

**NEW ISSUES: SERIAL BONDS
BOOK-ENTRY-ONLY**

**MOODY'S RATING: "Aa1"
See "Rating" herein**

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law and assuming continuing compliance with certain covenants and the accuracy of certain representations, (i) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including the City of New York and the City of Yonkers. Interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

The City will not designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**CITY OF WHITE PLAINS
WESTCHESTER COUNTY, NEW YORK
GENERAL OBLIGATIONS**

\$21,770,000

PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS, SERIES 2017A

(the "Series A Bonds")

Purchased by: JANNEY MONTGOMERY SCOTT LLC

Dated: Date of Delivery

Due: As Shown on Inside Cover

\$2,240,000

PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS, SERIES 2017B

(the "Series B Bonds")

Purchased by: FTN FINANCIAL CAPITAL MARKETS

Dated: Date of Delivery

Due: As Shown on Inside Cover

\$14,498,900

PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2017C

(the "Series C" Bonds)

(the "Series A Bonds", the "Series B Bonds" and the "Series C Bonds" hereinafter collectively referred to as the "Bonds")

Purchased by: ROBERT W. BAIRD & CO., INC.

Dated: Date of Delivery

Due: As Shown on Inside Cover

The Bonds are general obligations of the City of White Plains, Westchester County, New York (the "City"). The City has pledged its faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the City without limit as to rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011. See "Legal Matters," "Market Factors Affecting Financings of the State and Municipalities of the State," and "Tax Levy Limit Law," herein.

The Bonds will be issued as registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination for the Series C Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the City to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "Book-Entry-Only System" herein.

The Bonds will be dated their respective dated date. The Series A Bonds will bear interest from their dated date payable semi-annually on May 15 and November 15 in each year until maturity commencing May 15, 2017 and will mature on May 15 in the years and amounts as set forth on the inside cover page hereof. The Series B Bonds will bear interest from their dated date payable January 15 and July 15 in each year until maturity commencing July 15, 2017 and will mature on January 15 in the years and amounts as set forth on the inside cover page hereof. The Series C Bonds will bear interest from their dated date payable March 1 and September 1 in each year until maturity commencing September 1, 2017 and will mature on March 1 in the years and amounts as set forth on the inside cover page hereof. The Series B Bonds are not subject to optional redemption prior to maturity. The Series A Bonds and the Series C Bonds are subject to optional redemption prior to maturity as discussed herein. (See "Optional Redemption" herein).

Squire Patton Boggs (US) LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto.

The Bonds are offered subject to the final approving opinions of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds in book-entry form through the offices of DTC in New York, New York or as otherwise agreed upon with the purchaser will be made on or about March 7, 2017 for the Series C Bonds and March 16, 2017 for the Series A Bonds and the Series B Bonds.

THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE (AS DEFINED IN THE RULE) AS REQUIRED BY THE RULE (SEE "DISCLOSURE UNDERTAKING," HEREIN).

Dated: February 22, 2017

\$21,770,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS, SERIES 2017A
(the "Series A Bonds")

Dated: MARCH 16, 2017

Due: MAY 15, 2017-2033

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2017	\$ 160,000	2.000%	0.800%	964389 5Q9	2026	\$ 895,000*	3.000%	2.390%	964389 5Z9
2018	1,585,000	3.000	0.910	964389 5R7	2027	925,000*	3.000	2.590	964389 6A3
2019	2,265,000	3.000	1.070	964389 5S5	2028	960,000*	3.000	2.720	964389 6B1
2020	2,325,000	3.000	1.230	964389 5T3	2029	995,000*	3.000	2.850	964389 6C9
2021	2,385,000	3.000	1.410	964389 5U0	2030	1,025,000*	3.000	3.000	964389 6D7
2022	2,445,000	3.000	1.610	964389 5V8	2031	1,060,000*	3.000	3.050	964389 6E5
2023	810,000	3.000	1.850	964389 5W6	2032	1,095,000*	3.000	3.100	964389 6F2
2024	835,000	3.000	2.030	964389 5X4	2033	1,140,000*	3.000	3.150	964389 6G0
2025	865,000	3.000	2.250	964389 5Y2					

\$2,240,000 PUBLIC IMPROVEMENT REFUNDING SERIAL BONDS, SERIES 2017B
(the "Series B Bonds")

Dated: MARCH 16, 2017

Due: JANUARY 15, 2018-2028

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2018	\$ 10,000	3.000%	0.800%	964389 6H8	2024	\$ 225,000	4.000%	1.900%	964389 6P0
2019	220,000	4.000	1.000	964389 6J4	2025	225,000	4.000	2.070	964389 6Q8
2020	225,000	4.000	1.140	964389 6K1	2026	225,000	4.000	2.210	964389 6R6
2021	225,000	4.000	1.300	964389 6L9	2027	220,000	4.000	2.310	964389 6S4
2022	225,000	4.000	1.510	964389 6M7	2028	215,000	4.000	2.400	964389 6T2
2023	225,000	4.000	1.710	964389 6N5					

\$14,498,900 PUBLIC IMPROVEMENT SERIAL BONDS, SERIES 2017C
(the "Series C" Bonds)

Dated: MARCH 7, 2017

Due: MARCH 1, 2019-2032

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2019	\$ 898,900	3.000%	1.040%	964389 6U9	2026	\$1,030,000*	3.000%	2.290%	964389 7B0
2020	910,000	3.000	1.210	964389 6V7	2027	1,060,000*	3.000	2.410	964389 7C8
2021	925,000	3.000	1.380	964389 6W5	2028	1,090,000*	3.000	2.650	964389 7D6
2022	945,000	3.000	1.580	964389 6X3	2029	1,120,000*	3.000	2.850	964389 7E4
2023	960,000	3.000	1.780	964389 6Y1	2030	1,155,000*	3.000	3.000	964389 7F1
2024	980,000	3.000	1.980	964389 6Z8	2031	1,190,000*	3.000	3.050	964389 7G9
2025	1,005,000	3.000	2.150	964389 7A2	2032	1,230,000*	3.000	3.100	964389 7H7

*Subject to redemption prior to maturity.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

Squire Patton Boggs (US) LLP has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, express no opinion with respect thereto.

CITY OF WHITE PLAINS

WESTCHESTER COUNTY, NEW YORK

HON. THOMAS M. ROACH

Mayor

COMMON COUNCIL

John Kirkpatrick, Council President

Nadine Hunt-Robinson

Dennis E. Krolian

Milagros Lecuona

John M. Martin

Beth N. Smayda

COMMISSIONER OF FINANCE

Michael A. Genito

CORPORATION COUNSEL

John G. Callahan

SQUIRE PATTON BOGGS (US) LLP

New York, New York

Bond Counsel

FINANCIAL ADVISOR



CAPITAL MARKETS ADVISORS, LLC

Hudson Valley * Long Island * New York City * Southern Tier * Western New York
(516) 364-6363

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

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**CITY OF WHITE PLAINS
WESTCHESTER COUNTY, NEW YORK
Relating To**

\$21,770,000 Public Improvement Refunding Serial Bonds, Series 2017A

\$2,240,000 Public Improvement Refunding Serial Bonds, Series 2017B

\$14,498,900 Public Improvement Serial Bonds, Series 2017C

This Official Statement, which includes the cover page, inside cover page and appendices attached hereto, has been prepared by the City of White Plains, Westchester County, New York (the "City," "County," and "State," respectively) in connection with the sale and delivery by the City of its \$21,770,000 Public Improvement Refunding Serial Bonds, Series 2017A (the "Series A Bonds"), \$2,240,000 Public Improvement Refunding Serial Bonds, Series 2017B (the "Series B Bonds") and \$14,498,900 Public Improvement Serial Bonds, Series 2017C (the "Series C Bonds") (the Series A Bonds, the Series B Bonds and the Series C Bonds hereinafter collectively referred to as "the Bonds").

THE BONDS

The Bonds are general obligations of the City and will contain a pledge of its faith and credit for the payment of the principal of and interest thereon as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the City is subject to the levy of ad valorem taxes which may be levied upon all the taxable real property within the City, without limit as to rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011. Chapter 97 of the Laws of 2011 imposes a statutory limit on the City's power to increase its annual real property tax levy, including such taxes to pay the principal of and interest on the Bonds. See "*Legal Matters*," "*Market Factors Affecting Financings of the State and Municipalities of the State*," and "*Tax Levy Limit Law*," herein.

The Bonds will be issued as registered Bonds, and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Jersey City, New Jersey ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination for the Series C Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. The Bonds will be dated their respective dated date. The Series A Bonds will bear interest from their dated date payable semi-annually on May 15 and November 15 in each year until maturity commencing May 15, 2017. The Series B Bonds will bear interest from their dated date payable semi-annually on January 15 and July 15 in each year until maturity commencing July 15, 2017. The Series C Bonds will bear interest from their dated date payable March 1 and September 1 in each year until maturity commencing September 1, 2017. The Series B Bonds will not be subject to optional redemption prior to maturity. The Series A Bonds and the Series C Bonds are subject to optional redemption prior to maturity as discussed herein. (See "Optional Redemption" herein). The "Record Date" for the Series A Bonds and the Series B Bonds will be the last business day of the calendar month preceding each interest payment date. The "Record Date" for the Series C Bonds will be the fifteenth day of the calendar month preceding each interest payment date.

Purpose of the Series A Bonds and Series B Bonds

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including, among others, the General City Law and the Local Finance Law, a refunding bond ordinance adopted by the Common Council on January 30, 2017 (the "Refunding Bond Resolution") and other proceedings and determinations related thereto. A refunding financial plan has been prepared and is described below (the "Refunding Plan").

The Bonds are being issued to refund certain bonds originally issued by the City in 2007 and 2008, hereafter referred to as the "Refunded Bonds." Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as detailed in the chart below. The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the

United States of America (the “Government Obligations”) which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the “Escrow Fund”) to be held by Manufacturers Traders Trust Company Corporate Trust Services (the “Escrow Holder”) a bank located and authorized to do business in the State, pursuant to the terms of an escrow contract by and between the City and the Escrow Holder, dated as of the delivery date of the Bonds (the “Escrow Contract”). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium, if any, of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the City and the Escrow Contract, to pay the Refunded Bonds at maturity or at the earliest date on which the Refunded Bonds may be called for redemption prior to maturity.

The holders of the Refunded Bonds will have a first lien on all investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the paying agents/fiscal agent for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest and any redemption premium payable with respect thereto.

The Refunding Plan will permit the City to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings. The Series A Bonds will refund a portion of the outstanding callable \$12,470,000 Public Improvement Refunding (Serial) Bonds, 2007 and a portion of the outstanding callable \$18,750,000 Public Improvement (Serial) Bonds, 2008 Series B. The Series B Bonds will refund a portion of the outstanding callable \$4,835,000 Public Improvement (Serial) Bonds, 2008.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligations of the City. However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal, interest and redemption premium requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be required. (See “*Verification of Arithmetical and Mathematical Computations*” herein).

The list of Refunded Bonds, set forth below, may be changed by the City in its sole discretion due to market or other factors considered relevant by the City at the time of pricing of the Bonds. No assurance can be given that any particular series of bonds listed or that any particular maturity thereof will be refunded.

The Series A Bonds

\$12,470,000 Public Improvement Refunding (Serial) Bonds, 2007

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
5/15/2018	\$1,505,000	5.000%	5/15/2017	100%	964389C73
5/15/2019	1,575,000	4.000	5/15/2017	100	964389C81
5/15/2020	1,630,000	4.000	5/15/2017	100	964389C99
5/15/2021	1,685,000	4.000	5/15/2017	100	964389D23
5/15/2022	1,745,000	4.000	5/15/2017	100	964389D31
	<u>\$8,140,000</u>				

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\$18,750,000 Public Improvement (Serial) Bonds, 2008 Series B

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
5/15/2019	\$ 645,000	4.125%	5/15/2018	100%	964389N89
5/15/2020	675,000	4.125	5/15/2018	100	964389N97
5/15/2021	700,000	4.125	5/15/2018	100	964389P20
5/15/2022	730,000	4.125	5/15/2018	100	964389P38
5/15/2023	765,000	4.125	5/15/2018	100	964389P46
5/15/2024	795,000	4.125	5/15/2018	100	964389P53
5/15/2025	835,000	4.125	5/15/2018	100	964389P61
5/15/2026	870,000	4.125	5/15/2018	100	964389P79
5/15/2027	910,000	4.200	5/15/2018	100	964389P87
5/15/2028	955,000	4.250	5/15/2018	100	964389P95
5/15/2029	1,000,000	4.250	5/15/2018	100	964389Q29
5/15/2030	1,045,000	4.250	5/15/2018	100	964389Q37
5/15/2031	1,095,000	4.250	5/15/2018	100	964389Q45
5/15/2032	1,145,000	4.375	5/15/2018	100	964389Q52
5/15/2033	<u>1,205,000</u>	4.375	5/15/2018	100	964389Q60
	<u>\$13,370,000</u>				

The Series B Bonds

\$4,835,000 Public Improvement (Serial) Bonds, 2008

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP</u>
1/15/2019	\$240,000	3.625%	1/15/2018	100%	964389H29
1/15/2020	240,000	3.625	1/15/2018	100	964389H37
1/15/2021	240,000	3.625	1/15/2018	100	964389H45
1/15/2022	240,000	3.650	1/15/2018	100	964389H52
1/15/2023	240,000	3.700	1/15/2018	100	964389H60
1/15/2024	240,000	3.800	1/15/2018	100	964389H78
1/15/2025	240,000	3.850	1/15/2018	100	964389H86
1/15/2026	240,000	3.900	1/15/2018	100	964389H94
1/15/2027	240,000	4.000	1/15/2018	100	964389J27
1/15/2028	<u>240,000</u>	4.000	1/15/2018	100	964389J35
	<u>\$2,400,000</u>				

Sources and Uses of Funds

The proceeds of the Series A Bonds will be applied as follows:

Sources:

Bond Proceeds:

Par Amount	\$21,770,000.00
Original Issue Premium	<u>792,840.60</u>

Total: \$22,562,840.60

Uses:

Refunding Escrow Deposits	\$22,384,182.51
Delivery Date Expenses	
Costs of Issuance and Contingency	102,891.85
Underwriter's Discount	<u>75,766.24</u>

Total: \$22,562,840.60

The proceeds of the Series B Bonds will be applied as follows:

Sources:

Bond Proceeds:

Par Amount	\$2,240,000.00
Original Issue Premium	<u>265,747.65</u>

Total:	<u>\$2,505,747.65</u>
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Uses:

Refunding Escrow Deposits	\$2,475,551.08
Delivery Date Expenses	
Costs of Issuance, Bond Insurance and Contingency	20,733.01
Underwriter's Discount	<u>9,463.56</u>

Total:	<u>\$2,505,747.65</u>
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Verification of Mathematical Computations

PKF O'Connor Davies, LLP, (the "Verification Agent") will deliver to the City, on or before the settlement date of the Series A Bonds and the Series B Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the City and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the proceeds of the Series A Bonds and the Series B Bonds used to fund the Escrow Deposit Fund to be established by the Escrow Holder to pay, when due, the maturing principal of and interest on the Refunded Bonds; and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the City and its representatives. The Verification Agent reports its verification will state the Verification Agent has no obligations to update the report because of events occurring, or information coming to their attention, subsequent to the date of the report.

Purpose of the Series C Bonds

The Series C Bonds are being issued pursuant to the Constitution and statutes of the State, including among others, the City Charter, the Local Finance Law, and various bond ordinances adopted by the Common Council for the following purposes and amounts:

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<u>Purpose</u>	<u>Amount</u>	<u>Authorization Date</u>
Storage Reservoir Replacement	\$ 502,500	11/1/10
City Hall Rehabilitation-Electrical	858,500	1/3/11 & 4/4/16
Mamaroneck Avenue Signalization II	97,500	11/4/13
Traffic Signal Replacement	97,250	12/2/13
Garage Membrane Design and Replacement	101,000	12/2/13
Library Air Handler System	505,000	2/3/14
Library Boiler Replacement	404,000	3/3/14
Chester/Maple Fire Alarm System	252,500	8/4/14
Fiber Optic Traffic System as Builts	50,500	11/3/14
Miscellaneous Sanitary Sewer FY15	505,000	4/6/15
Prisioner Processing Renovations	101,000	6/1/15
Renovations to Fire Facilities FY16	757,500	8/3/15
A/C Replacement-Communications Room PS Bldg	303,000	9/8/15 & 12/7/15
Municipal Parking Structure Rehabilitation FY16	505,000	10/5/15
Lexington/Grove Garage Elevators	2,504,800	11/2/15 & 8/1/16
Species Management	489,850	11/2/15
Kittrell Park Improvements	404,000	2/1/16
City Hall Rear Steps	60,600	3/7/16
Library Plaza Surface Replacement	252,500	5/17/16
Rolling Stock Acquisition-Heavy Duty-2017	2,326,000	7/5/16
Miscellaneous Street Reconstruction FY17	1,297,850	7/5/16
City-Wide Infrastructure Replace/Enhancement	126,250	7/5/16
Salt Storage Building	303,000	7/5/16
Library Interior Renovations First Floor	1,010,000	7/5/16
Turnure Park Improvements	383,800	7/5/16
Renaissance Fountain Improvements	300,000	11/7/16
Total	<u>\$ 14,498,900</u>	

Optional Redemption for the Series A Bonds

The Series A Bonds maturing on or before May 15, 2025 will not be subject to redemption prior to maturity. The Series A Bonds maturing on or after May 15, 2026 will be subject to redemption prior to maturity, at the option of the City, on May 15, 2025 and thereafter on any date, as a whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the price equal to the par principal amount, plus accrued interest to the date of redemption.

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

Optional Redemption for the Series C Bonds

The Series C Bonds maturing on or before March 1, 2025 will not be subject to redemption prior to maturity. The Series C Bonds maturing on or after March 1, 2026 will be subject to redemption prior to maturity, at the option of the City, on March 1, 2025 and thereafter on any date, as a whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the price equal to the par principal amount, plus accrued interest to the date of redemption.

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

Nature of the Obligation

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

The Bonds will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has the power and statutory authority to levy ad valorem taxes on all taxable real property in the City, subject to the applicable provisions of Chapter 97 of the Laws of 2011. Pursuant to Article VIII of the State Constitution, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the City to levy taxes on real estate therefor for debt issued prior to the effective date of any such legislation regarding such levies. See “*Legal Matters*,” “*Real Property Taxes*” and “*Tax Levy Limit Law*,” herein.

Book-Entry-Only System

The Depository Trust Company (“DTC”), Jersey City, New Jersey, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of each Series of Bonds.

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

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

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such issue to be redeemed. The City is not responsible for sending notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument ("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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on 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 Bonds 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 to DTC.

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

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

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

The financial condition of the City as well as the market price of and the market for the Bonds could be affected by a variety of factors, some of which are beyond the City's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds. If a significant default or other financial crisis should occur in the affairs of the State, or at any of its agencies or political subdivisions, thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowing and the market for and market value of the outstanding debt obligations, including the Bonds, could be adversely affected.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay, until sufficient State taxes have been received by the State to make State aid payments to the City. If for any reason the City anticipates not receiving payment of such State aid as needed, the City is permitted by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of any uncollected State aid. The State is not constitutionally obligated to maintain or continue State aid to the City. Accordingly, no assurance can be given that present State aid levels will be maintained in the future. The elimination of or any substantial reduction in State aid would have a materially adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures.

Should the City fail to receive monies expected from the State in the amounts and at the times expected, the City is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid. In addition, the City may borrow to finance revenue shortfalls arising from, among other things, mid-year reductions in State aid.

The enactment of the Tax Levy Limit Law, imposing a limitation on municipalities on the amount of a succeeding year's real property tax levy, without providing an express exclusion for payment of principal and interest on general obligations authorized and issued by municipalities under the Local Finance Law, may adversely affect the interest rate on such obligations, the offering price thereof in an initial public offering, the price of such obligations traded in the secondary market, and the credit rating assigned to the City's obligations by one or more of the nationally recognized credit rating agencies.

STATUTES GOVERNING INVESTMENT POLICY

Pursuant to the statutes of the State, 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 a pledge of eligible securities, as that term is 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; (5) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district or district corporation, other than those notes issued by the 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 made 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. In addition to the limits put in place by the State, the City has its own additional investment policy.

LITIGATION

Various notices of claim have been filed with the City. The allegations set forth in the claims related to various circumstances including personal injury, civil rights violations and administrative determinations by City Officials. Certain claims assert money damages while others seek a specific action or forbearance on the part of the City.

In the opinion of the City's Corporation Counsel, the resolution of such various other claims presently pending against the City will not have an adverse material effect on the City's financial position. Such matters are immaterial or adequately covered by existing insurance coverage, including self-insurance. Pursuant to the Local Finance Law, the City is authorized to issue debt to finance judgments and claims, if necessary.

TAX MATTERS

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including the City of New York and the City of Yonkers. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City's certifications and representations or continuing compliance with the City's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the exclusion of interest on the Bonds from the gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with these requirements by the City may cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to federal income tax retroactively to the date of issuance of the Bonds. The City has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market prices of the Bonds.

A portion of the interest of the Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain

taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the City or the beneficial owners regarding the tax status of interest on the Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Bonds under the current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for the Bonds.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government Bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment in the event of any such change.

Prospective purchasers of the Bonds should consult their own tax advisors regarding pending or proposed federal and state tax legislation, court proceedings and prospective purchasers of the Bonds at other than their original issuance at the respective prices indicated on the cover of this Official Statement should consult their own tax advisors regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other

interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the City shall furnish a certificate of the Corporation Counsel for the City, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the City wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the City or adversely affect the power of the City to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinions of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel to the City. Such opinions will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy by the City of ad valorem real estate taxes to pay the principal thereof and interest thereon, without limitation of rate or amount, subject to the applicable provisions of Chapter 97 of the Laws of 2011, for payment of the principal of and interest on the Bonds. Chapter 97 of the Laws of 2011 imposes a statutory limit on the power to the City to increase its annual real property tax levy based on formulae set forth therein, including such taxes to pay principal of and interest on the Bonds. However, in the opinion of Bond Counsel, under current law, the limitations imposed by Chapter 97 of the Laws of 2011 do not diminish the prior lien on the first revenues of the City set forth in the New York Constitution and established by the aforesaid pledge of the City's faith and credit requiring the City to raise the necessary moneys to pay the principal of and interest on the Bonds. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws 2011 under the applicable provisions of Article VIII of the New York Constitution.

Said opinions will also contain further statements to the effect that assuming continuing compliance with certain covenants and the accuracy of certain representations of the City contained in the record of proceedings relating to the authorization and issuance of the Bonds (a) interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (b) interest on the Bonds is exempt from personal income taxes imposed by the State of New York and political subdivisions thereof, including The City of New York and the City of Yonkers, (c) the interest on the Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest, and (d) the enforceability of the Bonds is subject to bankruptcy and other laws affecting creditors' rights and the exercise of judicial discretion.

Closing Certificates

Upon delivery of and payment for the Bonds, the purchaser of the Bonds will also receive, without cost, in form satisfactory to Bond Counsel, the following dated as of the date of delivery of and payment for the Bonds: (a) a certificate or certificates evidencing execution, delivery and receipt of payment for the Bonds, (b) a certificate executed by the officer of the City who executed the Bonds on behalf of the City, stating that (1) no litigation is then pending or, to the knowledge of such officer, threatened to restrain or enjoin the issuance or delivery of the Bonds, (2) no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded, and (3) the statements contained in this Official Statement, on the date hereof and on the date of delivery of and payment for the Bonds, were and are true in all material respects and did not, and do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (c) the unqualified legal opinions as to the validity of the Bonds of Squire Patton Boggs (US) LLP, New York, New York, Bond Counsel, as more fully described under "Legal Matters" herein; (d) a Tax Compliance Certificate executed by the Commissioner of Finance of the City relating to the Bonds, and (e) a Continuing Disclosure Agreement executed by the Commissioner of Finance of the City for purposes of the Rule 15c2-12, as described under the heading "Disclosure Undertaking" herein.

DISCLOSURE UNDERTAKING

At the time of the delivery of the Bonds, the City will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Bonds, to electronically file, or cause to be electronically filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") System, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement under the headings "Litigation" and in Appendix A under the headings "Description of the City," "Financial Factors," "Real Property Taxes," "City Indebtedness" and "Socioeconomic Profile," on or prior to the 180th day following the end of each fiscal year, commencing with the fiscal year ending June 30, 2017 and (ii) the audited financial statement, if any, of the City for each fiscal year commencing with the fiscal year ending June 30, 2017 unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be electronically filed with the MSRB and an audited financial statement shall be electronically filed with the MSRB within 30 days after it becomes available and in no event later than 360 days after the end of each fiscal year;

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

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar

event of the City¹; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

¹ For the purposes of the event identified in clause (xii) above, the event is considered to occur upon: 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.

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

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

In certain years, the City has been inadvertently late in filing its annual financial information and/or audited financial statements as shown below. On January 9, 2015, the City filed a material event notice with EMMA regarding the late filings.

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Financial Information</u> <u>Date Filed</u>	<u>Audited Financial Statements</u> <u>Date Filed</u>	<u>Timeliness</u>
2012	12/11/2013	11/26/2012	1 year late (financial info only) ¹
2013	12/11/2013	11/07/2013	Timely
2014	12/16/2014	12/16/2014	Timely
2015	12/23/2015	12/17/2015	Timely
2016	12/13/2016	12/09/2016	Timely

¹ The City filed a Notice of Late Continuing Disclosure Filing on 12/11/13 in relation to this late filing.

For the last reporting periods for the fiscal years ending June 30, 2013 through June 30, 2016, the City was timely in all of its filing requirements. The City has taken steps to ensure that its annual financial information and audited financial statements will be filed in a timely manner in the future.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, New York and New York, New York, (the “Municipal Advisor”) is an independent municipal advisor registered with the United States Securities and Exchange Commission and the

Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the City in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the City. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

RATING

The City has applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Bonds. Such application is pending at this time.

The City's underlying rating by Moody's is currently "Aa1."

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

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates whether or not expressly stated, are intended as such and not as representations of fact. No assurance can be given, however, that such statements will materialize as so opined or estimated. 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 holders of the Bonds.

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

Squire Patton Boggs (US) LLP, Bond Counsel, expresses no opinion regarding the accuracy or completeness of any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Bonds, including this Official Statement and the appendices thereto.

The City has authorized the distribution of this Official Statement to prospective purchasers.

Additional information may be obtained from the office of the Commissioner of Finance, telephone number (914) 422-1233, e-mail: mgenito@whiteplainsny.gov, or from Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, telephone number (516) 487-9818.

CITY OF WHITE PLAINS
WESTCHESTER COUNTY, NEW YORK

By: /s/ Michael A. Genito
Commissioner of Finance

Dated: February 22, 2017

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APPENDIX A

THE CITY

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THE CITY

The City was founded in 1683 and became the county seat of Westchester County in 1778 by State legislative act. In 1866, White Plains became an incorporated village and in 1916 was incorporated as a city. The City remains the seat of Westchester County government and serves as a major commuter hub as well as a suburban regional center. The City is headquarters for many corporations and functions as a major regional retail shopping center, drawing shoppers from most of the New York metropolitan area, including Fairfield County, Connecticut. The City's population was estimated at 56,853 by the U.S. Census Bureau in 2010.

The City is located in the south-central portion of Westchester County approximately 22 miles north of Grand Central terminal in New York City and encompasses an area of approximately 10 square miles. The City, situated halfway between the Tappan Zee Bridge, which crosses the Hudson River, and the Long Island Sound, is served by major rail and highway routes. The Metro-North Commuter Railroad provides rail service at two stations located in the City, with daily express and local service to New York City provided by Metro-North. Four principal highways traverse the City; the Bronx River Parkway, the Hutchinson River Parkway, the Cross Westchester Expressway (Route 287), and Interstate 684. Interstates 87 and 95 are readily accessed via these highways.

Westchester County Airport, located within five miles of downtown White Plains, provides airline service through a variety of carriers including American Airlines, Cape Air, Delta, JetBlue and United Airlines. The airport also provides general aviation facilities for both corporate and private aircraft. The three major New York City airports (La Guardia, John F. Kennedy International and Newark Liberty International) are within a short drive of the City.

The City has powers and responsibilities inherent in the operation of a municipal government including independent taxing and debt issuance authority. Subject to the provisions of the State Constitution, the City operates under a Charter, which was enacted by the State Legislature on January 1, 1916, and in accordance with other statutes including the General City Law, the General Municipal Law, the Local Finance Law and the Real Property Tax Law, to the extent that these statutes apply to a city operating pursuant to a charter. The City is not confined to powers enumerated in the Charter. It may, by adoption of local laws, ordinances or resolutions, exercise specific powers granted by these statutes and the State Constitution.

Elected and Appointed Officials

The Chief Executive Officer of the City is the Mayor, who is elected at large for a four-year term. The Common Council is the policy and legislative body of the City and consists of six members elected at-large to serve four-year terms, plus the Mayor. It is the responsibility of the Common Council to approve all legislation, including ordinances and local laws, to adopt and modify, as required, operating and capital budgets, to levy real property taxes and to authorize the issuance of all indebtedness.

The Chief Fiscal Officer of the City is the Commissioner of Finance, who, like all commissioners of the other City departments, is appointed by the Mayor with the consent of the Common Council. The Commissioner of Finance is appointed without a fixed term and serves at the will and pleasure of the Common Council.

City Services

The City is responsible for and provides the following services: police and fire protection, garbage collection, street and sewer maintenance, parking, traffic control, water distribution, library and recreation programs.

Pursuant to State law, the County, rather than the City, is responsible for providing health and social services. Public education is provided by the White Plains City School District. The school district has a separately elected governing body and has independent taxing and debt issuance authority.

Financial Institutions

The City has a total of 41 banking offices. At June 30, 2016 there were 18 commercial banks with 38 banking offices handling deposits of \$8.4 billion and three savings banks with three banking offices handling \$218 million of deposits within the City. (Source: FDIC, <https://www5.fdic.gov/sod/>, accessed December 1, 2016).

Higher Education

Pace University Law School is located within the City. Together with its New York City and Pleasantville campuses, Pace University offers bachelor, master, JD and doctoral degrees to an enrollment of 8,747 undergraduate and 4,096 graduate/JD/doctoral students. (Source: Pace University, www.pace.edu, accessed December 1, 2016).

Also located within the City is Berkeley College, offering bachelor and associate degrees in accounting, business, health sciences, information technology and a variety of other programs to an enrollment of over 8,300 students across its campuses in New York and New Jersey (Source: Berkeley College, <http://berkeleycollege.edu>, accessed December 1, 2016) and The College of Westchester, offering bachelor and associate degrees in business and accounting to an enrollment of 1,067 students. (Source: National Center for Education Statistics, College Navigator, <http://nces.ed.gov/collegenavigator/>, accessed December 1, 2016).

Other colleges and universities located in Westchester County include Cochran School of Nursing, College of New Rochelle, Columbia University School of Social Work, Concordia College, Dorothea Hopfer School of Nursing at Mount Vernon, Fordham University Marymount Campus, Iona College, Long Island University Westchester Graduate Campus, Manhattanville College, Mercy College, Monroe College, New York Medical College, Polytechnic University Westchester Graduate Campus, Sarah Lawrence College, St. Joseph's Seminary and College, St. Vladimir's Orthodox Theological Seminary, State University of New York at Purchase, SUNY Empire State College and Westchester Community College. (Source: Westchester County, <http://www3.westchestergov.com/colleges>, accessed December 1, 2016).

Utilities

City residents and businesses receive electric and natural gas service from Consolidated Edison. The water supply and distribution system is owned by the City. The City is completely served by sanitary sewers and lies within the County's Bronx Valley Sewer District and the County's Mamaroneck Valley Sewer District.

Communications

The City is served by one regional newspaper, the Journal News, several online media publications and local radio station WFAS (AM & FM).

In 1979 the City granted a cable television franchise to Cablevision of Southern Westchester, Inc. (Cablevision). The cable television system began operations in 1981. The White Plains Cable Television Access Commission manages two television stations within the City. The cable television franchise agreement with Cablevision expired in 2006 and its renewal is being negotiated. In April 2007, the City entered into an additional franchise agreement with Verizon, which expires in 2022. Both Cablevision and Verizon broadcast the City's two public access channels.

Because of the City's proximity to New York City, the area is also served by the major radio, television and newspaper media of the New York metropolitan area.

Employees

The City provides services through approximately 850 full-time and from 100 to as many as 500 part-time employees (depending on seasonal needs), some of whom are represented by one of five collective bargaining units. The Civil Service Employees Association ("CSEA") represents clerical workers and various labor groups including certain supervisory personnel; the City of White Plains Police Benevolent Association ("PBA") is the collective bargaining agent for the City police and superior officers; the White Plains Professional Firefighters Association ("WPPFFA") is

the collective bargaining agent for the City's firefighters; the Deputy Fire Chiefs Unit of the WPPFFA is the collective bargaining agent for superior fire officers and the International Brotherhood of Teamsters ("Teamsters") represents the City's sanitation workers. The Firefighters and Deputy Fire Chiefs contracts expired on June 30, 2015 and are currently in negotiations. The CSEA, PBA and Teamsters contracts expire on June 30, 2018.

Status and Financing of Employee Pension Benefits

All employees of the City eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York ("Retirement System Law") are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"), except for certain employees hired on or after July 1, 2013 who are eligible to participate in an optional voluntary defined contribution plan administered and managed by the State University of New York (SUNY) under its SUNY Optional Retirement Program. The ERS is non-contributory with respect to members hired prior to July 27, 1976. All ERS members hired on or after July 27, 1976 and prior to January 1, 2010 with less than 10 years in the system must contribute 3% of gross annual salary toward the cost of retirement programs. The PFRS is non-contributory for all police and fire fighters hired prior to January 1, 2010. All new ERS and PFRS employees hired on or after January 1, 2010 and prior to April 1, 2012 must contribute 3% of their salary for their entire career. All new ERS and PFRS employees hired on or after April 1, 2012 must contribute from 3% to 6% of their salary for their entire career.

Chapter 49 of the laws of 2003 changed the cycle of employer pension contributions billing to match the budget cycles of cities within the state, which allowed the City to more accurately reflect the amount needed to fund such contributions in the City's annual budget. Chapter 49 of the laws of 2003 also requires the City to make a minimum pension contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

On July 30, 2004, Governor Pataki signed into law Chapter 260 of the Laws of 2004 amending the General Law, Local Finance Law and the Retirement and Social Security Law. Among other things, Chapter 260 changed the pension payment date for all local governments from December 15 to February 1 and permitted the legislative body of a municipality or school district to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The City continues to pay its annual retirement contribution in December, rather than the allowed extension to February.

On August 11, 2010, Governor Andrew Cuomo signed into law Chapter 57 of the laws of 2010, which established the employer Contribution Stabilization Program. This statute gave local governments, including the City, the option to amortize a portion of their annual pension costs. Amortized amounts would be paid in equal annual installments over a ten-year period, and employers may prepay these amounts at any time. Interest will be charged at a rate that approximates a market rate of return on taxable fixed rate securities of a comparable duration, as determined by the State Comptroller. Employers choosing to participate in this program are allowed to pay a lower amount based on a "graded" rate and amortize a portion of their bill. Each year, the graded rate will increase or decrease up to 1 percent annually based on the change in the System's average rate. Under this program, employers would pay less than the normal contribution rate as rates increase; conversely should the normal contribution rate decrease, employers could be required to pay more than the normal contribution rate. In this case, any excess payments above the normal contribution rate will first be used to pay off existing amortizations. If all amortizations have been paid, any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates. The City has not amortized any of its pension obligations under this program.

On March 29, 2013, Governor Andrew Cuomo signed into law Chapter 57 of the Laws of 2013 establishing the Alternate Contribution Stabilization Program ("ACSP"), which modified the original Contribution Stabilization Program ("CSP") adopted in 2010. Like the original CSP, the ACSP was an optional program that established a graded contribution rate system. Participating employers could make a one-time election to enroll in the ACSP for any future amortizations that they intended to make during the 2013-2014 billing cycle. The City has not amortized any of its pension obligations under this program, and the option to participate in the ASP is now closed.

The following table presents the amount of payments by the City to the New York Retirement Systems for the past five fiscal years and budgeted amounts for the current fiscal year.

<u>June 30</u>	<u>ERS</u>	<u>PFRS</u>
2012	\$6,143,664	\$7,885,802
2013	7,629,572	9,735,406
2014	7,857,024	10,153,234
2015	7,573,260	9,069,286
2016	6,979,886	8,253,373
2017 (Budget)	6,168,978	9,131,255

Other Post Employment Benefits

The City provides post-employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. Governmental Accounting Standards Board Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (“GASB 45”) requires governmental entities, such as the City, to account for the cost of certain non-pension post-employment benefits.

GASB 45 and OPEB. OPEB refers to “other post-employment benefits,” other than pension benefits. OPEB consists primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Before GASB 45, OPEB costs were generally accounted for and managed as current expenses in the year paid and were not reported as a liability on governmental financial statements.

GASB 45 requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, GASB 45 does not require municipalities or school districts to report a net OPEB obligation at the start.

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

GASB 45 does not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

Actuarial Valuation is required every two years for OPEB plans with more than two hundred members, or every three years if there are less than two hundred members. Additional information about GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from the GASB (www.gasb.org).

The City is in compliance with the requirements of GASB 45. The City entered into a contract with Danziger & Markhoff LLP (“D&M”), an actuary, to provide the services required under GASB 45. D&M has determined that the City’s actuarial accrued liability (“AAL”) for OPEB as of July 1, 2015 was \$360,370,000. For the year ended June 30, 2016, the City’s ARC as calculated by D&M was \$32,330,000. (Source: City Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016) At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the City has decided to continue funding the expenditure on a pay-as-you-go basis.

Related Entities

The **White Plains Urban Renewal Agency** (“URA”) was established in 1964 as an independent agency succeeding the Urban Renewal Department, which had been established in 1960 as a bureau of the City government. Members of the URA are appointed by the Mayor with approval of the Common Council. Since 1964, the URA has completed several significant projects and is currently working on others. The Central Renewal Project, the most ambitious effort by the URA to date, was started in 1965 and includes within its boundaries, 130 acres of land, which represents one-third of the city’s business district. See “Socioeconomic Profile” herein.

The **White Plains Cable Television Access Commission** was created in 1981. The Commission operates the City’s cable access channels and facilities and acts as franchise administrator for the City. Members of the Commission are appointed by the Mayor with approval by the Common Council.

The **White Plains Center Local Development Corporation** (“WPCLDC”) is a not-for-profit local development corporation that was established exclusively for charitable purposes in order to lessen the burdens of City government by engaging in the following transactions: contract with the City for the demolition of an existing garage; contract with a developer for the construction of the White Plains Center Parking Garage (“City Center Garage”), to provide for future reconstruction and additions to the facility; enter into various leases and subleases with the City regarding the City Center Garage and to contract with the City for the operation and maintenance of the City Center Garage. The Board of Directors of the WPCLDC consists of the Mayor, the Commissioner of Building and the Commissioner of Public Works and is fiscally dependent on the City. The WPCLDC had no reportable assets, liabilities or financial activity for the fiscal year ended June 30, 2016.

The **White Plains Housing Development Corporation** (“WPHDC”) is a not-for-profit corporation created in 1994. Officers of the Corporation are appointed officials of the City serving ex officio, who can be removed by a majority vote of the Common Council. The Corporation was created for the purpose of engaging in or assisting in the acquisition of land and construction and equipping of rental apartment facilities in the City for elderly, handicapped, and low-income individuals and families. The Corporation may issue housing revenue bonds to fund these purposes. The City is not liable for bonds, notes or other obligations of the White Plains Housing Development Corporation. The WPHDC had no reportable assets, liabilities or financial activity for the fiscal year ended June 30, 2016.

The **White Plains Public Library** (“Library”) is governed by a nine-member Board of Trustees; eight of whom are appointed by the Common Council; the ninth is the Superintendent of the White Plains Public Schools. The Trustees have the power to name the Director, who is approved by the Common Council, and such other persons as may be necessary to maintain the public library and its service to the public. The Library is operated as a Special Revenue Fund, with the majority of its funding provided by real property taxes.

The **White Plains City School District** (the “District”) is governed by members of a Board of Education who are elected by the qualified voters of the District. The District derives a portion of its revenues from property taxes, the assessment of which is based on the City’s taxing procedures. The City is responsible for billing and collecting District taxes and makes the District whole for any uncollected taxes (see “Real Property Tax Collection Procedures and History”, herein). The City guarantees collection on any District taxes in arrears. The Board of Education of the District appoints management and exercises complete responsibility for all fiscal matters. The City is not liable for the payment of bonds, notes or other obligations of the District. The District operates five elementary schools serving grades K-4; one intermediate school serving the fifth and sixth grades; two middle schools, and one high school.

FINANCIAL FACTORS

Basis of Accounting

The City utilizes the modified accrual basis of accounting for recording transactions in all governmental type funds. Under this method, revenues are recorded when measurable and available to finance the current year’s operations, and expenditures are recorded when due and payable or to the extent they are normally expected to be liquidated with expendable available financial resources.

Independent Audit

The City retains independent Certified Public Accountants to audit its financial statements each year. The last audited report covers the fiscal year ended June 30, 2016. In addition, the financial statements of the City are subject to periodic audit by the State Comptroller. A compliance audit was last conducted by the State Comptroller in 1998. In 2003, the State Comptroller conducted a survey of selected operations and determined that a full review of the City's operations was not necessary. On December 20, 2013 the State Comptroller issued a "Municipal Profile" for the City accompanied by a press release noting that the City is "...on solid financial ground and not facing the demographic and fiscal stress challenges that are afflicting other cities in New York." (Source: <http://www.osc.state.ny.us/press/releases/dec13/122013.htm>, accessed December 1, 2016).

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Plains for its comprehensive annual financial reports for each fiscal year since 1981.

To be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report and the contents must conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Beginning in 1984, the City has annually received the GFOA Award for Distinguished Budget Presentation. The City was the first in New York State to receive this recognition and has continued to receive this award each year subsequent.

The audits of the City's financial statements are conducted by the City's independent auditor, PKF O'Connor Davies, LLP, Certified Public Accountants. A summary of the City's General Purpose Financial Statements for the fiscal years ended June 30, 2012 through 2016 are contained in Appendix B hereto.

Fund Structures and Accounts

The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds maintained by the City include the Library Fund, the Community Development Block Grant Fund, the Youth Development Fund, the City Center Garage Fund and various other grant and dedicated revenue funds.

The City's Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The City's Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on debt maturing in future years.

The City's Goldie Zeitlin Memorial Fund is a Permanent Fund, used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for programs that support urban concerns.

The City's Water Fund is an Enterprise Fund, and is used to account for transactions relating to the operation and maintenance of the City-owned water treatment and distribution system. Substantially all of the fund's activities are financed through the sale of water to those connected to the water system; no tax moneys are contributed to support this service.

The City's Sewer Rent Fund is an Enterprise Fund and is used to account for the operation and maintenance of the City- owned sanitary sewer system. All of the fund's activities are financed through sewer rents charged to those connected to the sanitary sewer system; no tax moneys are contributed to support this service.

The City's Self-Insurance Fund is an Internal Service Fund, used to account for and report risk management and insurance services to other funds and departments of the City on a cost-reimbursement basis.

The City's Agency Fund is a Fiduciary Fund, where the City holds assets in a custodial capacity on behalf of others. The City's Agency Fund is primarily used to account for employee payroll tax withholdings and various deposits that are payable to other jurisdictions or individuals.

Revenues

Property Taxes. The City derives a major portion of its General Fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance" in Appendix A, herein). Property taxes and payments in lieu of taxes ("PILOTs"), accounted for approximately 34.5% of total General fund revenues for the fiscal year ended June 30, 2016.

The following table sets forth total General Fund revenues and real property tax revenues during each of the last five fiscal years, and the amounts budgeted for the current fiscal year.

<u>Fiscal Year</u>	<u>Property Tax Revenues</u>		
	<u>Total Revenues</u>	<u>Real Property Taxes</u>	<u>Real Property Taxes to Revenues</u>
2012	\$142,379,549	\$43,298,695	30.4%
2013	149,735,633	45,499,875	30.4
2014	152,611,367	47,670,436	31.2
2015	150,503,393	48,658,298	32.3
2016	153,920,925	50,146,215	32.6
2017 (Budget)	154,689,295	49,474,949	32.0

Source: Audited Financial Statements and Adopted Budget of the City. 2016 (Budget) Total Revenues and Real Property Taxes in the above table do not include real property taxes collected and remitted to the White Plains Public Library, so that the information is presented in a manner comparable to the actual revenues provided in the audited financial statements.

Sales Taxes. Pursuant to Article 29 of the Tax Law of the State, the City adopted local ordinances in 1973, 1993 and 2008 to impose and collect 2¼% tax on the sale and/or use of certain goods and services ("sale and use tax"). On May 10, 2010 the City adopted an ordinance and received authorization from the State to increase the sale and use tax from 2¼% to 2½% effective June 1, 2010, with the provision that the revenue generated by the additional ¼% would be deposited in a Contingency and Tax Stabilization Reserve Fund created in accordance with Section 6-e of the General Municipal Law. By law, the funds so deposited can only be used by affirmative vote of a super-majority of the Common Council (five of seven votes) to lessen the impact of property tax increases greater than 2½%, and/or provide emergency funding for significant increases in expenditures and/or decreases in revenues that were unforeseen and not provided for in the adoption of the operating budget.

Effective June 1, 2010 most retail sales in the City were subject to an 8.375% sales tax, levied as follows: 4% State, 0.375% Metropolitan Transit Authority, 1.5% County and 2.5% City.

The City derives a major portion of its General Fund revenues from sales tax revenue. For the fiscal year ended June 30, 2016, sales and use tax revenue of \$49,791,542 represented approximately 32.3% of the total General Fund revenues of the City.

The following table sets forth both quarterly and annual sales tax revenues during each of the last five fiscal years and the first two quarters of the current fiscal year.

Quarterly and Annual Sales Tax Revenues

<u>Fiscal Year</u>	<u>July - September</u>	<u>October - December</u>	<u>January - March</u>	<u>April - June</u>	<u>Total</u>	<u>Yearly % Increase/(Decrease)</u>
2012	\$12,781,706	\$13,021,020	\$12,935,090	\$12,234,855	\$50,972,671	(1.0)
2013	11,913,188	12,771,766	13,026,761	12,202,282	49,913,997	(2.1)
2014	12,649,712	13,001,077	13,054,691	13,150,706	51,856,187	3.9
2015	12,505,971	13,161,619	12,890,180	12,414,820	50,972,590	(1.7)
2016	12,379,540	12,718,920	12,672,194	12,020,887	49,791,541	(2.3)
2017	12,805,082	N/A	N/A	N/A	N/A	N/A

Source: Audited Financial Statements and City Officials.

State Aid. The City receives minimal financial assistance from New York State. 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 or 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. Additionally, if in any year 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.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future, either pursuant to existing formulas or in any form whatsoever. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the City requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures or both (see also “*Market Factors Affecting Financings of the State and Municipalities of the State*”).

State aid appropriated and apportioned to the City can be paid only if the State has such monies available and the availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget.

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

The following table sets forth total General Fund revenues and State aid during each of the last five fiscal years and the amounts budgeted for the current fiscal year.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>State Aid</u>	<u>State Aid to Revenues</u>
2012	\$142,379,549	\$5,795,313	4.1%
2013	149,735,633	5,655,639	3.8
2014	152,611,367	5,696,461	3.7
2015	150,503,393	5,662,792	3.8
2016	153,920,925	5,650,701	3.7
2017 (Budget)	154,689,295	5,629,306	3.6

Source: Audited Financial Statements and Adopted Budget of the City.

Discussion of Recent Financial Operations

2012 Audited Results. For the fiscal year ended June 30, 2012, General Fund revenues and other sources were approximately \$150.5 million and General Fund expenditures and other uses were \$144.3 million, which resulted in a General Fund balance of \$27.3 million, an increase of \$6.2 million over the previous fiscal year.

2013 Audited Results. For the fiscal year ending June 30, 2013, General Fund revenues and other sources were approximately \$149.7 million and General Fund expenditures and other uses were \$144.7 million, which resulted in a General Fund balance of \$32.4 million, an increase of \$5.1 million from the previous fiscal year.

2014 Audited Results. For the fiscal year ending June 30, 2014, General Fund revenues and other sources were approximately \$152.7 million and General Fund expenditures and other uses were \$151.8 million, which resulted in a General Fund balance of \$33.3 million, an increase of \$938,000 from the previous fiscal year.

2015 Audited Results. For the fiscal year ending June 30, 2015, General Fund revenues and other sources were approximately \$150.6 million and General Fund expenditures and other uses were \$150.2 million, which resulted in a General Fund balance of \$ 33.7 million, an increase of \$ 369,800 from the previous fiscal year.

2016 Audited Results. For the fiscal year ending June 30, 2016, General Fund revenues and other sources were approximately \$153.9 million and General Fund expenditures and other uses were \$152.2 million, which resulted in a General Fund balance of \$35.4 million, an increase of \$1.7 million from the previous fiscal year.

Budget Process

Prior to January 15 of each year, the Budget Director furnishes the heads of departments, offices and other spending agencies with instructions for the submission of budget estimates. Not later than February 15, estimates of the expenditure requirements and projected revenues for the new budget year are submitted to the Budget Director. Immediately thereafter, the Budget Director conducts departmental budget hearings to review said estimates, after which revisions can be made to the estimates as deemed appropriate in view of the needs of the various spending agencies and the probable total revenue available to the City. At the first meeting of the Common Council in April, the Budget Director presents the proposed budgets to the Mayor and the members of the Common Council. Immediately thereafter, the Common Council commences consideration and review of the proposed budgets. Public sessions are held by the Common Council during the months of April and May, with at least one public hearing on the proposed budgets. On or before May 30, the budgets are legally enacted through adoption of ordinances by the Common Council. The budgets are not subject to referendum.

Financial Controls

The Commissioner of Finance may not disburse money unless appropriated and not in excess of such appropriated amounts. No appropriation may be used for any purpose other than that for which it is made.

During the course of the year, the Finance Department maintains supervision and control over expenditures and revenues. Encumbrance accounting is used to record purchase orders, contracts and other commitments for the expenditure of monies in order to reserve that portion of the applicable appropriation. Outstanding encumbrances at year end are reported as assignments, commitments or restrictions of fund balances as they do not constitute expenditures or liabilities.

The City Investment Policy

The City's cash balances are considered to be cash on hand, checking accounts and savings accounts. The City maintains a written investment policy that emphasizes a conservative financial approach based upon New York State law. The investment policy is adopted by the Common Council and reviewed annually. The City's available funds are invested in:

- Money market accounts, savings accounts, and certificates of deposit with varying maturities not exceeding one-year issued by a commercial bank or trust company, located and authorized to do business in New York State;
- Obligations of the United States of America when the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- With the approval of the New York State Comptroller, obligations issued pursuant to Section 24.00 or 25.00 of the Local Finance Law by any municipality, school district, or district corporation other than the municipality, school district, or corporation investing such proceeds; and
- Repurchase agreements involving the purchase and sale of direct obligations of the United States of America.

The City is authorized to and does participate in cooperative investments with other municipalities and school districts under the authority of the New York General Municipal Law. The City's written investment policy requires collateral for demand deposits and certificates of deposit not covered by federal deposit insurance. Assets that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of New York and its municipalities, school districts and district corporations.

Assets pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required that provide, among other things, that the collateral securities are held separate from the assets of the custodial banks for the benefit of the City. At least monthly, the City determines that the collateral has a market value adequate to cover deposits and that the collateral has been segregated either physically or by book entry.

Investments are stated at cost, except for cooperative investments, which are stated at amortized cost of the cooperative shares and are considered to approximate fair value.

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the City as "No Designation," with a fiscal score of 7.9% and an environmental score of 12.5%.

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

The financial affairs of the City are subject to periodic compliance reviews by OSC to ascertain whether the City has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on January 6, 2017. The purpose of the audit was to examine the City's claims auditing process for the period July 1, 2014 through June 9, 2016. The complete report can be obtained from OSC's website.

REAL PROPERTY TAXES

Limitation on Real Estate Tax Levy

The City is responsible for levying taxes for City purposes. The City's real property tax levying powers, other than for debt service and certain other enumerated purposes, are limited by the State Constitution to 2.0% of the five-year average full valuation of taxable real property of the City.

The following table sets forth the computation of the City's Constitutional Tax Limit for fiscal year ended June 30, 2016.

Real Property Tax Assessments and Tax Margin (Constitutional Tax Limit)

Fiscal Year Ending <u>June 30:</u>	<u>Assessed Valuation</u>	State Equalization <u>Ratio</u>	<u>Full Valuation</u>
2012	\$278,155,129	3.48%	\$ 7,992,963,477
2013	275,572,096	3.70	7,447,894,486
2014	277,740,593	3.77	7,367,124,483
2015	276,979,095	3.48	7,959,169,397
2016	277,055,010	3.30	8,395,606,364
Total Five-Year Full Valuation			\$39,162,758,206
Five-Year Average Full Valuation			<u>\$ 7,832,551,641</u>
2% of Five-Year Average Full Valuation			<u>\$ 156,651,033</u>
Adopted Tax Levy			<u>55,616,023</u>
Less Amounts Excluded by Law			<u>9,873,711</u>
Tax Levy Subject to Tax Margin			<u>45,742,312</u>
City Tax Margin			<u>\$ 110,908,721</u>

Source: Office of the New York State Comptroller and City Officials.

Assessed Valuation by Property Category

The City's assessed valuation is comprised of one, two, and three family residences; condominiums, apartment houses and cooperative apartments; and commercial properties. The following table sets forth the trend of valuation of these different property classifications.

Assessed Valuation of Taxable Real Property

<u>Fiscal Year</u>	One-Three Family <u>Residences</u>	% of <u>Total</u>	Condo, Co-Ops, <u>Apartments</u>	% of <u>Total</u>	<u>Commercial</u>	% of <u>Total</u>	Total Assessed <u>Valuation</u>	Yearly Percentage <u>Change</u>
2012	\$115,114,633	41.4	\$54,547,189	19.6	\$108,493,307	39.0	\$278,155,129	(1.12)%
2013	114,757,907	41.6	54,259,743	19.7	106,554,446	38.7	275,572,096	(0.15)
2014	114,656,558	41.3	56,959,046	20.5	106,124,989	38.2	277,740,593	0.78
2015	114,939,821	41.5	57,220,667	20.6	104,818,607	37.9	276,979,095	0.27
2016	115,123,876	41.6	59,166,927	21.3	102,764,207	37.1	277,055,010	1.03
2017	115,264,619	41.6	59,141,077	21.4	102,522,994	37.0	276,928,690	0.45

Source: Audited Financial Statements and City Officials.

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the Laws of 2011 (the “Tax Levy Limit Law” or “TLLL”) was enacted. The Tax Levy Limit Law expires on June 16, 2020 unless extended. The Tax Levy Limit Law imposes a tax levy limitation on the City for any fiscal year each commencing after January 1, 2012 without providing an express exclusion for real property taxes levied for payment of principal of and interest on general obligations issued by the City under the Local Finance Law. Accordingly, the power of the City to levy real property taxes on all taxable real property within the City without limitation as to rate or amount in furtherance of the pledge of its faith and credit as required in the New York Constitution is subject to statutory limitations pursuant to formulae set forth in the Tax Levy Limit Law.

The Tax Levy Limit Law restricts the increase in the amount of the a succeeding year’s tax levy to no 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. The TLLL also provides for certain adjustments for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. The 2% limit can be increased and overridden annually through a local law enacted by a 60% supermajority vote by the Common Council of the City subject to referenda requirements, if any, set forth in the Municipal Home Rule Law. Express exclusions from the 2% limit of TLLL include (i) funds needed to pay judgments in excess of 5% of the prior year’s tax levy, and (ii) retirement systems growth in the average actuarial contribution rate in excess of 2%. The City is also permitted to carry forward a certain portion of its unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the Office of the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

Nonetheless, the TLLL does not provide an express exclusion from the tax levy limitation for payment of principal and interest on general obligations authorized and issued by the City under the Local Finance Law. A plain English reading of the TLLL compared with the applicable and corresponding provisions of Article VIII of the New York Constitution (Local Government Finance) could lead to the conclusion that the TLLL is contrary to and violative of certain provisions of Article VIII the New York Constitution. On February 19, 2013, the New York State United Teachers organization (“NYSUT”) filed a lawsuit in State Supreme Court in Albany against the State, challenging Chapter 97 of the Laws of 2011 as applied to school districts on multiple federal and state constitutional grounds. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT’s causes of action but granted NYSUT’s motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT’s motion for a preliminary injunction and dismissed all causes of action contained in NYSUT’s second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution “does not require that equal educational offerings be provided to every student”, and further noted “the legitimate government interest of restraining crippling property tax increases”. Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals. Aside from the State United Teachers lawsuit, as of the date hereof, the City, without diligence, is unaware of any action threatened or pending in a court of competent jurisdiction to challenge the constitutionality or validity of the TLLL, or any administrative proceeding noticed or scheduled by a committee of the Legislature or a State agency to gather evidence and determine whether corrective legislative action is required to ensure that the TLLL is a valid general law. In the opinion of bond counsel, under current law, the limitations imposed by TLLL on real property tax levies do not diminish the prior lien on the first revenues of the City set forth in the New York State Constitution and established by the aforesaid pledge of the City’s faith and credit requiring the City to raise the necessary moneys and to exceed normal real estate tax limitations to pay the principal of and interest on the Bonds. Bond counsel expresses no opinion on the validity of Chapter 97 of the Laws of 2011 under the applicable provisions of Article VIII of the New York Constitution.

Real Property Tax Rebate. Chapter 59 of the Laws of 2014 (“Chapter 59”), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the

provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Eligible homeowners do not have to do anything to receive the credit. The State Tax Department will review eligibility data and calculate the credit for all qualifying taxing jurisdictions. In the fall of each of the program's three years (2014, 2015 and 2016), the department will mail eligible taxpayers a single check that will be the total of the credits for each jurisdiction that is in compliance.

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

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

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

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

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

Real Property Tax Collection Procedures and History

The City is responsible for the billing and collection of City, County, and City School District real property taxes, both current and delinquent.

County taxes, billed separately, which include taxes for County, Sewer, and Refuse Collection Districts, are payable in full on or before April 30 without penalty. If these taxes are not paid on or before April 30, a penalty of 1% of taxes due will be added for each month or part thereof that the taxes due remains unpaid. The City is responsible for paying to the County its taxes in full.

City and City School District taxes are included on one bill and are payable in two installments. The first installment is payable during the month of July without penalty. The second installment is payable during the month of January without penalty. If these taxes are not paid on or before July 31 or January 31, a penalty of 1% of taxes due will be added for each month or part thereof that the taxes remain unpaid. Also, an additional 5% penalty is added for School District taxes remaining unpaid at February 20. The City is responsible for paying the School District its taxes in full two years after the taxes are levied.

The City collects water rents and sewer rents based on monthly billing cycles. Residential accounts are billed twice annually. Commercial accounts are billed semiannually or quarterly depending on their level of usage. Bills are payable during their respective months without penalty. At the end of the collection month, a penalty is applied at the rate of 1% for each month or part thereof that the bill remains unpaid. All unpaid water or sewer bills past due one

year and over \$10.00 are transferred to the tax roll and accrue penalties at the rate of 1% for each month or part thereof that they remain unpaid. City is entitled to collect taxes, assessments, water rents, sewer rents or other charges on property within the City. Any such amounts unpaid as of the due date become tax liens, whereby the City has a secured interest in the property of the land owner. This lien can be transferred or assigned by the City.

During May of each year, the Department of Finance identifies any lien on real property (taxes, assessments, water rents, sewer rents, and other charges) that is due and unpaid for a period of at least twelve months, as of June 1 of the current year. Every year during May and June, the Department of Finance advertises a list of properties having delinquent taxes in the official newspaper of the City. The affected properties are enumerated in the advertisement, and the aggregate due under the lien shall include those taxes etc., due and unpaid, as of a date specified in the advertisement. There are no tax lien sales in the City. Chapter 602 of the Laws of 1993, which became effective on January 1, 1995, amended the Real Property Tax Law, eliminating municipal authority to enforce unpaid taxes via tax lien sales. To avoid foreclosure, the property owner can pay the delinquent taxes together with the applicable penalty and interest for each month in arrears and any advertising costs by a specified date. The City also allows property owners to enter into installment agreements to avoid foreclosure. Under the terms of these agreements, the property owners must remain current on all payments due under the installment plan as well as any new billings to avoid foreclosure. Interest and penalties continue to accrue until the installment agreement is satisfied. These agreements can be for any length of time up to two years.

The following table sets forth the total amount of taxes levied and uncollected by the City for its last five fiscal years and the amount budgeted for the current fiscal year.

<u>Tax Levies and Collections</u>			
<u>Year</u>	<u>Tax Levy</u>	Uncollected <u>Amounts</u>	Percent <u>Uncollected</u>
2012	\$48,985,900	\$16,323	0.03%
2013	50,834,785	29,723	0.06
2014	53,253,982	60,459	0.11
2015	54,326,680	116,552	0.21
2016	55,616,023	298,189	0.54
2017 (Budget)	55,648,820	27,418,244 ¹	49.27 ¹

Source: City Officials.

¹ As of December 28, 2016. Taxes are billed in July and January.

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The following table shows the trend during each of last four years and current year for taxable assessed valuations, State equalization rates, full valuations, real property tax levies and real property tax rates.

Valuations, Tax Levies, and Rates					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Value	\$ 275,572,096	\$ 277,740,593	\$ 276,979,095	\$ 277,055,010	\$ 276,928,690
Equalization Ratio	3.70%	3.77%	3.48%	3.30%	3.20%
Full Value	\$7,447,894,486	\$7,367,124,483	\$7,959,169,397	\$8,395,606,364	\$8,654,021,563
Tax Levy	\$50,834,785	\$53,253,982	\$54,326,680	\$55,616,023	\$55,648,820
Tax Rates: ¹					
City	\$184.47	\$191.74	\$196.14	\$200.74	\$200.95
City School District	565.50	583.21	600.22	613.74	615.61
County	\$106.28	\$99.24	\$100.99	\$103.73	\$103.89
Sewer District ²	16.43/18.28	15.79/16.33	14.80/15.53	14.80/15.92	14.77/16.63
Refuse District	<u>10.02</u>	<u>9.43</u>	<u>9.14</u>	<u>9.53</u>	<u>9.27</u>
Total County	<u>\$132.73/134.58</u>	<u>\$124.46/125.00</u>	<u>\$124.93/125.66</u>	<u>\$128.06/129.18</u>	<u>\$127.93/129.79</u>
Total City, County, School District	<u>\$882.70/884.55</u>	<u>\$899.41/899.95</u>	<u>\$921.29/922.02</u>	<u>\$942.54/943.66</u>	<u>\$944.49/946.35</u>

¹Per \$1,000 assessed value.

²Bronx Valley Sewer District/Mamaroneck Sewer District.

Source: New York State Comptroller's Office and City Officials.

Ten Largest Taxpayers

The following table presents the assessments of the City's ten largest taxpayers for the 2016-2017 fiscal year.

<u>Taxable Assessments</u>			
<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation¹</u>
Consolidated Edison	Public Utility	\$12,807,520	4.62%
Westchester Mall, LLC	Retail Outlet	10,666,450	3.85
44 South Broadway Property LLC	Office Space Rental	4,200,000	1.52
White Plains Plaza	Office Space Rental	4,161,460	1.50
Cali WP Realty Associates, LP	Real Estate Development	4,010,000	1.45
White Plains Galleria	Retail Outlet	3,846,000	1.39
Gateway I Group, Inc.	Office Space Rental	3,425,000	1.24
Reckson Realty	Office Space Rental	2,700,000	0.97
American Telephone & Telegraph	Public Utility	2,379,346	0.87
Avalon WP I, LLC	Apartments	<u>2,249,000</u>	<u>0.81</u>
	Total:	<u>\$50,444,776</u>	<u>18.22%</u>

¹ The City's total assessed value for the 2016-2017 fiscal year is \$276,928,690.

Source: City Officials.

CITY INDEBTEDNESS

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 Bonds.

Purpose and Pledge. Subject to certain enumerated exceptions, 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 or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose or, in the alternative, if substantially level or declining debt service is utilized, the weighted average period of probable usefulness of the several objects or purposes as determined by statute. Unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. 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 bonds and such required annual installments on its notes.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service or the cost of an object or purpose for which a period of probable usefulness has been determined by law. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Board of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

There is no constitutional limitation on the amount of real property taxes which may be levied in any fiscal year to pay the principal of and interest on the Bonds. Further, the New York Constitution prohibits the State Legislature from restricting the power of the City to levy real estate taxes for the payment of principal of and interest on indebtedness authorized and issued under the Local Finance Law. However, Chapter 97 of the Laws of 2011 imposes a statutory limit on the City's power to increase its annual real property tax levy, including such taxes to pay the principal of and interest on the Bonds. See "Legal Matters" "Market Factors Affecting Financings of the State and Municipalities of the State" and "Tax Levy Limit Law," herein.

Statutory Procedure

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

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

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

- (1) Such obligations are authorized for a purpose for which the Issuer is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied with in the authorization of such obligations,

and an action contesting such validity, is commenced within twenty days after the date of such publication, or

- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the City complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. The City expects to be in compliance with such procedure with respect to the Bonds by the closing date.

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

The Common Council, as the finance board of the City, has the power to enact bond ordinances. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the Commissioner of Finance, the chief fiscal officer of the City, pursuant to the Local Finance Law.

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

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes.

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Constitutional Debt Limit

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

<u>Constitutional Debt Limit</u>			
Fiscal Year	Assessed	State	
Ending	Valuation	Equalization	Full Valuation
<u>June 30:</u>		<u>Ratio</u>	
2013	\$275,572,096	3.70%	\$ 7,447,894,486
2014	277,740,593	3.77	7,367,124,483
2015	276,979,095	3.48	7,959,169,397
2016	277,055,010	3.30	8,395,606,364
2017	276,928,690	3.20	<u>8,654,021,563</u>
Total Five-Year Valuation			<u>\$39,823,816,293</u>
Average Five-Year Valuation			<u>\$7,964,763,259</u>
Debt Limit - 7% of Average Full Valuation			<u>\$557,533,428</u>

Source: New York State Comptroller's Office.

Statement of Debt Contracting Power

Statutory Debt Limit and Net Indebtedness as of February 8, 2017:

Debt Limit - 7% of Five Year Average Full Valuation	\$557,533,428
Total Inclusions-Serial Bonds	\$154,576,201 ¹
Less Exclusions:	
Appropriations	8,844,201
Water Indebtedness	27,197,089
Sewer Indebtedness ²	<u>1,515,144</u>
Total Exclusions	37,556,434
Total Net Indebtedness	<u>117,019,767</u>
Net Debt-Contracting Margin	<u>\$440,513,661</u>
Percentage of Debt-Contracting Margin Exhausted	21.0%

¹ The City expects to refund \$23,910,000 of such amount with proceeds of the Refunding Bonds.

² Sewer indebtedness excluded pursuant to Section 124.10 of the Local Finance Law.

Remedies Upon Default

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

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

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

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

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

Bond Anticipation Notes

There are no bond anticipation notes currently outstanding.

Cash Flow Borrowings

During the last twenty years, the City has not issued tax anticipation notes, revenue anticipation notes or budget notes.

Trend of Outstanding Indebtedness

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

	<u>Outstanding Indebtedness</u>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bonds	\$106,606,555	\$110,542,555	\$136,675,800	\$154,452,742	\$156,406,201
Bond Anticipation Notes	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$106,606,555</u>	<u>\$110,542,555</u>	<u>\$136,675,800</u>	<u>\$154,452,742</u>	<u>\$156,406,201</u>

Source: City Officials.

Estimated Overlapping Indebtedness

In addition to the City, the following political subdivisions have the power to issue debt and to levy taxes, or to cause taxes to be levied, on taxable real property in the City. The estimated overlapping indebtedness at June 30, 2016 for such political subdivisions is as follows:

	<u>Net General Indebtedness</u>	<u>Indebtedness Applicable to the City</u>
County of Westchester	\$1,103,557,005	\$ 56,277,795 ¹
White Plains City SD	<u>97,292,355</u>	<u>97,292,355</u>
Total	\$1,200,849,360	\$153,570,150

Source: City of White Plains Comprehensive Annual Financial Report fiscal year ended June 30, 2016.

¹Computed at 5.10% of County indebtedness based upon the ratio of the taxable full valuation of the City to the County.

Debt Ratios

The following table presents certain debt ratios relating to the City's net direct and overlapping indebtedness as of February 8, 2017.

	<u>Debt Ratios</u>		
	<u>Amount</u>	<u>Debt Per Capita⁽¹⁾</u>	<u>Debt to Full Value⁽²⁾</u>
Net Direct Indebtedness	\$117,019,767	\$2,058.29	1.35%
Net Direct and Overlapping Indebtedness	\$270,589,917	4,759.46	3.13%

(1) The population of the City is 56,853, according to the Census 2010 U.S. Census Bureau.

(2) The City's full value of taxable real property for fiscal year ended June 30, 2017 is \$8,654,021,563.

Source: New York State Comptroller's Office and City Officials.

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Debt Service Schedule

The following table sets forth all principal and interest payments required on the City's outstanding bonded indebtedness of the City, inclusive of the Bonds and exclusive of economically defeased obligations.

Bond Principal and Interest Maturity Table

Fiscal Ended <u>December 31:</u>	Principal <u>Outstanding</u>	Interest <u>Outstanding</u>	Total Debt <u>Service</u>
2017	\$ 10,834,201	\$ 4,678,316	\$ 15,512,517
2018	11,476,998	4,883,032	16,360,030
2019	12,008,901	4,550,013	16,558,914
2020	12,214,999	4,193,117	16,408,116
2021	12,534,999	3,826,746	16,361,745
2022	12,470,000	3,447,313	15,917,313
2023	11,115,000	3,070,284	14,185,284
2024	11,430,001	2,721,177	14,151,178
2025	11,605,000	2,349,573	13,954,573
2026	11,355,002	1,981,008	13,336,010
2027	11,655,000	1,649,982	13,304,982
2028	8,565,000	1,330,327	9,895,327
2029	7,730,000	1,068,583	8,798,583
2030	5,680,000	823,162	6,503,162
2031	5,120,000	637,407	5,757,407
2032	5,265,000	474,936	5,739,936
2033	4,165,000	308,784	4,473,784
2034	2,455,000	173,400	2,628,400
2035	2,525,000	99,750	2,624,750
2036	800,000	24,000	824,000
Totals	<u>\$171,005,101</u>	<u>\$42,290,908</u>	<u>\$213,296,009</u>

Source: Audited Financial Statements, City Officials and Capital Markets Advisors, LLC.

Lease Agreements

The City has entered into a lease agreement for a Senior Center facility. Minimum annual rental payments are shown below:

Fiscal Year Ending June 30th	Minimum Annual Rental
2017	\$268,805
2018	273,945
2019	273,945
2020	297,858
2021	297,858
2022-2026	1,680,584
2027	393,505
Total	<u>\$3,486,500</u>

Capital Financing and Improvement Programs

Capital planning and budgeting fall under the jurisdiction of the Capital Projects Board, which consists of ten members, seven appointed ex officio: the Commissioners of Finance, Public Works, Public Safety, Planning, Traffic, and Recreation and Parks, and the Budget Director. The remaining three members, who are appointed by the Mayor, consist of a member of the City's Planning Board and two members of the Common Council. The Mayor appoints one of the Common Council members as the Chairman of the Capital Projects Board. The term of each member appointed by the Mayor is two years.

No later than October 1 of each year, all heads of departments, offices, and other agencies of the City and the Rolling Stock Committee submit to the Budget Director and to the Capital Projects Board, estimates and details of their capital project expenditures proposed for the ensuing fiscal year; detailed reports of all pending capital projects; recommendations for new capital undertakings for the six succeeding fiscal years; and any other information deemed pertinent by the Capital Projects Board. All heads of departments, offices and agencies, and the Rolling Stock Committee have the right, and it is their duty when requested by the Capital Projects Board, to appear and to be heard. The Capital Projects Board may also consult with the Board of Education of the White Plains City School District in order to consider and correlate their respective capital improvement programs to the extent that this is possible.

No later than February 1 of each year, the Capital Projects Board submits its report and recommendations of new capital projects for the City to be included in the budget of the City for the ensuing fiscal year. The Capital Projects Board includes in its report, its recommendations as to new capital undertakings for the ensuing fiscal year, plus the succeeding five fiscal years, and the Budget Director includes this report in the annual budget message. Capital projects are authorized and funded individually by ordinance of the Common Council. The Capital Projects Board meets from time to time during the fiscal year to review the actual expenditures against original estimates and any subsequent revisions made to the original estimates. The Common Council may refer back to the Capital Projects Board any capital projects under construction which it believes are exceeding the original estimates of cost or subsequent revised estimates made by the Capital Projects Board or the Common Council. The Capital Projects Board may also from time to time recommend changes or modifications or other disposition to pending projects.

The following table sets forth, by department, a summary of the major capital projects adopted in the most recent six-year capital improvement program.

Six Year Capital Improvement Program

<u>Purpose</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Projects:						
General Fund:						
Public Works	\$ 5,450,000	\$ 5,085,000	\$ 5,950,000	\$ 5,100,000	\$ 3,575,000	\$ 4,230,000
Public Safety	402,800	854,225	-	200,000	-	100,000
Parking	1,400,000	3,380,000	2,890,000	2,408,000	1,320,000	500,000
Planning	-	-	-	-	-	-
Rec & Parks	575,000	1,500,000	1,550,000	1,550,000	1,550,000	150,000
Information Services	409,000	500,000	125,000	100,000	125,000	-
Total General Fund	8,236,800	11,319,225	10,515,000	9,358,000	6,570,000	4,980,000
Library Fund	2,500,000	-	85,000	500,000	-	-
Water Fund	15,000,000	3,250,000	4,000,000	2,000,000	2,000,000	4,500,000
Sewer Fund	500,000	1,000,000	1,000,000	500,000	500,000	500,000
Cable TV	-	-	-	-	-	-
Total Projects	26,236,800	15,569,225	15,600,000	12,358,000	9,070,000	9,980,000
Rolling Stock	3,052,000	3,870,000	4,460,000	3,569,500	3,941,000	3,018,000
Total Program	<u>\$ 29,288,800</u>	<u>\$ 19,439,225</u>	<u>\$ 20,060,000</u>	<u>\$ 15,927,500</u>	<u>\$ 13,011,000</u>	<u>\$ 12,998,000</u>

Source: 2016-2022 Capital Improvement Program. The City of White Plains.

Authorized and Unissued Long-Term Debt

After the sale of the Bonds, the City will have authorized but unissued long-term debt pursuant to various bond ordinances in the amount of \$12,519,650.

SOCIOECONOMIC PROFILE

Regional Hub

Located just 25 miles north of Manhattan at the center of Westchester County where the Cross-Westchester Expressway/Interstate 287 (I-287) intersects with several north-south limited access highways (Bronx River Parkway, Hutchinson River Parkway, and I-684), White Plains is a regional economic center and destination for business, government, transportation, healthcare and shopping. In addition to the numerous retail outlets, corporate offices and medical facilities, White Plains is the County seat and home to the Westchester County Civic Center.

The White Plains TransCenter is a major hub for both the Metro-North Railroad and the Westchester County Bee-Line bus system. With 20,000 rail passengers (in and out) trips daily¹, the White Plains station is the second busiest station in the Metro-North Railroad system and an express stop on the Harlem Line offering a short 35-minute commute to and from New York City's Grand Central Station. In addition, the Bee-Line bus system provides service to commuters, as well as for travelers to and from the Westchester County Airport making 25,000 bus passenger trips through the TransCenter each weekday². The Other regional transit operators including Adirondack Trailways and Coach USA provide express bus service to and from White Plains with intercity passenger service to Stamford, Boston, Long Island, Ithaca, and Albany.

¹Metro-North Railroad, 2007 data.

²Westchester County Department of Public Works.

Demographic Profile

The City of White Plains had a population of 56,853 in 2010, up seven percent from the year 2000,³ achieving a higher rate of growth than Westchester County (3%) and New York State (2%). A compact city, White Plains comprises about six percent of the County's total population, while its land area (9.77 square miles) is only two percent of the County's total. The City's overall population density (5,820 persons per square mile) is more than double that of the County (2,240 persons per square mile).

The median income for a household in the City is approximately \$82,422⁴, which is 39 percent higher than the State median (\$58,687) and two percent lower than that of the County (\$83,422). The per capita income for the City was \$46,673. About 10.1 percent of persons had incomes below the poverty line in 2014, much lower than the State rate (15.6%). The City's population is highly educated, with 42.2 percent being college graduates, well above the statewide average of 33.7%. The median value for owner-occupied homes in the City of White Plains is \$649,000. The city is racially and ethnically diverse, with about 49 percent of the population White, 30 percent Hispanic or Latino, 14 percent Black or African American, 6 percent Asian, and 1 percent American Indian or Alaska Native. The median age is approximately 38 years, with an age distribution similar to the County and State.

³2010 Census of Population and Housing, U.S. Department of Commerce, Bureau of the Census.

⁴2011-2015 American Community Survey 5-Year Estimate, Bureau of the Census.

Economic Profile

According to the 2012 Economic Census, approximately 4,273 businesses and other employer organizations are located in White Plains. Total employment in the City of White Plains was 66,142 workers, with the largest industry sectors being health care and social services (17% of total employment); professional, scientific, and technical services (16%) and retail trade (11%). While the City is home to many prominent large corporations and institutions (see

below), the average number of employees per establishment is approximately 15 workers, an indicator of the importance of small business in the City and of a healthy and diversified economic base.

Among the industry sectors, the wholesale trade sector had the highest sales (\$4.1 billion), followed by professional, scientific, and technical services (\$1.2 billion), retail trade (\$2.0 billion), and, and health care (\$1.4 billion).

Corporate Offices

Since 1960, the City has evolved into a prominent regional office center, which now boasts over 10.8 million square feet of commercial office space in the City⁵. Based on its central location, transportation accessibility, and high quality of life, White Plains has become home to many major corporations and organizations such as Heineken USA, ITT, Bunge, Combe, Alliance Bernstein, Krasdale Foods, Nine West, the New York Power Authority, the Leukemia & Lymphoma Society and the March of Dimes.

Approximately 60 percent of this space is located in the Central Business District, which has an inventory of over 6.2 million square feet of commercial office space. The commercial vacancy rate in the White Plains Central Business District (CBD) was approximately 21.9% in the third quarter of 2015. Asking rents for Class A office space in the CBD were about \$34.13 per square foot, higher than the County average of approximately \$30.49.

Among the leading retailers located in the City are Bloomingdales, Macy's, Neiman Marcus, Nordstrom, Nordstrom Rack, Target, Sears Roebuck & Company, Burlington Coat Factory and Walmart. The Westchester, a major up-scale mall, contains many high-end retailers with Nordstrom and Neiman Marcus Stores serving as its anchors. The City's retail market has remained strong, as occupancy rates are high both in the malls and on Mamaroneck Avenue.

⁵Cushman and Wakefield *Markebeat – Westchester County Q3 2016*.

Retail Establishments

White Plains is ranked fifth in the state in annual retail sales volume – retail trade earns more than \$2 billion in sales annually⁶. The City boasts an astounding retail sales per capita figure of \$34,421, more than double that of the County (\$15,292) and nearly three times that of the State (\$12,961). The City is a leading retail center for Westchester, Putnam, and Rockland Counties, in addition to Fairfield County, Connecticut. The City's approximately 1,000 retail establishments occupy over 4 million square feet of retail space.

⁶2007 Census of Retail Trade, U.S. Department of Commerce, Bureau of the Census.

Health Care Facilities

There are three major not-for-profit health care institutions in the City – Burke Rehabilitation Hospital, New York Presbyterian Hospital, and White Plains Hospital Center (WPHC). Established in 1952 and located on 65 acres near downtown White Plains, the Burke Rehabilitation Hospital is a 150-bed, multi-service rehabilitation center that serves the region. The New York Presbyterian Hospital's Westchester Division, located on a 233-acre tract southwest of the central business district, is a 325-bed, voluntary psychiatric institution which also conducts teaching and research programs. WPHC, a 301-bed general hospital, is located on Post Road on the southern side of the central business district. In 2009, the City approved the WPHC Modernization Project, which included the creation of over 155,000 square feet of new space in three structures over a period of five years. In 2013, the City granted approval for a revised Master Plan which retained the overall size of the project but shifted some of the development from the Maple Avenue side of the WPHC campus to the Post Road side.

Economic Development Activity

The City is a suburb of New York City, located within the affluent County of Westchester. It serves as a major commuter hub as well as a suburban regional center due to its close proximity and accessibility to New York City. The City is headquarters for many corporations and functions as a major regional retail shopping center for the entire New York metropolitan area, which includes Fairfield County, Connecticut.

Access to New York City and the surrounding area is readily available by car, train, or bus. Major interstate highways such as I-287, I-95 and I-87, and a number of state and local parkways and highways go through, or are a short drive from, the City center. Westchester County Airport is only seven miles from the City. In 2012, the airport served approximately 1.75 million passengers and had 141,567 total aircraft operations for the 12 months ended December 31, 2015⁷. The City is also close to three major international airports: LaGuardia (25 miles), John F. Kennedy (32 miles) and Newark-Liberty (40 miles). According to the 2010-2014 American Community Survey 5-Year Estimates, incomes within the City and the County compare quite favorably to New York State and the nation:

Income Type	City of White Plains	Westchester County	New York State	United States
Per Capita	\$ 46,673	\$ 48,487	\$32,829	\$28,555
Median Household	81,743	83,422	58,687	53,482
Median Family	101,130	106,819	71,419	65,443

⁷More information can be obtained by visiting the following links: <http://airport.westchestergov.com/about-us>, accessed 11/17/2016 and <http://www.gcr1.com/5010web/airport.cfm?Site=HPN&AptSecNum=2>, accessed 11/17/2016.

Per the U.S. Department of Labor Statistics, the (not seasonally adjusted) Consumer Price Index – All Urban Consumers, All Items for New York–Northern New Jersey–Long Island, NY-NJ-CT-PA rose 0.9% from June 2015 to June 2016, which compares favorably to the 1% increase for the U.S. city average. Data provided by the U.S. Bureau of Labor Statistics shows a decline in unemployment rates (not seasonally adjusted) and that the City compares favorably to county, state and federal levels:

	City of White Plains	Westchester County	New York State	United States
June 2016	3.3%	3.9%	4.5%	5.5%
June 2015	3.8%	4.7%	5.2%	5.1%

Median home sales prices decreased 4.9% from \$649,000 at fiscal year ended June 30, 2015 to \$617,000 at fiscal year end June 30, 2016.

The City has a very diverse economic base. While land use is predominantly residential, including numerous upper to middle income homes and a variety of multi-family structures and affordable homes, there is significant commercial and retail activity.

The composition of the City’s land use is presented in the table below:

Parcel Category	Parcel Count
Agricultural Properties	10
Residential Properties	8,411
Vacant Land	808
Commercial Properties	4,505
Recreation and Entertainment Properties	10
Community Service Properties	174
Industrial Properties	11
Public Service Properties	80
Public Parks, Wild, Forested and Conservation Properties	73
Total Parcel Count	14,082

Source: New York State Office of Real Property Tax Services

Over the past decade more than \$2.8 billion of private redevelopment has been approved. Over \$1.75 billion of that redevelopment has been completed and over \$500 million is currently under construction. Many new residential and mixed use projects have been developed, with public and private funding invested in

infrastructure to make the City a vibrant, attractive and “walkable” city. The City is active both day and night and addresses the needs of both its residents and the broader regional community who come to work, shop and enjoy the City’s restaurants and entertainment. The City was recently featured in *The New York Times* real estate section (*In White Plains, New Places to Live and Linger*. December 22, 2015) and has been listed in Time Inc.’s *Best Places to Live* (<http://time.com/money/3312361/white-plains-ny-best-places-to-live/>); MovotoBlog’s *10 Best Places in New York* (<http://www.movoto.com/blog/top-ten/best-places-in-new-york/>) and Livability’s *Top 100 Best Places to Live* (<http://www.livability.com/ny/white-plains>. October 16, 2013). Many employers are located within the City, including Verizon, AT&T, IBM, Con Edison, New York Power Authority, Amalgamated Life Insurance, ITT, Bloomingdale’s, Nordstrom Inc., Starwood Hotels and Resorts, J.P. Morgan Chase, Skadden Arps, Slate Meagher & Flom LLP, White Plains Hospital, Burke Rehabilitation Center, Heineken, Disney Publications and the Ritz Carlton Hotel.

Five enclosed shopping malls and major freestanding retailers have helped to make White Plains the center of retail activity for Westchester County and the broader multi-county market. With a combined area of almost four million square feet, retail stores in the City appeal to the consumer at all income levels. Major retailers include such highly-recognized names as Bloomingdale’s, Nieman Marcus, Nordstrom, Macy’s, Sears, Wal-Mart, Burlington Coat Factory, Target, Dick’s Sporting Goods and Raymour and Flannigan. Smaller high-end shops located in The Westchester Mall include Tiffany’s, Coach and Eileen Fisher. Total estimated average annual retail sales volume exceeds \$3 billion. In addition to its strong retail sector with over 11 million square feet of office space, White Plains is home to many large corporations and several banks and professional firms. Federal, state and county government operations utilize approximately 10% of the office space available in the City. There are three major hospitals: New York Presbyterian Westchester Campus, Burke Rehabilitation Center and White Plains Hospital Center. Proximity to these hospitals has been a major draw for medical professionals and support facilities. Colleges and universities have expanded in White Plains and include Berkeley College, The College of Westchester, Mercy College, Pace University and Westchester Community College. All of these sectors combine to make White Plains a regional center for corporate, finance, banking, legal services, health care and higher education. The White Plains Performing Arts Center provides the community with access to a full range of performing arts programs and activities, culturally enriching entertainment, unique programming, a conservatory theater, day camp programs and a venue for the City’s community groups.

Developer interest in the City remains strong. Several new development projects are proposed in downtown White Plains and along Westchester Avenue, South Broadway, and Post Road. These include “The Pavilion,” an 854,000 square-foot mixed-use project that includes 707 residential units at the former Westchester Pavilion Mall site; “The Boulevard,” another mixed-use development, with 220,000 square-feet of retail, fitness, and restaurant uses, and twelve townhouse units; and “The Collection,” a mixed use project with 120,000 square feet of commercial space, 261 residential units, and a 154-room hotel on Westchester Avenue. The City also has encouraged the adaptive reuse of existing buildings, and has approved conversion of the former White Plains Hotel/Esplanade Senior Housing to 212 rental apartments, and reuse and expansion of a 48,000 square foot industrial building to a 56,000 square foot residential building with 62 loft apartments.

During fiscal year ended June 30, 2016, 270,266 square feet of retail and office space was approved, including 155,315 square feet at White Plains Hospital; 93,840 square feet at “The Pavilion,” and smaller spaces at the ground level of mixed-use buildings. In addition, 1,645 new residential units were approved, under construction, or completed. These include the 707 units at “The Pavilion,” 561 units at “55 Bank Street,” 103 units at “The Prelude,” and 17 rental dwelling units in three smaller multi-family projects. The White Plains Education and Training Center was constructed by the White Plains Housing Authority on the ground floor of “The Prelude” at Brookfield Commons. Approval of a site plan extension was granted for Westchester Healthcare Properties for construction of a 180-bed nursing and rehabilitation facility on Church Street, and the City extended the approvals for 329 independent age-restricted units at “North Street Community”.

Major capital improvements that support the community and economic development totaling \$11.7 million in expenditures were accomplished in fiscal year ended June 30, 2016. A detailed listing of these projects can be found in the Capital Projects Fund Project-Length Schedule presented in the Financial Section of this report.

The City's economic base is further strengthened by its high quality transportation systems and easy commute to New York City and Fairfield County, Connecticut. Projects continue to move forward as noted above and the retail and office sectors are seeing the occupancy of major space. The City expects this trend to continue over the next few years due to the diversity of its commercial base.

Long-Term Financial Planning and Major Initiatives

The City operates under the auspices of a comprehensive plan entitled White Plains Vision - A Plan for the 21st Century which serves as a planning guide for the City. Updates and revisions to this 1997 plan were adopted by the Common Council in July 2006 to recognize and incorporate changes in the economic, social and physical conditions of the City. The revised Comprehensive Plan will continue to serve as an important planning guide for the City well into the future. The City's Planning Department also published a 2010-14 Consolidated Plan for Public Review. These and other documents concerning long-term economic development and land use planning are available on the City's website at www.whiteplainsny.gov/planning.

In addition to its economic development, the City has invested in its public infrastructure to make the City a vibrant, attractive and active community both day and night. The City maintains a Charter-required six-year Capital Improvement Program that serves as a planning document to ensure that its facilities, equipment and infrastructure are well maintained and operating in peak condition. Under the guidance of a Capital Projects Board, this process gives the City the ability to plan for its capital needs and allocate short- and long-term resources accordingly. The City identifies and quantifies the operational costs associated with its capital projects and budgets the necessary resources. The City's Rolling Stock Committee monitors the condition of all City equipment and vehicles and makes recommendations on their replacement. The City maintains a vehicle replacement policy which serves as its fleet replacement guide over a ten-year period. Capital improvements totaling \$29.6 million are noted in the adopted budget for fiscal year ending June 30, 2017: rolling stock (\$2.6 million); public buildings (\$1.5 million); public parking (\$1.3 million); infrastructure (\$4 million); water system (\$15.2 million); sewer system (\$0.9 million); library improvements (\$2.5 million); and miscellaneous projects (\$1.6 million). Funding for these projects includes tax-supported debt (\$9.7 million); self-liquidating debt (\$17.4 million) and cash and grants (\$2.5 million).

Construction Activity

The residential and commercial development activity summarized above has led to a significant number of building permits issued within the City. The value of the construction for which the Building Department has issued permits has ranged from a low of \$75.5 million in 2012 to a high of \$161.8 million in 2016, including both new and renovated space. In total, over half a billion dollars has been invested in building construction activities in the City of White Plains during the last five years.

Estimated Value of Building Construction, 2012-2016, City of White Plains
(\$ in Millions)

Fiscal Year	New Residential	New Non-Residential	Total New Construction	Additions and Alterations	Total
2012	4.2	0.3	4.5	71.0	75.5
2013	4.7	0.0	4.7	88.0	92.7
2014	11.4	8.0	19.4	94.2	113.6
2015	5.8	25.1	30.9	91.4	122.3
2016	0.0	19.6	19.6	142.2	161.8
Total	\$26.1	\$53.0	\$79.1	\$486.8	\$565.9

Source: City of White Plains Department of Building.

Population

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

	<u>1970</u>	<u>1980</u> <u>2010</u>	<u>1990</u>	<u>2000</u>	
City	50,346	46,999	48,718	53,077	56,853
County	894,406	866,599	874,866	923,459	949,113
State	18,241,366	17,557,288	17,990,456	18,976,457	19,378,102

Source: NYS Department of Economic Development, State Data Center, US Department of Commerce, US Census Bureau.

Largest Employers

Major Employers in the City

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
White Plains Hospital Center	Hospital	1,900
Northeast Epilepsy Group	Health Clinic	1,800
White Plains City School District	Education	1,289
New York Presbyterian Hospital	Hospital	1,200
Westchester County	Local Government	1,000
City of White Plains	Local Government	839
Burke Rehabilitation Hospital	Hospital	600
Allied Barton Security Services	Security Services	500
APS Healthcare Inc	Health Care Services	500
Nordstrom	Department Store	450

Source: Infogroup/InfoUSA, 2014.

Income

The following table presents median family income for the City, County and State.

	<u>Median Income</u>				
	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
City	\$13,569	\$25,592	\$56,684	\$71,891	\$ 73,522
County	13,784	27,280	58,862	79,881	101,324
State	10,617	20,180	39,741	51,691	67,040

Source: U.S. Bureau of the Census.

Employment and Unemployment

The following tables provide information concerning employment and unemployment in the City, County and State.

	<u>Civilian Labor Force at December 31</u>				
	(Thousands)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City	29.9	29.9	31.4	31.1	31.7
County	473.4	474.2	475.8	470.3	479.5
State	9,528.3	9,587.2	9,631.8	9,569.1	9,679.3

Source: New York State Department Labor. Information not seasonally adjusted.

The following table presents the distribution of the employed population of the City among occupational groups.

Employed Population by Occupational Group

<u>Occupation</u>	<u>Number</u>	<u>Percentage</u>
Management, professional, and related occupations	14,326	47.9%
Service occupations	5,980	20.0
Sales and office occupations	5,675	19.0
Construction, extractions, and maintenance occupations	1,943	6.5
Production, transportation, and material moving occupations	1,984	6.6

Source: U.S. Department of Commerce, U.S. Census Bureau

Unemployment Rate Statistics

	<u>YEAR AVERAGE</u>				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City of White Plains	6.1%	6.3%	5.4%	4.3%	3.8%
Westchester County	7.1%	7.3%	6.3%	5.1%	4.6%
New York State	8.3%	8.5%	7.7%	6.3%	5.3%

2016 MONTHLY FIGURES

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
City of White Plains	3.7%	3.6%	3.4%	3.2%	3.2%	3.3%	3.4%	3.4%	3.8%	3.6%	3.4%	3.4%
Westchester County	4.5%	4.4%	4.2%	4.0%	3.8%	3.9%	4.3%	4.2%	4.4%	4.3%	4.0%	4.0%
New York State	5.4%	5.4%	5.2%	4.6%	4.2%	4.5%	5.0%	4.9%	5.1%	4.9%	4.7%	4.5%

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

End of Appendix A

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APPENDIX B

**FINANCIAL STATEMENT SUMMARIES
AND BUDGETS**

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**City of White Plains
Revenues, Expenditures and Fund Balance
General Fund**

APPENDIX B

Year Ended June 30:	2012	2013	2014	2015	2016
REVENUES					
Taxes and Related Items	\$100,456,761	\$101,545,393	\$105,305,043	\$105,631,492	\$105,476,020
Intergovernmental	7,493,682	8,954,058	7,907,402	7,660,793	8,035,578
Charges for Services	17,229,090	17,830,678	19,217,946	19,505,273	21,303,419
Licenses and Permits	4,839,640	4,908,105	5,721,073	5,644,308	7,644,860
Fines and Forfeitures	8,220,494	8,231,706	8,229,179	8,513,654	8,255,126
Interest	137,848	88,575	97,154	129,401	124,957
Miscellaneous	4,002,034	8,177,118	6,133,570	3,418,472	3,080,965
Total Revenues	142,379,549	149,735,633	152,611,367	150,503,393	153,920,925
EXPENDITURES					
Council and Boards	508,281	530,784	519,910	596,214	569,199
General Government	29,327,507	28,524,802	29,419,273	29,871,910	31,650,692
Public Works	26,396,360	28,455,868	29,578,848	29,299,774	28,135,313
Parking	10,658,942	12,222,118	12,715,925	12,783,655	12,632,557
Public Safety	56,387,724	59,239,942	62,101,336	61,607,176	61,642,652
Community Services	6,169,245	6,214,995	6,380,579	6,248,153	6,465,757
Debt service	0	0	0	0	0
Total Expenditures	129,448,059	135,188,509	140,715,871	140,406,882	141,096,170
Excess Revenue over (under) Expenditures	12,931,490	14,547,124	11,895,496	10,096,511	12,824,755
Other financing sources (uses)					
Bonds/Notes Issued	7,945,000	0	0	0	0
Notes Redeemed	(6,945,000)	0	0	0	0
Operating Transfers In	177,903	545	77,985	79,924	22,154
Operating Transfers Out	(7,926,332)	(9,469,972)	(11,035,569)	(9,806,628)	(11,106,759)
Total other financing sources (uses)	(6,748,429)	(9,469,427)	(10,957,584)	(9,726,704)	(11,084,605)
Excess revenue and other sources over (under) expenditures and other uses	6,183,061	5,077,697	937,912	369,807	1,740,150
Fund balance beginning of year	21,122,586	27,305,647	32,383,344	33,321,256	33,691,063
Fund Balance End of Year	\$27,305,647	\$32,383,344	\$33,321,256	\$33,691,063	\$35,431,213

Source: Information for this appendix has been extracted from the audited financial statements of the City of White Plains. This summary itself has not been audited.

**City of White Plains
Budget - General Fund**

APPENDIX B-1

Year Ended June 30:	<u>2016</u>	<u>2017</u>
	Adopted Budget	Adopted Budget
<u>REVENUES</u>		
Taxes and Related Items	\$108,318,463	\$107,388,400
Intergovernmental	7,331,923	7,559,606
Charges for Services	19,439,133	21,275,055
Licenses and Permits	5,535,200	7,116,603
Fines and Forfeitures	8,446,700	8,374,900
Miscellaneous	2,895,901	2,974,731
Transfers	0	0
Total Revenues	151,967,320	154,689,295
Appropriated Fund Balance ¹	10,975,000	11,200,000
Total Revenues	<u>\$162,942,320</u>	<u>\$165,889,295</u>
<u>EXPENDITURES</u>		
Council and Boards	5,229,994	6,150,000
General Government	37,633,643	127,545,857
Public Works	29,998,217	2,173,545
Parking	17,020,413	24,250,078
Public Safety	60,113,075	3,354,215
Community Services	12,946,978	2,415,600
Total Expenditures	<u>\$162,942,320</u>	<u>\$165,889,295</u>

¹ Anticipated fund balance budgeted as revenue.

Source: Information for this appendix has been extracted from the adopted budget of the City of White Plains.

**City of White Plains
Balance Sheets
General Fund**

APPENDIX B-2

As of June 30:	<u>2015</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$41,207,582	\$26,735,994
Investments	16,736,249	32,274,288
Receivables	4,789,466	5,722,310
Due from Other Governments	2,569,956	1,950,066
Due from Other Funds	243,000	248,000
Inventory	907,804	860,750
Prepaid Expenditures	67,426	123,593
TOTAL ASSETS	<u>66,521,483</u>	<u>67,915,001</u>
 <u>LIABILITIES</u>		
Accounts Payable	1,741,120	1,739,349
Contract Retainage Payable	27,605	0
Deposits	2,416,354	2,493,588
Accrued Liabilities	5,571,100	4,061,317
Due to Other Governments	16,425,960	16,634,980
Due to Retirement System	3,852,050	4,280,596
Unearned Revenue	2,167,520	2,633,055
TOTAL LIABILITIES	<u>32,201,709</u>	<u>31,842,885</u>
 Deferred Inflows of Resources	 628,711	 640,903
 <u>FUND EQUITY</u>		
Fund Balance:		
Nonspendable	2,010,138	2,261,273
Restricted	11,358,264	10,591,479
Committed	756,261	715,174
Assigned	12,130,339	12,592,564
Unassigned	7,436,061	9,270,723
TOTAL FUND EQUITY	<u>33,691,063</u>	<u>35,431,213</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$66,521,483</u>	 <u>\$67,915,001</u>

Source: Information for this appendix has been extracted from the audited financial statements of the City of White Plains. This summary itself has not been audited.

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<http://emma.msrb.org/EP972893-EP754585-EP1156177.pdf>

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

*** Such Financial Statements and opinion are intended to be representative only as of the
date thereof. PKF O’Connor Davies, LLP has not been requested by the City to further
review and/or update such Financial Statements or opinion in connection with the
preparation and dissemination of this Official Statement.**