all employees of the Town are members of the 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"), a cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the 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 ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts, which are collected through annual billings to all participating employers. Generally, all full-time employees, participate in the Retirement System. ERS is non-contributory with respect to members hired prior to July 27, 1976. All ERS members hired on or after July 27, 1976, with less than ten years' experience, must contribute 3% of gross annual salary toward the cost of retirement programs. The PFRS is non-contributory for all police and fire fighters.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% (percentage dependent on tier) of payroll for the ERS and PFRS, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments. While the Town is aware of the potential negative impact on its budget and will take the appropriate steps to budget accordingly for the increase, there can be no assurance that its financial position will not be negatively impacted.

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for the ERS and PFRS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS and PFRS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the revised system, a contribution for a given fiscal year is based on the valuation of the pension fund on April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in the budget for the ensuing year.

On July 30, 2004, then Governor Pataki signed into law Chapter 260 of the Laws of 2004 ("Chapter 260"). Chapter 260 contains three components which alter the way municipalities and school district contribute to the state pension system: (1) revision of the payment due date, (2) extension of the period of time for pension debt amortization, and (3) authorization to establish a pension reserve fund. Prior to the effective date of the provisions of Chapter 260, the annual retirement bill sent to municipalities and school districts from the state has reflected pension payments due between April 1 and March 31, consistent with the state fiscal year.

Chapter 260 provides for the following changes:

- **Contribution Payment Date Change:** The law changed the date on which local pension contributions are due to the State. The annual required contribution became due February 1 annually instead of December 15.
- **Pension Contributions Reserve Fund:** The law created special authorization to create a new category of reserve fund under the General Municipal Law. Municipalities and school districts may now establish a retirement contribution reserve fund that can be funded from other available current government resources.

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

On December 10, 2009, then Governor Paterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier 5 pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier 5 include:

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

Additionally, on March 16, 2012, the Governor signed into law the new Tier 6 pension program, effective for new ERS and PFRS 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 five years of employment and will continue to make employee contributions throughout employment.

As a result of significant capital market declines in the past, in certain years the State's Retirement System portfolio has experienced negative investment performance and severe downward trends in market earnings. As a result of the foregoing, it is anticipated that the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it will require higher than normal contributions in later years. The Town has decided not to amortize any payments to the Retirement System.

The following table presents the amount of payments by the Town to the New York State Retirement Systems for the past five years.

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>Employees'</u> <u>Retirement System</u>	<u>Policemen's &</u> <u>Firemen's</u> <u>Retirement System</u>	<u>Total</u>
2018	\$8,753,032	\$6,651,967	76.00
2019	8,973,069	7,035,382	78.41
2020	9,009,497	7,401,492	82.15
2021	10,047,696	7,730,409	76.94
2022	11,374,041	8,133,579	71.51
2023 (Budgeted)	9,947,866	8,418,162	84.62

Other Post-Employment Benefits

The Town 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 Town 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.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

<u>Changes in the Total OPEB Liability</u>	<u>Fiscal Year Ending December 31, 2021:</u>
Total OPEB liability as of December 31, 2021	\$41,327,820
Changes for the year:	
Service Cost	1,308,514
Interest	918,237
Changes in Benefit Terms	
Differences between actual and expected experience	(2,352,898)
Changes in Assumptions and Other Inputs	(11,219,856)
Benefit payments	(1,034,538)
Total Changes	<u>(\$12,380,541)</u>
Total OPEB liability as of December 31, 2022	<u><u>\$28,947,279</u></u>

The State Comptroller has proposed legislation to provide the State and certain local governments with the authority to establish trusts in which to accumulate assets for OPEB and to establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments. The Town cannot predict at this time whether such proposed legislation will be enacted into law. At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the Town has decided to continue funding the expenditure on a pay-as-you-go basis.

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

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The Town derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Assessment valuations are determined by the Town assessor and the State Board of Real Property Services, which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations.

The Town derives a significant portion of its annual revenue through a direct real property tax. The following table presents the total tax levy tax rates and collection performance for each of the last five fiscal years.

Tax Collection Record

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Tax Levy:					
County	\$4,866,532	\$4,731,458	\$4,792,807	\$5,989,612	\$5,494,043
Town & Hwy	8,348,108	8,916,061	10,571,869	9,740,809	10,506,204
Special Districts:					
Water Districts	30,751	30,888	40,054	27,959	32,137
Sewer Districts	21,703	23,904	30,125	15,157	21,736
Drainage Districts	7,377	7,377	7,377	7,377	7,377
Fire District	436,825	390,670	365,966	434,442	591,772
Library Fund	<u>556,000</u>	<u>556,000</u>	<u>556,000</u>	<u>556,000</u>	<u>656,000</u>
Total Tax Levy	\$14,267,296	\$14,656,358	\$16,364,198	\$16,771,356	\$17,309,269

Tax Rate per \$1,000 Assessed Valuation (General & Highway)					
County	\$4.27	\$4.14	\$3.96	\$4.14	\$4.07
Town & Hwy (TOV)	\$6.40	\$6.87	\$9.42	\$9.43	\$9.76
Town & Hwy (Townwide)	\$6.29	\$6.63	\$7.04	\$7.31	\$7.57

Source: Town Officials

Percentage of Revenues – Real Property Taxes

<u>Fiscal Year Ending December 31:</u>	<u>General Fund Revenue</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenue (%)</u>
2018	\$8,753,032	\$6,651,967	76.00
2019	8,973,069	7,035,382	78.41
2020	9,009,497	7,401,492	82.15
2021	10,047,696	7,730,409	76.94
2022	11,373,469	8,133,579	71.51
2023 (Budgeted)	9,947,866	8,418,162	84.62

Source: Audited financial statements (2018-2022) and Adopted Budget of the Town (2023).

Tax Collection Procedure

Taxes are due and payable January 1, payable without penalty to and including January 31. Penalties thereafter are imposed at an annual rate determined by the New York State Commissioner of Taxation and Finance. In June, unpaid taxes are returned to the County at which time an additional penalty is added and the total amount, plus additional fees is then payable to the County.

As far as the Town is concerned there are no uncollected taxes. The full amount of the Town items is also guaranteed by the County.

Tax Levy

Prior to the enactment of Tax Levy Limitation Law on June 24, 2011, all the taxable real property within the Town had been subject to the levy of ad valorem taxes to pay the bonds and notes of the Town and interest thereon without limitation as to rate or amount. However, the Tax Levy Limitation Law imposes a tax levy limitation upon the Town for any fiscal year commencing after May 31, 2012, without providing an exclusion for debt service on obligations issued by the Town. As a result, the power of the Town to levy real estate taxes on all the taxable real property within the Town is subject to statutory limitations, according to the formulas set forth in Tax Levy Limitation Law.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implications thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy of the Town, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two one-hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision described above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The governing board of the Town may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the governing board of the Town first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming 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 bonds or notes of the Town or such indebtedness incurred after the effective date of the Tax Levy Limitation Law. As such, there can be no assurances that the Tax Levy Limitation Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limitation Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

The 2014 through 2023 Budgets did not exceed the tax levy limitation.

Selected Listing of Large Taxable Properties 2022 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
New Paltz Properties	Shopping Center	\$8,075,000
New Paltz Housing	Apartments	6,734,263
Storage Portfolio	Warehouse	5,200,000
New Paltz SNF Realty LLC	Aged Home	3,300,000
MCB-Eagle New Paltz LLC	Shopping Center	3,300,000
Karl Farm Holdings III, LLC	Farm	3,157,000
New Paltz Hospitality LLC	Hotel	3,138,260
RD Croce Family Holdings LLC	Manufacture	2,675,000
Smiley Brothers Inc.	Resort Complex	2,536,000
Alpac Partners LLC	Commercial	2,399,000
	Total ^a	\$40,514,523

a. The Town of New Paltz's 2022 assessment roll.

b. Represents 1.99% of the Town's 2022 Assessed Value.

CYBERSECURITY

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

However, the Town has invested in a cloud based back up system. In the event of a serious attack or a ransom, the Town can duplicate its systems within an hour with little or no loss of information.

LITIGATION

In common with other towns, the Town from time to time receives notices of claim and is party to litigation. In the opinion of the Town Attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the Town has not asserted a substantial and adequate defense, nor which, if determined against the Town, would have an adverse material effect on the financial condition of the Town, in view of the Town's ability to fund the same through use of appropriate funding mechanisms provided by the Local Finance Law.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the Town's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). Included in this bill was \$350 billion in direct aid to state and local governments. Payments to local governments will be made in two tranches, the first half 60 days after enactment and the second half one year later. According to U.S. Treasury Final Rule, the Town must obligate all received funds by December 31, 2024 and expend them by December 31, 2026.

Specifically, eligible uses of the aid include: (i) revenue replacement for the provision of government services to the extent the reduction in revenue is due to the COVID-19 public health emergency relative to revenues collected in the most recent fiscal year prior to the emergency; (ii) premium pay for essential workers; (iii) assistance to small businesses, households, and hard-hit industries, and economic recovery; and (iv) investments in water, sewer and broadband infrastructure. The bill also contains two restrictions on eligible uses: (i) funds cannot be used to directly or indirectly offset tax reductions or delay a tax increase; and (ii) funds cannot be deposited into any pension fund.

MARKET AND RISK FACTORS

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

The financial and economic condition of the Town, as well as the market for the Notes, could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State 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 Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

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

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

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 Notes should elect to sell a Note 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 Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

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

TAX MATTERS

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

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order for interest on the Notes to be and remain excluded from gross income for Federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of Federal income tax, possibly from their respective dates of issuance. In the Arbitrage and Use of Proceeds Certificate of the Town to be executed in connection with the issuance of the Notes, the Town will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

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

The Inflation Reduction Act of 2022, for tax years beginning after December 31, 2022, imposes a Federal corporate alternative minimum tax equal to 15 percent of the “adjusted financial statement income” of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual “adjusted financial statement income” for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt bonds, such as the Notes, is included in the computation of a corporation’s “adjusted financial statement income”. Prospective Bondholders that may be subject to the corporate alternative minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

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

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

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

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

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Legal Matters

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, New York, New York, Bond Counsel to the Town. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (see “TAX LEVY LIMITATION LAW” herein); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals however, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that re subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations;; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the Town Supervisor of the Town pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Closing Certificates

Upon delivery of and payment for the Notes, the purchaser(s) of the Notes will also receive, without cost, in form satisfactory to Bond Counsel, the following dated as of the date of delivery of and payment for the Notes: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Notes, (b) a certificate or certificates executed by the officer of the Town who executed the Notes on behalf of the Town, stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Notes, (2) no authority or proceedings for the issuance of the Notes has or have been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement relating to the Notes, on the date thereof and on the date of delivery of and payment for the Notes, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (c) an arbitrage and use of proceeds certificate executed by the Town Supervisor, (d) the unqualified legal opinion as to the validity of the Notes of Harris Beach PLLC, New York, New York, Bond Counsel, and (e) a Continuing Disclosure Agreement relating to the Notes, executed by the Town Comptroller for purposes of the Rule. (See Appendix C attached hereto).

DISCLOSURE UNDERTAKING

At the time of the delivery of the Notes, the Town will provide executed copies of its Continuing Disclosure Agreement with respect to the Notes substantially as set forth in Appendix C, respectively.

On August 30, 2021, the Town filed a material event notice for the failure to file its Annual Financial and Operating Information for the fiscal year ended December 31, 2020 within 6 months as required by its continuing disclosure agreement.

RATING

The Notes are not rated. The Town's outstanding bonds is rated "Aa3" by Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761. The rating reflect only the view of the rating agency and any desired explanation of the significance of such rating should be obtained from Moody's. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Notes or the availability of a secondary market for such Notes.

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 Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of Jean Gallucci, Town Comptroller, Town of New Paltz, 52 Clearwater Road, New Paltz, New York, 12561, telephone number 845/255-0604 Ext. 108, Email: jgallucci@townofnewpaltz.org or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

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 Town nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

Harris Beach PLLC has not participated in the preparation of this Official Statement, nor verified the accuracy, completeness of fairness thereof, and, accordingly expresses no opinion with respect thereto.

The preparation and distribution of this Official Statement has been authorized by various resolutions of the Town which delegates to the Town Supervisor the power to sell and issue the Notes.

TOWN OF NEW PALTZ, NEW YORK

By: s/s NEIL BETTEZ
Town Supervisor and Chief Fiscal Officer

September , 2023

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Fund Balances
General Fund - Town-Wide

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Real Property Taxes	\$ 6,651,967	\$ 7,035,382	\$ 7,401,492	\$ 7,730,409	\$ 8,133,579
Other Tax Items	166,390	182,616	188,799	195,575	221,275
Non Property Tax Items	248,721	256,883	261,818	626,340	1,096,263
Departmental Income	297,703	335,042	197,130	268,820	332,226
Intergovernmental Changes					
Use of Money and Property	31,081	70,361	39,925	22,037	42,022
Licenses and Permits	4,598	4,490	5,278	5,172	3,540
Fines & Forfeitures	336,735	345,493	204,524	216,022	269,711
Sale of Property/Compensation for Loss	37,761	98,945	44,424	53,588	283,581
Miscellaneous Local Sources	505,660	341,325	385,326	442,360	388,875
State Aid	472,416	302,532	265,781	482,373	527,073
Federal Aid			15,000	5,000	75,324
Total Revenues	<u>8,753,032</u>	<u>8,973,069</u>	<u>9,009,497</u>	<u>10,047,696</u>	<u>11,373,469</u>
Expenditures:					
General Government Support	1,395,197	1,367,734	1,372,365	1,383,479	1,456,650
Public Safety	2,772,839	2,830,171	2,821,999	2,474,384	2,724,918
Health	229,156	236,610	315,460	325,997	337,295
Transportation	73,701	74,593	58,028	82,376	10,475
Economic Assistance	44,468	33,979	30,450	30,667	31,996
Culture and Recreation	483,189	538,896	477,350	546,298	629,733
Home and Community Services	304,156	337,736	280,174	251,932	359,335
Employee Benefits	2,848,768	2,888,977	2,781,165	2,796,987	2,913,645
Debt Service	136,135	144,615	150,822	376,821	777,549
Total Expenditures	<u>8,287,609</u>	<u>8,453,311</u>	<u>8,287,813</u>	<u>8,268,941</u>	<u>9,241,596</u>
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt					
Operating Transfers In		1,803			
Operating Transfers (Out)		(11,390)			
Total Other Financing Sources (Uses)	<u>0</u>	<u>(9,587)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>465,423</u>	<u>510,171</u>	<u>721,684</u>	<u>1,778,755</u>	<u>2,131,873</u>
Fund Balance Adjustments	<u>(3,765)</u>				
Fund Balance Beginning of Year	<u>1,180,013</u>	<u>1,641,671</u>	<u>2,151,842</u>	<u>2,873,526</u>	<u>4,665,188</u>
Prior Period Adjustment				<u>12,907</u>	
Fund Balance End of Year	<u>\$ 1,641,671</u>	<u>\$ 2,151,842</u>	<u>\$ 2,873,526</u>	<u>\$ 4,665,188</u>	<u>\$ 6,797,061</u>

Sources: Audited Annual Financial Reports of the Town (2018-2022)

NOTE: This Schedule NOT audited.

Statement of Revenues, Expenditures and Fund Balances
Highway Fund - Part Town

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Revenues:					
Real Property Taxes	\$ 1,321,785	\$ 1,368,055	\$ 1,740,158	\$ 1,612,525	\$ 1,785,093
Use of Money and Property	4,994	9,683	3,532	868	4,041
Licenses and Permits	300	750	900	1,500	750
Sale of Property/Compensation for Loss	3,632	24,991	12,795	55,245	5,483
Miscellaneous Local Sources	23,087	28,493	31,040	35,844	46,193
Interfund Revenues			9,198		
State Aid	29,387	56,089	352,778	315,670	154,774
Federal Aid				60,041	76,376
Total Revenues	1,383,185	1,488,061	2,150,401	2,081,693	2,072,710
Expenditures:					
General Government Support	28,730	32,310	37,164	36,377	44,666
Transportation	874,022	968,085	1,308,704	1,450,787	1,251,260
Employee Benefits	431,907	463,599	471,908	489,924	512,192
Debt Service	66,728	103,400	44,702	41,153	41,375
Total Expenditures	1,401,387	1,567,394	1,862,478	2,018,241	1,849,493
Other Financing Sources (Uses):					
Proceeds From:					
Proceeds from Debt					
Operating Transfers In					
Operating Transfers Out					
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(18,202)	(79,333)	287,923	63,452	223,217
Fund Balance Adjustments	3,765				
Fund Balance Beginning of Year	570,869	556,432	477,099	765,022	828,474
Fund Balance End of Year	\$ 556,432	\$ 477,099	\$ 765,022	\$ 828,474	\$ 1,051,691

Sources: Audited Annual Financial Reports of the Town (2018-2022)

NOTE: This Schedule NOT audited.

BALANCE SHEET - GENERAL & MAJOR TOWN FUNDS

	Fiscal Year Ending December 31, 2022			
	General Fund <u>Town-Wide</u>	Highway Fund <u>Part-Town</u>	Capital Projects <u>Fund</u>	Non-Major* <u>Fund</u>
Assets:				
Cash	\$ 6,183,850	\$ 784,148	\$ 169,686	\$ 2,543,581
Cash and Cash equivalents- Restricted	1,301,034	22,277	5,661,123	31,575
Other Receivables	10,270	7,677		133,936
Due from Other Funds	35,740	231,149	85,410	2,500
Due from State and Federal	146,945		2,436	22,534
Due from Other Governments	279,198		4,929,546	10,000
Prepaid Expenses	341,820	42,181		107,932
	<u>8,298,857</u>	<u>1,087,432</u>	<u>10,848,201</u>	<u>2,852,058</u>
Total Assets				
Liabilities:				
Accounts Payable	127,997	10,293	88,064	25,516
Accrued Liabilities	157,785	25,448		12,324
Due to Other Funds	316,560			38,239
Due to Other Governments	42,916			111,472
Other Liabilities	499,538			
Notes Payable			9,902,846	
Other Deposits				158,773
Deferred Revenues	357,000			
	<u>1,501,796</u>	<u>35,741</u>	<u>9,990,910</u>	<u>346,324</u>
Total Liabilities				
Fund Equity:				
Fund Balance:				
Nonspendable	341,820	42,181		107,932
Restricted	1,301,034	22,277	1,053,169	31,575
Committed				
Assigned	300,000	987,233	(195,878)	2,395,895
Unassigned	4,854,207			(29,668)
	<u>6,797,061</u>	<u>1,051,691</u>	<u>857,291</u>	<u>2,505,734</u>
Total Fund Equity				
Total Liabilities and Fund Equity	\$ <u>8,298,857</u>	\$ <u>1,087,432</u>	\$ <u>10,848,201</u>	\$ <u>2,852,058</u>

Sources: Audited Annual Financial Report (2022)

* Includes General Fund - Town Outside, Highway Fund Town-Wide, Drainage Fund, Special Grant, Mscellaneous Special Revenue Fire Fund, Sewer and Water Fund.

NOTE: This Schedule NOT audited

BALANCE SHEET - GENERAL & MAJOR TOWN FUNDS

	Fiscal Year Ending December 31, 2021			
	General Fund <u>Town-Wide</u>	Highway Fund <u>Part-Town</u>	Capital Projects <u>Fund</u>	Non-Major* <u>Fund</u>
Assets:				
Cash	\$ 4,269,871	\$ 505,715	\$ 9,223,451	\$ 2,276,297
Cash and Cash equivalents- Restricted	487,446	13,062	175,045	28,728
Other Receivables	18,670	5,657		127,081
Due from Other Funds	80,613	840	960	20,358
Due from Other Governments	530,457			191
Prepaid Expenses	177,346	22,603		79,648
State and Federal Aid Receivables	17,004	315,671	1,954,828	18,854
	<u>5,581,407</u>	<u>863,548</u>	<u>11,354,284</u>	<u>2,551,157</u>
Total Assets				
Liabilities :				
Accounts Payable	61,251	10,573	181,022	15,092
Accrued Liabilities	158,951	24,501		10,085
Notes Payable			10,653,640	
Other Deposits				125,839
Due to Other Funds	1,800			60,971
Due to Other Governments	33,118			89,677
Deferred Revenues	365,500			
Other Liabilities	295,599			
	<u>916,219</u>	<u>35,074</u>	<u>10,834,662</u>	<u>301,664</u>
Total Liabilities				
Fund Equity:				
Fund Balance:				
Nonspendable	177,346	22,603		79,648
Restricted	544,490	13,062		28,728
Assigned		792,809	479,622	2,178,308
Unassigned	3,943,352			(37,191)
	<u>4,665,188</u>	<u>828,474</u>	<u>479,622</u>	<u>2,249,493</u>
Total Fund Equity				
Total Liabilities and Fund Equity	<u>\$ 5,581,407</u>	<u>\$ 863,548</u>	<u>\$ 11,314,284</u>	<u>\$ 2,551,157</u>

Sources: Audited Annual Financial Report (2021)

* Includes General Fund - Town Outside, Highway Fund Town-Wide, Drainage Fund, Special Grant, Mscellaneous Special Revenue Fire Fund, Sewer and Water Fund.

NOTE: This Schedule NOT audited

Budget Summaries

Fiscal Year Ending December 31, 2023

	<u>Appropriations</u>	<u>Less Estimated Revenues</u>	<u>Less Unexpected Balance</u>	<u>Amount To Be Raised By Tax</u>
General Fund - Townwide	\$ 9,947,866	\$ 1,229,704	\$ 300,000	\$ 8,418,162
General Fund - Town- Outside Village	649,003	362,079	286,924	
Highway Fund-Townwide	203,322	12,755		190,567
Highway Fund-Outside Village	2,131,930	155,004	100,000	1,876,926
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts				
Totals	\$ <u>12,932,121</u>	\$ <u>1,759,542</u>	\$ <u>686,924</u>	\$ <u>10,485,655</u>

Source: Adopted Budget of the Town of New Paltz

Budget Summaries

Fiscal Year Ending December 31, 2022

	<u>Appropriations</u>	<u>Less Estimated Revenues</u>	<u>Less Unexpected Balance</u>	<u>Amount To Be Raised By Tax</u>
General Fund - Townwide	\$ 9,714,596	\$ 1,581,017		\$ 8,133,579
General Fund - Town- Outside Village	520,725	286,026	234,699	
Highway Fund-Townwide	180,153	8,563		171,590
Highway Fund-Outside Village	1,983,256	152,663	45,500	1,785,093
Community Development				
Federal Revenue Sharing				
Debt Service Fund				
Special Districts				
Totals	\$ <u>12,398,730</u>	\$ <u>2,028,269</u>	\$ <u>280,199</u>	\$ <u>10,090,262</u>

Source: Adopted Budget of the Town of New Paltz

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

► [Click Here For 2022 Audit](#)

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

**TOWN OF NEW PALTZ,
ULSTER COUNTY, NEW YORK
CONTINUING DISCLOSURE AGREEMENT**

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”), dated as of October 5, 2023, is made by and between the Town of New Paltz (the “Issuer”), a municipal corporation of the State of New York, located in the County of Ulster, and the holders and beneficial owners from time to time of the Issuer’s \$8,861,760 Bond Anticipation Notes – 2023C, dated October 5, 2023 (the “Note”), under the circumstances summarized in the following recitals:

A. The Issuer, by passage of a serial bond resolution adopted by the Town Board of the Issuer on July 16, 2020 (the “Resolution”), and pursuant to a Certificate of Determination of the Town Supervisor, dated the date hereof, has determined to issue the Note to provide funds to finance the the construction of an Alternative Town and Village Water Supply System in District No. 5, and _____ (the “Original Purchaser”), has agreed to provide those funds to the Issuer by purchasing the Note.

B. As a condition to the purchase of the Note from the Issuer and the sale of the Note to holders and beneficial owners, the Original Purchaser is required to reasonably determine that the Issuer has made an agreement for the benefit of holders and beneficial owners from time to time of the Note for purposes of paragraph (b)(5)(i) of Rule 15(c)2-12 of the Securities and Exchange Commission (the “Rule”).

NOW, THEREFORE, in consideration of the purchase of the Note from the Issuer by the Original Purchaser, the Issuer hereby agrees pursuant to the Resolution, for the benefit of the holders and beneficial owners from time to time of the Note, as follows:

Section 1. Notices of Events. The Issuer hereby agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access System (EMMA), and to any New York State Information Depository, in a timely manner (but not later than 10 days after the occurrence thereof), notice of the occurrence of any Specified Event described in Section 2.

Section 2. Specified Events. Specified Events shall include: principal and interest payment delinquencies; non-payment related defaults, if material; unscheduled draws on debt service reserve funds reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; 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 or determinations with respect to the tax status of the Note or events affecting the tax status of the Note; modifications to rights of beneficial owners, if material; bond or note calls, if material; tender offers; defeasances; release, substitution, or sale of property securing repayment of the Note, if material; bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer; consummation of a merger, consolidation, acquisition involving the Issuer, other than in the ordinary course of business, or the sale of substantially all of the assets of the Issuer, or the entry of a definitive agreement to engage in a transaction, or a termination of such an agreement, other

than in accordance with its terms, if material; appointment of a successor or additional trustee, or the change in the name of the trustee, if material; rating changes; incurrence of a “financial obligation” of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation, any of which affect security holders, if material; and any default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, if any such event reflects financial difficulties.

Section 3. Amendments. The Issuer reserves the right to amend this Agreement as may be necessary or appropriate to achieve its compliance with any federal securities law or rule or to cure any ambiguity, inconsistency or formal defect or omission, and, if a change in circumstances arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted by the Issuer, to address any such change in circumstances. Any such amendment shall not be effective unless and until the Issuer shall have received: (a) a written opinion of bond or other independent special counsel expert in federal securities laws that this Agreement (as amended) would have complied with the requirements of the Rule at the time of the primary offering of the Note, after taking into account any amendments to or interpretations of the Rule, as well as any change in circumstances, and (b) a written opinion of bond counsel or the holders or beneficial owners of at least 25% in aggregate principal amount of the Note then outstanding, that the amendment would not materially impair the interests of holders or beneficial owners or, if the amendment would materially impair the interests of holders or beneficial owners, the written approval of the amendment by all of the holders and beneficial owners of the Note then outstanding.

Section 4. Default. Any holder or beneficial owner may enforce the Issuer’s obligation to provide or cause to be provided a filing that is due in accordance with this Agreement and the Resolution in the absence of any pertinent filing having been made (disregarding the sufficiency of the filing if a pertinent filing has been made), and holders and beneficial owners also may take actions or proceedings under applicable law to enforce any other obligations of the Issuer under this Agreement and the Resolution made for purposes of the Rule (including any obligation as to the sufficiency of any filing that is made); provided, that the right of the beneficial holders or owners to enforce any provision of this Agreement, or the agreement made by the Issuer in the Resolution for purposes of the Rule, shall be limited to a right to obtain specific enforcement of the Issuer’s obligations hereunder.

Section 5. Non-Appropriation. The performance by the Issuer of its obligations under this Agreement and the Resolution shall be subject to the availability of funds and their annual appropriation to meet costs the Issuer would be required to incur in their performance.

Section 6. Termination. The obligations of the Issuer under this Agreement shall remain in effect only for such period that the Note is outstanding in accordance with its terms and the Issuer remains an obligated person with respect to the Note within the meaning of the Rule.

IN WITNESS WHEREOF, the Issuer has caused this Agreement to be duly signed and delivered on its behalf by Town Supervisor, all as of the date set forth above, and the holders and beneficial owners from time to time of the Note shall be deemed to have accepted this Agreement and the agreement made by the Issuer in the Resolution for purposes of the Rule, upon acquisition and acceptance of any interest in the Note.

Dated: October 5, 2023

TOWN OF NEW PALTZ, NEW YORK

By: _____
Neil Bettez
Town Supervisor