

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 24, 2023

NEW ISSUE - BOND ANTICIPATION NOTES

RATING – MOODY’S INVESTOR SERVICE:

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the 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). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See “Tax Matters” herein.

The City will NOT designate the Notes as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

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

\$19,250,366

BOND ANTICIPATION NOTES, 2023

Dated Date: November 16, 2023

Maturity Date: November 15, 2024

Security and Sources of Payment: The Notes will constitute general obligations of the City and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the City will be subject to the levy of ad valorem taxes, for such purpose, subject to applicable statutory limitations. 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 which is or includes \$5,366. 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 City, 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 11:00 A.M. (Prevailing Time) on November 2, 2023 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser(s) on or about November 16, 2023.

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE “RULE”), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. IN ADDITION, THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. (SEE “DISCLOSURE UNDERTAKING,” HEREIN).



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

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* * *

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* * *

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

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OFFICIAL STATEMENT

Relating to

CITY OF PLATTSBURGH CLINTON COUNTY, NEW YORK

\$19,250,366

BOND ANTICIPATION NOTES, 2023

This Official Statement, including the cover page and appendices thereto, has been prepared by the City of Plattsburgh, Clinton County, New York (the "City") and presents certain information relating to the City's \$19,250,366 Bond Anticipation Notes, 2023 (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (the "State") and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Notes and the proceedings of the City 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 City's overall economic situation and outlook (and all of the specific City-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 "MARKET AND RISK FACTORS" and "IMPACTS OF COVID-19" herein.

THE NOTES

Description of the Notes

The Notes will be dated November 16, 2023 and will mature, without right of redemption prior to maturity, on November 15, 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 City Chamberlain in Plattsburgh, 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 necessary odd denomination, which is or includes \$5,366. 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 City 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 City will act as Paying Agent for the Notes. The City's contact information is as follows: Richard A. Marks, City Chamberlain, City of Plattsburgh, 41 City Hall Place, Plattsburgh, New York, 12901, telephone number 518/563-1680 and email: marksr@cityofplattsburgh-ny.gov.

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

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each 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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the 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 City 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 City, 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 City, 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 City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The City 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 City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Disclosure Undertaking

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the City; note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City; (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect noteholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

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

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

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

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

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

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

Prior Compliance History

The following table sets forth the annual filings for each of the five preceding fiscal years.

<u>Fiscal Year Ending December 31:</u>	<u>Financial & Operating Information</u>	<u>Audited Financial Statements</u>
2018	06/17/2019	09/04/2019
2019	06/10/2020	11/30/2020
2020	06/18/2021	10/25/2021
2021	06/16/2022	09/26/2022
2022	06/21/2023	07/10/2023

On April 11, 2016, the City filed a material event notice as to the failure to file a rating downgrade of the City by Standard and Poor’s Corporation that occurred on January 23, 2014 and a ratings upgrade on Assured Guaranty Municipal Corp. (AGM) that occurred on March 18, 2014. Material event notices as to the rating changes were filed on February 28, 2014 and April 11, 2016, respectively.

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Authorization and Purpose

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond ordinances adopted by the City Council. The amounts to be financed are set forth below.

Date of Authorization	Purpose	Amount Outstanding	Amount to Pay Down	Additional Amount to be Issued	Total Amount to be Issued
12/16/2021	Project 50073 Farmers' Market Improvements	\$ 47,614	\$ 5,000	\$ 0	\$ 42,614
12/16/2021	Project 50077 Street Resurfacing	1,297,950	192,000	0	1,105,950
12/16/2021	Project 50078 Fire Station Ramp Replacement	100,000	15,000	0	85,000
12/16/2021	Project 50078 DPW Boiler System Replacement	134,167	15,000	0	119,167
12/16/2021	Project 50078 DPW Boiler System Replacement	126,666	15,000	0	111,666
12/16/2021	Project 80079 Construction of a New Water Supply Well	1,000,000	10,000	0	990,000
2/17/2022	Project 80082 2022 Water System Improvements	600,000	0	0	600,000
06/02/2022	Project 80083 2022 Water System Improvements 2	7,075,000	439,000	0	6,636,000
02/17/2022	Project 50083 2022 Equipment Purchase - rev 2	415,334	0	0	415,334
02/17/2022 & 10/20/2022 & 09/21/2023	Project 50085 2022 Public Service Buildings - rev 2	1,060,500	0	928,590	1,989,090
07/21/2022	Project 50090 Fire Engine Purchase			798,776	798,776
10/06/2022	Project 50090 Ambulance Purchase			250,545	250,545
04/20/2023	Project 80084 Water System Improvements - Water Tank Valve Connection			200,000	200,000
03/16/2023	Project 50094 Margaret Street Construction			1,985,394	1,985,394
03/16/2023	Project 50094 Margaret Street Construction			2,183,089	2,183,089
09/07/2023	Project 50094 Margaret Street Lighting System			837,741	837,741
09/21/2023	Project 80085 Water Supply Well Construction			900,000	900,000
	Total	\$ <u>11,857,231</u>	\$ <u>691,000</u>	\$ <u>8,084,135</u>	\$ <u>19,250,366</u>

Nature of Obligation

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

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

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

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the 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 City's power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "Tax Levy Limitation Law," herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

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

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

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

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

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitations Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. 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 and 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 City and the holder thereof. Under current law, provision is made for contract creditors of the City to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the 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 City may not be enforced by levy and execution against property owned by the City.

Authority to File For Municipal Bankruptcy

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

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 City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (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 City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

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

State Debt Moratorium Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Several municipalities in the State are presently working with the FRB. The City is presently not working with the FRB 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, such as the Notes.

Default Litigation

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

No Past Due Debt

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

THE CITY OF PLATTSBURGH

Description

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

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

The State University College at Plattsburgh, located in the City, has a total enrollment of approximately 6,695 and offers degrees in the liberal arts and such courses as nursing, teacher education and medical technician. Clinton Community College, situated nearby, enrolls approximately 2,352 students in the liberal arts, business and other fields of study. The Miner Center (an environmental studies center operated by the Miner Foundation and the State College at Plattsburgh) and the Miner Agricultural Research Institute - Cornell University agricultural research and demonstration center offer additional opportunities for advanced study. Lake Placid, the site of the 1932 and 1980 Winter Olympics, is a one-hour drive from the City. Montreal, located 62 miles to the north, offers cultural, entertainment and sports events throughout the year.

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

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

Governmental Organization

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

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

Public meetings of the Common Council are held the 1st and 3rd Thursday of each month at 5:00 p.m. and public Committee meetings are held on Mondays and on the Thursdays that the Common Council does not meet. The agenda for public meetings is established no later than noon two days before each scheduled meeting. The Mayor may vote in the Council if a tie results.

Employees

The City provides services through approximately 205 full-time employees and 27 part-time employees. Some of such employees are represented by organized labor as follows:

<u>Employee Organization</u>	<u>Term of Contract</u>	<u>Est. No. of Employees</u>
AFSCME, Council 66, AFL-CIO, Local 788 (City Library)	June 30, 2026	10
AFSCME, Council 66, AFL-CIO-Local 788	June 30, 2024	75
Plattsburgh Permanent Firemen’s Association (IAFF) Local 2421	December 31, 2026	33
AFSCME, Council 82, AFL-CIO, Local 812 Plattsburgh Police Officers Union	December 31, 2025	40
International Brotherhood of Electrical Workers Local 1249	June 30, 2027	25

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

DEMOGRAPHIC AND STATISTICAL INFORMATION

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

Population Characteristics

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

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

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

Selected Wealth and Income Indicators

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

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

Source: United States Bureau of the Census

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

Building Permits

<u>Year</u>	<u>Total</u>	<u>Estimated Costs</u>
2018	506	9,319,303
2019	430	23,304,939
2020	393	23,725,525
2021	428	17,703,311
2022	455	8,243,083

Large Employers

<u>Name</u> ^a	<u>Type</u>	<u>Estimated Number Of Employees</u>
CVPH Medical Center	Medical Center	2,300
State University at Plattsburgh	Educational	1,125
County of Clinton Government	Municipal Services	850
Mold Rite Plastics Inc.	Manufacturer	498
Bombardier Transportation	Manufacturer	454
Plattsburgh City School District	Educational	390
Meadow Brook Health Care	Health Care Facility	300
Chartwells	Commercial	250
City of Plattsburgh	Municipal Services	225
Georgia-Pacific Corporation	Manufacturer	131

Source: City Officials.

a. In recent years, Bombardier Transportation has experienced layoffs due to a fluctuation in demand.

Unemployment Rate Statistics

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

<u>Annual Averages:</u>	<u>Clinton County (%)</u>	<u>New York State (%)</u>
2018	4.4	4.1
2019	4.4	4.0
2020	8.0	10.0
2021	5.0	7.2
2022	3.2	4.4
2023 (4 month average)	3.6	4.2

Source: Department of Labor, State of New York

Plattsburgh International Airport

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

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

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

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

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

INDEBTEDNESS OF THE CITY

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

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

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

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

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

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

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

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

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

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

Computation of Debt Limit and Calculation of Net Debt Contracting Margin ^a
(As of October 24, 2023)

Fiscal Year ending <u>Dec 31:</u>	<u>Assessed Valuation</u>	State Equalization <u>Rate (%)</u>	<u>Full Valuation</u>
2019	\$ 953,142,286	100.00	\$ 953,142,286
2020	989,869,458	100.00	989,869,458
2021	999,444,777	100.00	999,444,777
2022	1,023,680,698	100.00	1,023,680,698
2023	1,093,511,964	100.00	1,093,511,964
Total Five Year Full Valuation			\$5,059,649,183
Average Five Year Full Valuation			1,011,929,837
Debt Limit - 7% of Average Full Valuation			70,835,089
Inclusions:			
Various Purpose Debt			\$10,480,461
Electric System Debt			3,030,391
Water Purpose Debt			2,574,148
Bond Anticipation Notes			<u>16,549,220</u>
Total Indebtedness			<u>32,634,220</u>
Exclusions:			
Appropriations for Bonds			805,000
Electric Purpose Debt			3,030,391
Water Purpose Debt			<u>2,574,148</u>
Total Exclusions			<u>6,409,539</u>
Total Net Indebtedness			26,224,681
Net Debt Contracting Margin			<u>44,610,408</u>
Per Cent of Debt Contracting Margin Exhausted			37.02%

a. See also “Water System Improvements” Herein.

Details of Short-Term Indebtedness Outstanding
(As of October 24, 2023)

As of the date of this Statement, the City has a total bond anticipation notes outstanding in the amount of \$16,549,220 which include \$11,857,231 for various projects maturing November 17, 2023 which will be redeemed by the issuance of the Notes and \$4,691,990 maturing November 7, 2024 for Environmental Facilities Corporation “EFC” sewer projects.

Source: City Officials.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,105,000	\$ 553,913	\$ 3,658,913
2024	3,145,000	450,097	3,595,097
2025	2,715,000	346,693	3,061,693
2026	2,640,000	252,762	2,892,762
2027	2,475,000	172,137	2,647,137
2028	1,620,000	104,420	1,724,420
2029	1,625,000	57,291	1,682,291
2030	<u>980,000</u>	<u>22,550</u>	<u>1,002,550</u>
Totals	\$ <u>18,305,000</u>	\$ <u>1,959,863</u>	\$ <u>20,264,863</u>

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>
Clinton County	7/12/2023	19.95	\$9,175,176	\$8,499,316
Plattsburgh CSD	12/29/2022	100.00	<u>17,095,000</u>	<u>15,915,000</u>
Totals:			<u>\$26,270,176</u>	<u>\$24,414,316</u>

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

Authorized but Unissued Debt

As of the date of this Official Statement, the City has authorized but unissued debt in the aggregate amount of \$64,683,111. It is expected that the City will receive grant funds for a significant portion of the authorized but unissued amount and therefore the amount to be financed will be significantly reduced.

Capital Program

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

Adopted Capital Budget

The Adopted Capital Budget of the City, which sets forth the Capital Improvement Plan (“CIP”) for the years 2023 to 2027, is set forth in Appendix A.

Trend of Outstanding Debt

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Debt Outstanding End of Year:					
Bonds	\$24,880,000	\$20,700,000	\$24,423,519	\$21,355,000	\$18,305,000
BANs	0	0	0	0	11,857,231
EFC Notes	0	0	0	0	4,691,990
Total Debt Outstanding	\$24,880,000	\$20,700,000	\$24,423,519	\$21,355,000	\$34,854,221

Debt Ratios (As of October 24, 2023)

	Amount	Per Capita ^a	Percentage Of Full Value (%) ^b
Total Direct Debt	\$32,634,220	\$1,687	2.984
Net Direct Debt	26,224,681	1,356	2.398
Total Direct & Applicable Total Overlapping Debt	58,904,396	3,045	5.387
Net Direct & Applicable Net Overlapping Debt	50,638,997	2,618	4.631

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

b. The full valuation of taxable real property in the City for 2022-2023 is \$1,093,511,964.

FINANCIAL MATTERS

Financial Statements and Accounting Procedures

The City maintains its financial records in accordance with the Uniform System of Accounts for Cities prescribed by the State Comptroller. The financial records of the City are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2022 and is attached as Appendix B. A summary of operating results are presented in Appendix A. In addition, the financial affairs of the City are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the City has complied with the requirements of various State and Federal statutes. See “The State Comptroller’s Fiscal Stress Monitoring System” section herein.

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

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

Fund Structure and Accounts

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

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

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

Basis of Accounting

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

Investment Policy

Pursuant to the statutes of the State of New York, the City is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments: (1) special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State, provided however, that such time deposit account or certificate of deposit is payable within such time as the proceeds shall be needed to meet the expenditures for which such moneys were obtained and provided further that such time deposit account or certificate of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller in tax anticipation notes or revenue anticipation notes issued by any municipalities, school district, or district corporation, other than those notes issued by the City; (6) certificates of participation issued by political subdivisions of the State, as those terms are defined in the law; (7) obligations of a New York public corporation which are considered lawful investments for the City pursuant to the enabling laws of such public corporation; or (8) in the case of moneys held in certain reserve funds established by the City pursuant to law, in obligations of the City. Any investments made by the City pursuant to law are required to be payable or redeemable at the option of the City within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the City's investments, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law. Historically, the City has not chosen to invest in repurchase agreements.

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

Revenues

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

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

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

Based on the audited results, the City received approximately 13.14% 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, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

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

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

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Total Revenue</u>	<u>State & Federal Aid</u>	<u>State Aid To Revenues (%)</u>
2018	\$23,963,255	\$3,297,923	13.76
2019	24,444,881	3,165,378	12.95
2020	23,584,956	2,592,639	10.99
2021	25,315,895	3,783,076	14.94
2022	25,442,756	3,342,045	13.14
2023 (Budgeted)	25,412,244	3,080,180	12.12

Source: Audited Financial Statements (2018-2022) and Adopted Budget of the City (2023). Table itself is not audited.

Expenditures

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

Budget Procedure

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

Summary of Recent Operating Results and Fund Balance Trends

2018 Results of Operations

For the fiscal year ended December 31, 2018, the audited financial statements prepared by the City, shows total revenue including transfers in the General Fund were \$23,963,255 and the total expenditures, including transfers were \$23,484,801, resulting in an operating surplus of \$478,454. The total overall fund balance in the General Fund increased from \$1,151,020 to \$1,629,473.

2019 Results of Operations

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

2020 Results of Operations

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

2021 Results of Operations

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

2022 Results of Operations

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

2023 Results of Operations (Projected)

For the fiscal year ending December 31, 2023, the City is estimating a deficit of \$985,000 in the General Fund due to the funding of one-time capital projects and for the funding of retro-active payroll costs associated with a contract settlement with the police union.

Plattsburgh Municipal Lighting Department

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

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the City as “No Designation” with a fiscal score of 6.70% and an environmental score of 13.30%. Additional details regarding FSMS can be found on the website of the State Comptroller. Reference to this website implies no warranty of accuracy of information herein nor inclusion herein by reference. The following table shows the City’s fiscal scores for the years 2019 through 2022:

Fiscal Year Ending <u>December 31:</u>	Fiscal Stress <u>Score (%)</u>	Environmental <u>Score (%)</u>
2019	26.30	23.30
2020	3.30	23.30
2021	6.70	13.30
2022	6.70	20.00

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

Employee Pension System

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

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

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

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

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

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

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

Contributions to the Retirement Systems

Fiscal Year Ending <u>December 31:</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2018	\$1,210,750	\$1,289,550	\$2,500,300
2019	1,112,298	1,519,740	2,632,038
2020	1,126,889	1,331,867	2,458,756
2021	1,102,243	1,566,308	2,668,551
2022	933,656	1,401,363	2,335,019
2023 (Budgeted)	1,108,208	1,609,110	2,717,318

Other Post-Employment Benefits

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

GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

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

During the year ended December 31, 2018, the City adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer's prior fiscal year and no later than the employer's current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

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

For the fiscal year ended December 31, 2018, the City implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The City's total OPEB liability at December 31, 2022 is as follows:

Total OPEB Liability at Dec 31, 2021	<u>\$192,539,632</u>
Charges for the Year:	
Service Cost	1,986,061
Interest	4,145,721
Changes of Benefit Terms	
Difference between Expected and Actual Experience	(13,193,655)
Changes in Assumptions or Other Inputs	(56,404,048)
Benefit Payments	<u>(5,223,403)</u>
Net Changes in total OPEB liability	<u>(68,689,324)</u>
Total OPEB Liability at Dec 31, 2022	<u><u>\$123,850,308</u></u>

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

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

REAL PROPERTY TAXES

Constitutional Tax Margin 2023

Five-Year Average Full Valuation	\$1,011,929,837
Tax Limit - 2% Thereof	20,238,597
Tax Levy for City Purposes	11,996,112
Exclusions	3,358,732
Tax Levy Subject to Tax Limit	<u>8,637,380</u>
Constitutional Tax Margin	<u>11,601,217</u>
Percentage of Unused Taxing Power	42.68%

The following table sets forth the percentage of the City’s General Fund revenue (including other financing sources) comprised of real property taxes for each of the fiscal years 2018 through 2022 and budgeted for 2023.

Fiscal Year Ending <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2018	23,963,255	11,457,934	47.81
2019	24,444,881	11,679,004	47.78
2020	23,584,956	11,601,221	49.19
2021	25,315,895	11,383,733	44.97
2022	25,442,756	11,662,981	45.84
2023 (Budgeted)	25,412,244	11,931,102	46.95

Source: Audited Financial Statements (2018-2022) and Adopted Budget of the City (2023). Table itself not audited.

Tax Collection Procedure

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

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

Payments in Lieu of Taxes

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

Selected Listing of Large Taxable Properties
2023 Assessment Roll ^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u> ^b
Meadowbrook Realty Group LLC	Nursing Home	\$ 16,400,000
Georgia Pacific Corp.	Industrial	15,124,400
Terry M. Meron	Apartments	11,579,000
Bombardier Mass Transit Corp	Industrial	10,500,000
Mousseau Properties LLC	Commercial	9,762,600
Lake Forest Senior Living	Nursing Home	8,814,000
Mold Rite Plastics	Industrial	8,121,500
EZ Properties	Commercial	7,480,600
Plattsburgh Plaza LLC	Industrial	7,224,153
Skyway Properties LLC	Shopping Center	6,210,000
NYSEG	Utility	5,920,776
SF II Plattsburgh LLC	Commercial	5,707,520
Terrace West Apartments	Apartments	5,645,900
Green Beekman Towers	Commercial	5,016,300
Mountain Harbor Properties	Residential	4,853,900
Erin Court and Erin Heights	Apartments	4,837,400
CVPH Medical Center	Medical	4,729,900
Lewis Heights LLC	Commercial	4,692,700
Tall Pine Estates LLC	Commercial	4,438,500
North Shore Apartments	Apartments	4,262,000
Pine Harbor Inc.	Nursing Home	4,013,800
Total ^c		\$155,334,949

- a. Assessment Roll established in 2022 for levy and collection of taxes during 2023 Fiscal Year.
- b. There are several real property tax cases pending against the City. Historically many cases are abandoned or settled by modest reductions in assessed value in future years. It is unlikely that any pending case will result in a refund of overpaid taxes. In the opinion of the City, any liability that may arise would be immaterial in relation to the financial statements taken as a whole. See "Litigation" and "Tax Certiorari Claims" sections herein.
- c. Represents approximately 14.21% of the total full taxable assessed valuation of the City for 2023 of \$1,093,511,964.

Tax Certiorari Claims

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

Sales Tax

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

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

The following table sets forth the percentage of the County's General Fund revenue (excluding other financing sources) comprised of sales tax for each of the fiscal years 2018 through 2022 and as budgeted for 2023.

Fiscal Year Ended <u>December 31:</u>	<u>Total Revenue</u>	<u>Sales Taxes</u>	<u>Sales Taxes to Revenues (%)</u>
2018	23,963,255	4,302,695	17.96
2019	24,444,881	4,425,749	18.11
2020	23,584,956	4,300,185	18.23
2021	25,315,895	5,127,185	20.25
2022	25,442,756	5,616,063	22.07
2023 (Budgeted)	25,412,244	4,647,569	18.29

Source: Audited Financial Statements (2018-2022) and Adopted Budget of the City (2023). Table itself not audited.

CYBERSECURITY

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

LITIGATION

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

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

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

IMPACT OF COVID-19

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. The funding is available through, and must be spent by, December 31, 2024.

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.

The City is expected to receive approximately \$2,100,000 in direct aid through the ARPA which was signed into law on March 11, 2021. The City received 50% of its allocation in 2021 and received the remaining 50% in 2022. It is the intent of the City, to the extent allowable under the ARPA to use these funds for expenditures incurred as well as lost revenue related to COVID-19. The intended use of the remaining funds is still under discussion, but investment in the City’s infrastructure is under consideration (pending further guidance under the ARPA).

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 City as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the City’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the 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 City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

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

There are a number of general factors which could have a detrimental effect on the ability of the City to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the City. Unforeseen developments could also result in substantial increases in City expenditures, thus placing strain on the City’s financial condition. These factors may have an effect on the market price of the 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 City. Any such future legislation would have an adverse effect on the market value of the Notes (See “Tax Exemption” herein).

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. For tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed forms of opinions of Bond Counsel is set forth in Appendix B hereto.

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

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

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

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

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

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

LEGAL MATTERS

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

RATING

The City has applied to Moody's Investors Service ("Moody's"), 7 WTC at Greenwich Street, New York, NY, Phone: (212) 553-4055 and Fax: (212) 298-6761 for a rating on the Notes.

The City's outstanding bonds is rated "A3" (stable outlook) by Moody's. 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 affect 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 City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the City and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

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

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

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

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

ADDITIONAL INFORMATION

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

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

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

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

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

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

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

CITY OF PLATTSBURGH, NEW YORK

By: s/s RICHARD A. MARKS
City Chamberlain and Chief Fiscal Officer

November , 2023

APPENDIX A

FINANCIAL INFORMATION

RBT CPAs, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RBT CPAs also has not performed any procedures relating to this Official Statement.

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

	Fiscal Year Ending December 31:				
	2018	2019	2020	2021	2022
Revenues:					
Real Property Taxes	\$ 11,457,934	\$ 11,679,004	\$ 11,601,221	\$ 11,383,733	\$ 11,662,981
Real Property Tax Items	364,957	205,942	247,333	193,910	221,365
Non-property Taxes	4,571,798	4,690,090	4,596,316	5,127,185	5,616,063
Departmental Income	1,671,030	1,998,312	1,910,806	1,898,270	1,873,836
Use of Money and Property	20,651	37,523	8,251	19,212	103,445
Licenses and Permits	120,620	176,341	67,343	432,014	178,719
Fines and Forfeitures	215,859	285,103	99,003	234,548	186,455
Sale of Property and Comp. for Loss	20,647	71,634	213,523	80,280	86,132
Miscellaneous	150,458	67,970	64,468	121,695	29,242
Interfund Revenues	818,859	867,867	767,598	655,988	863,442
State Aid	3,297,923	3,165,378	2,592,639	3,783,076	3,342,045
Federal Aid	47,753	13,611	31,910		
Total Revenues	22,758,486	23,258,775	22,200,411	23,929,911	24,163,725
Other Financing Sources:					
Proceeds of Obligations					
Operating Transfers In	1,204,769	1,186,106	1,210,727	1,385,984	1,279,031
Total Revenues and Other Financing Sources	23,963,255	24,444,881	23,411,138	25,315,895	25,442,756
Expenditures:					
General Government Support	2,279,344	1,875,403	1,872,450	2,004,006	2,072,616
Public Safety	8,077,156	7,471,444	7,529,594	8,096,367	8,605,041
Transportation	1,410,960	1,139,253	1,117,680	1,249,424	1,329,174
Economic Assistance and Opportunity	546,146	606,323	462,895	424,907	632,317
Culture and Recreation	206,275	191,498	42,842	154,522	223,031
Home and Community Services	652,024	494,965	500,203	502,006	481,594
Employee Benefits	7,226,310	7,438,788	6,989,241	7,598,141	8,267,200
Total Expenditures	20,398,214	19,217,674	18,514,905	20,029,373	21,610,973
Other Financing Uses:					
Operating Transfers (Out)	(3,086,587)	(3,324,482)	(2,749,271)	(3,748,049)	(3,626,819)
Total Expenditures and Other Financing Uses	23,484,801	22,542,156	21,264,176	23,777,422	25,237,792
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	478,454	1,902,725	2,146,962	1,538,473	204,964
Fund Balance Beginning of Year	1,151,020	1,629,473	3,532,198	5,712,885	7,251,358
Prior Period Adjustment			33,725 ^a		
Fund Balance, Restated	1,151,020	1,629,473	3,565,923	5,712,885	7,251,358
Fund Balance End of Year	\$ 1,629,473	\$ 3,532,198	\$ 5,712,885	\$ 7,251,358	\$ 7,456,322

Sources: Audited Financial Statements (2018-2022)

Note: This Schedule is not Audited.

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

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

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Real Property Taxes	\$ 85,010	85,010	85,010	85,010	85,010
Departmental Income	8,560,156	8,844,895	8,364,927	8,469,152	9,310,420
Intergovernmental Charges	1,342,176	1,274,139	1,141,800	1,185,061	1,419,224
Use of Money and Property	54,067	171,509	124,005	59,154	160,597
Licenses and Permits		1,850			
Sale of Property and Comp. for Loss	14,505	17,219	119,766	308,075	22,986
Miscellaneous	43,541	17,032	24,222	141,165	66,859
Interfund Revenues	111,131	114,348	127,796	135,675	95,167
State Aid	365,579	161,862	345,035	126,226	104,675
Federal Aid	4,428	5,670	11,406	10,439	141,892
Total Revenues	<u>10,580,593</u>	<u>10,693,534</u>	<u>10,343,967</u>	<u>10,519,957</u>	<u>11,406,830</u>
Other Financing Sources:					
Debt Proceeds					
Operating Transfers In	1,251,337	1,374,615	1,052,677	1,685,654	1,516,096
Total Revenues and Other Financing Sources	<u>11,831,930</u>	<u>12,068,149</u>	<u>11,396,644</u>	<u>12,205,611</u>	<u>12,922,926</u>
Expenditures:					
General Government Support	530,996	558,296	510,610	470,888	435,899
Transportation	65,090	70,104	86,690	115,220	161,575
Culture and Recreation	1,354,186	1,473,619	786,080	1,185,720	1,477,500
Home and Community Services	5,775,345	5,175,805	4,989,344	5,135,567	5,516,893
Employee Benefits	2,271,967	2,259,826	2,366,460	2,352,394	2,409,274
Debt Service					
Miscellaneous					
Total Expenditures	<u>9,997,584</u>	<u>9,537,650</u>	<u>8,739,184</u>	<u>9,259,789</u>	<u>10,001,141</u>
Other Financing Uses:					
Operating Transfers Out	(1,225,937)	(3,320,724)	(1,303,071)	(2,891,560)	(5,347,054)
Total Expenditures and Other Financing Uses	<u>11,223,521</u>	<u>12,858,374</u>	<u>10,042,255</u>	<u>12,151,349</u>	<u>15,348,195</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>608,409</u>	<u>(790,225)</u>	<u>1,354,389</u>	<u>54,262</u>	<u>(2,425,269)</u>
Fund Balances Beginning of Year	<u>12,182,834</u>	<u>12,791,243</u>	<u>12,001,018</u>	<u>15,712,839</u>	<u>15,767,101</u>
Prior Period Adjustment			2,357,432 ^a		
Fund Balances, Restated	<u>12,182,834</u>	<u>12,791,243</u>	<u>14,358,450</u>	<u>15,712,839</u>	<u>15,767,101</u>
Fund Balances End of Year	<u>\$ 12,791,243</u>	<u>12,001,018</u>	<u>15,712,839</u>	<u>15,767,101</u>	<u>13,341,832</u>

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

Sources: Audited Financial Statements (2018-2022)

Note: This Schedule Not Audited.

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

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

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues:					
Municipal Charges	\$ 21,911,139	\$ 20,505,825	\$ 18,330,464	\$ 19,850,316	\$ 22,107,540
Use of Money & Property	14,090				
Interfund Charges		226,149	230,113	232,698	236,489
Miscellaneous Income	103,941	74,125	69,298	73,331	103,793
Real Property Taxes	71,685				
Total Revenues	<u>22,100,855</u>	<u>20,806,099</u>	<u>18,629,875</u>	<u>20,156,345</u>	<u>22,447,822</u>
Expenses:					
Total Other General Gov. Support	1,930,985	1,857,551	1,826,202	1,903,829	1,887,875
Electric and Power	13,253,170	13,640,908	12,184,231	13,968,702	15,734,944
Other Expenses	1,409,448	414,871	1,560,447	3,014,294	1,075,546
Interest Expense				101,633	93,933
Depreciation	2,221,239	2,239,469	2,140,977	2,158,806	2,182,155
Total Expenses	<u>18,814,842</u>	<u>18,152,799</u>	<u>17,711,857</u>	<u>21,147,264</u>	<u>20,974,453</u>
Income (Loss) From Operations	<u>3,286,013</u>	<u>2,653,300</u>	<u>918,018</u>	<u>(990,919)</u>	<u>1,473,369</u>
Non-Operating Revenues (Expenses)					
Interest Expense	(297,997)	(218,403)	(140,308)	(114,630)	(97,006)
Contributions in Lieu of Taxes		10,597	258,555	77,484	54,781
Use of Money and Property		33,084	25,962	10,549	72,325
Transfer to City for Shared Services	(652,997)	(426,848)	(422,884)	(652,997)	(652,997)
Contributions to Municipality		(2,065,772)	(230,113)		
Total Non-Operating Gains (Losses)	<u>(950,994)</u>	<u>(2,667,342)</u>	<u>(508,788)</u>	<u>(679,594)</u>	<u>(622,897)</u>
Net Income or (Loss)	<u>2,335,019</u>	<u>(14,042)</u>	<u>409,230</u>	<u>(1,670,513)</u>	<u>850,472</u>
Retained Earnings - Beginning of Fiscal Year	<u>28,215,959</u>	<u>11,421,612</u>	<u>11,407,829</u>	<u>11,817,060</u>	<u>10,146,547</u>
Prior Period Adjustment	(19,129,368)	259			
Beginning of Fiscal Year, Restated	<u>9,086,591</u>	<u>11,421,871</u>	<u>11,407,829</u>	<u>11,817,059</u>	<u>10,146,546</u>
Retained Earnings - End of Year	<u>\$ 11,421,610</u>	<u>\$ 11,407,829</u>	<u>\$ 11,817,059</u>	<u>\$ 10,146,546</u>	<u>\$ 10,997,018</u>

Sources: Audited Financial Statements (2018-2022)

Note: This Schedule Not Audited.

Balance Sheets

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

Sources: Audited Annual Financial Report (2022)

Note: This Schedule Not Audited.

Balance Sheets

	<u>Fiscal Year Ending December 31, 2021</u>	
	<u>General</u>	<u>Special</u>
	<u>Fund</u>	<u>Revenue</u>
Assets:		
Cash	\$ 1,033,675	\$ 1,450,798
Taxes Receivable: Net	825,420	
Other Receivables	228,260	1,059,980
State & Federal Receivables	1,991,555	
Economic Development Loan		499,733
Due from Other Funds	2,623,802	1,245,095
Due from Other Governments	1,489,751	
Restricted Assets	325,661	12,777,877
Prepaid Expenses	<u>526,991</u>	<u>169,167</u>
Total Assets	<u>\$ 9,045,115</u>	<u>\$ 17,202,650</u>
Liabilities:		
Accounts Payable	\$ 370,861	\$ 238,319
Accrued Liabilities	118,826	87,956
Other Deposits		
Other Liabilities	1,106,823	
Due to Other Funds	27,997	1,109,240
Due to Other Governments	169,250	34
Total Liabilities	<u>1,793,757</u>	<u>1,435,549</u>
Deferred Inflows of Resources:		
Deferred Inflows of Resources	<u> </u>	<u> </u>
Fund Balances:		
Nonspendable	600,574	553,994
Restricted	325,661	12,777,877
Assigned	658,167	2,617,330
Unassigned	<u>5,666,956</u>	<u>(182,100)</u>
Total Fund Balances	<u>7,251,358</u>	<u>15,767,101</u>
Total Liabilities & Fund Balances	<u>\$ 9,045,115</u>	<u>\$ 17,202,650</u>

Sources: Audited Annual Financial Report (2021)

Note: This Schedule Not Audited.

**Municipal Lighting Department
Statement of Net Assets**

	Fiscal Year Ending December 31				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Assets:					
Cash	\$ 187,743	\$ 283,357	\$ 347,603	\$ 99,126	\$ 116,025
Accounts Receivable (Net)	1,639,005	1,401,667	1,678,059	1,566,346	1,518,599
Inventories	1,469,926	1,476,789	1,345,793	1,367,261	1,473,587
Prepaid Expenses	150,779	151,549	159,564	152,701	125,500
Due from Other Funds	140,859	234,573	135,754	80,310	67,438
Restricted Assets (Cash)	2,781,357	2,054,633	2,134,154	3,180,338	4,221,813
Net Pension Asset - Proportionate Share					576,495
Fixed Assets (Net)	33,923,370	32,721,359	31,716,468	30,630,198	29,201,243
Deferred Outflows of Resources	1,194,820	2,365,060	2,413,567	2,911,836	1,373,114
Total Assets	<u>\$ 41,487,859</u>	<u>\$ 40,688,987</u>	<u>\$ 39,930,962</u>	<u>\$ 39,988,116</u>	<u>\$ 38,673,815</u>
Liabilities and Fund Balances:					
Accounts Payable	\$ 1,662,145	\$ 1,462,685	\$ 1,329,269	\$ 1,661,954	\$ 1,488,298
Accrued Liabilities	193,253	157,565	85,525	101,487	123,038
Due to Other Funds	80	6,848	6,458	76,990	59,642
Other Deposits	429,909	744,681	649,509	773,952	1,043,674
Bonds Payable-Current	904,575	857,334	633,388	643,191	711,517
Bond Payable-Long Term	6,320,228	5,445,971	4,716,398	3,987,322	3,200,323
Compensated Absences	539,677	578,747	567,623	541,789	589,844
Other Post Employment Benefits	18,335,840	16,327,548	17,735,324	19,718,017	13,856,885
Net Pension Liability - Proportionate Share	285,691	578,727	2,047,329	7,857	2,064,868
Deferred Revenues	1,394,849	3,121,052	343,080	2,329,011	4,538,707
Total Liabilities	<u>30,066,247</u>	<u>29,281,158</u>	<u>28,113,903</u>	<u>29,841,570</u>	<u>27,676,796</u>
Net Assets:					
Net Investment in Capital Assets	26,698,567	26,418,054	26,366,682	25,999,685	25,289,403
Restricted for Capital Projects	1,731,366	91,515	92,133	677,579	841,761
Restricted for Debt Service	203,375	276,168	218,481	206,487	205,925
Restricted for Other Purposes	846,615	1,686,950	1,818,793	2,296,272	2,124,757
Unrestricted	<u>(18,058,311)</u>	<u>(17,064,858)</u>	<u>(16,679,030)</u>	<u>(19,033,477)</u>	<u>(17,464,828)</u>
Total Fund Equity	<u>11,421,612</u>	<u>11,407,829</u>	<u>11,817,059</u>	<u>10,146,546</u>	<u>10,997,018</u>
Total Liabilities & Fund Equity	<u>\$ 41,487,859</u>	<u>\$ 40,688,987</u>	<u>\$ 39,930,962</u>	<u>\$ 39,988,116</u>	<u>\$ 38,673,814</u>

Sources: Audited Financial Statements (2018-2022)

Note: This Schedule Not Audited.

Summary of 2023 Operating Budget by Funds

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

Source: Adopted Budget of the City

Summary of 2022 Operating Budget by Funds

	Total	General Fund	Recreation Complex	Parking Lot	Water Fund	Sewer Fund	Library Fund	Debt Service Fund	Municipal Lighting
Appropriations:									
Legislative	\$ 63,000	\$ 63,000	\$	\$	\$	\$	\$	\$	\$
Judicial	94,300	94,300							
Executive	194,261	194,261							
Finance	588,249	588,249							
Staff	467,527	467,527							
Shared Services	558,450	558,450							
Special Items	1,040,211	492,949	29,600	151	359,696	150,500	7,315		
Public Safety	8,127,706	8,127,706							
Public Works	1,674,818	1,489,253		185,565					
Economic Assistance	449,971	449,971							
Culture & Recreation	1,381,829	86,800	661,907				633,122		
Home & Community Service	24,939,776	639,258			1,758,627	4,275,083			18,266,808
Employee Benefits	11,003,164	7,523,401	84,364	55,015	700,480	1,068,600	214,586		1,356,718
Inter-Fund Transfers	4,657,053	3,324,504	190,893	141,200	674,548	320,613	5,295		
Debt Service	3,688,055							2,868,688	819,367
Transfer Fund Balance	65,000	65,000							
Total Appropriations	\$ 58,993,370	\$ 24,164,630	\$ 966,764	\$ 381,931	\$ 3,493,351	\$ 5,814,796	\$ 860,318	\$ 2,868,688	\$ 20,442,893
Estimated Revenues:									
Tax Levy	\$ 11,639,250	\$ 10,195,124	\$ 655,664	\$ 62,726	\$	\$	725,736	\$	\$
Real Property Tax Items	222,717	222,717							
Non-Property Tax Items	4,627,303	4,627,303							
Departmental Fees	66,520	66,520							
Public Safety Fees	136,600	136,600							
Health	967,000	967,000							
Transportation	14,000	14,000							
Culture & Recreation	281,000		281,000						
Home & Community Service	29,863,200	710,500			3,475,000	4,959,700			20,718,000
Use of Money & Property	204,250	14,380	30,100	15,445	1,000	142,500	825		
Licenses & Permits	301,225	132,475		168,750					
Fines & Forfeitures	323,950	273,950		50,000					
Minor Sales, Comp Loss, Misc	134,100	107,800			300		26,000		
Inter-Governmental Charges	1,344,798				464,598	880,000	200		
Inter-Fund Revenues	5,007,397	2,012,984			98,725	27,000		2,868,688	
State Aid	3,111,708	3,014,151					97,557		
Federal Aid	15,000	5,000					10,000		
Total Estimated Revenues	58,260,018	22,500,504	966,764	296,921	4,039,623	6,009,200	860,318	2,868,688	20,718,000
Appropriated/ (Surplus) Fund Balances	(520,676)	220,000			(546,272)	(194,404)			
Special Assessments - Parking Lot	85,010			85,010					
Transfers	1,169,018	1,444,126							(275,107)
Total Estimated Revenues & Resources	\$ 58,993,370	\$ 24,164,630	\$ 966,764	\$ 381,931	\$ 3,493,351	\$ 5,814,796	\$ 860,318	\$ 2,868,688	\$ 20,442,893

Source: Adopted Budget of the City

Tax Levy and Collection Record and Tax Rates

	Fiscal Year Ending December 31:				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City Taxes	11,407,690	11,665,129	11,570,828	11,411,727	11,639,251
County Taxes	<u>5,671,886</u>	<u>5,698,126</u>	<u>5,873,303</u>	<u>5,542,614</u>	<u>5,625,416</u>
 Total Taxes on Roll	 <u>17,079,576</u>	 <u>17,363,255</u>	 <u>17,444,131</u>	 <u>16,954,341</u>	 <u>17,264,667</u>
Relevied:					
School Taxes	1,324,799	1,295,232	1,201,970	1,140,833	1,264,906
Water & Sewer Rents	17,979	19,216	22,713	58,961	56,108
General Miscellaneous	<u>91,222</u>	<u>86,971</u>	<u>85,010</u>	<u>85,010</u>	<u>85,010</u>
 Total Tax Roll Receivable	 18,513,576	 18,764,674	 18,753,824	 18,239,145	 18,670,691
Cancellations During Year	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 Net Taxes Receivable	 18,513,576	 18,764,674	 18,753,824	 18,239,145	 18,670,691
Collected During Year	<u>17,823,542</u>	<u>18,437,312</u>	<u>18,488,728</u>	<u>17,979,393</u>	<u>18,327,332</u>
 Uncollected End of Year	 <u>690,034</u>	 <u>327,362</u>	 <u>265,096</u>	 <u>259,752</u>	 <u>343,359</u>
 Per Cent Uncollected	 3.73%	 1.74%	 1.41%	 1.42%	 1.84%
 Tax Rates per \$1,000 of Assessed Valuation:					
City Taxes	11.99	12.20	11.65	11.37	10.86
County Taxes	5.96	5.94	5.92	5.53	4.89

Source: Tax Records of the County

CAPITAL PROJECTS BUDGET 5-YEAR SUMMARY

Description of Project	2023	2024	2025	2026	2027	5 Year Total
Water Pollution Control Plant	\$ 5,550,000	\$ 9,450,000	\$ 550,000	\$ 50,000	\$	\$ 15,600,000
Sanitary Sewer System	3,800,000	750,000	250,000	100,000		4,900,000
Storm Sewer System	1,000,000	0	0	250,000		1,250,000
Water Filtration Plant	850,000	300,000	1,200,000	50,000		2,400,000
Water Source of Supply	4,250,000	2,550,000	2,850,000	15,050,000		24,700,000
Water Distribution System	1,060,000	60,000	960,000	1,460,000	60,000	3,600,000
Street Resurfacing & Repair	5,080,000	970,000	2,295,000	3,470,000	120,000	11,935,000
Bridge & Riverfront Maintenance	288,000	2,500,000				2,788,000
Public Service Buildings	505,000	2,470,000	525,000	350,000	80,000	3,930,000
Recreation Complex Facilities	1,560,000	1,780,000	1,720,000			5,060,000
Downtown Improvements	1,735,000	1,420,000	1,245,000			4,400,000
Public Service Equipment	366,000	490,000	445,000	300,000	140,000	1,741,000
Municipal Lighting Department	3,540,000	3,950,000	1,520,000	4,380,000	6,200,000	19,590,000
TOTAL	\$ 29,584,000	\$ 26,690,000	\$ 13,560,000	\$ 25,460,000	\$ 6,600,000	\$ 101,894,000

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

November 16, 2023

City of Plattsburgh,
County of Clinton,
State of New York

Re: City of Plattsburgh, Clinton County, New York
\$19,250,366 Bond Anticipation Note, 2023

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an \$19,250,366 Bond Anticipation Note, 2023 (the “Obligation”), of the City of Plattsburgh, Clinton County, New York (the “Obligor”), dated November 16, 2023, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing November 15, 2024.

We have examined:

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

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

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax on individuals. We observe that, for tax years beginning after December 31, 2022, interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

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

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

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

Very truly yours,

/es

APPENDIX C

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

[▶ Click Here For 2022 Audit](#)

RBT CPAs, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RBT CPAs also has not performed any procedures relating to this Official Statement.