



# Office of the County Executive

MONROE COUNTY, NEW YORK

Cheryl Dinolfo  
County Executive

August 17, 2016

<b>OFFICIAL FILE COPY</b>
No. <u>160260</u>
Not to be removed from the Office of the Legislature Of Monroe County
Committee Assignment
<b>WAYS &amp; MEANS -L</b>

To The Honorable  
Monroe County Legislature  
407 County Office Building  
Rochester, New York 14614

Subject: Amend the 2016-2021 Capital Improvement Program and the 2016 Capital Budget to Add a Project Entitled "Prepayment of LDC Service Agreements," and Authorize Financing for the Project

Honorable Legislators:

I recommend that Your Honorable Body amend the 2016-2021 Capital Improvement Program and the 2016 Capital Budget to add a project entitled "Prepayment of LDC Service Agreements," in the amount of \$80,786,000; and authorize financing for the project in an amount not to exceed \$80,786,000.

The County of Monroe has certain Service Agreements with three (3) Local Development Corporations ("LDCs"), Monroe Newpower Corporation, Monroe Security & Safety Systems Local Development Corporation, and Upstate Telecommunications Corporation, under which the County is obligated to pay for goods and services received over a number of years. The County is seeking authority to finance the prepayment of those Service Agreements in an amount sufficient to redeem the outstanding bonds of the respective LDCs.

Outstanding bonds of Upstate Telecommunications Corporation and Monroe Security & Safety Systems Local Development Corporation are callable upon 30-days' notice, and outstanding bonds of Monroe Newpower Corporation are callable on January 1, 2017. Conditions in the bond market offer the potential for significant savings to taxpayers if the County prepays its LDC Service Agreements for the purpose of redeeming the outstanding LDC bonds.

While the exact amount of savings cannot be determined until the pricing and interest rates of the County bonds are set, it is anticipated that the net present value savings will exceed \$9 million over the remaining life of the bond issue.

This project is scheduled to be considered by the Monroe County Planning Board on August 25, 2016.

**The specific legislative actions required are:**

1. Amend the 2016-2021 Capital Improvement Program to add a project entitled "Prepayment of LDC Service Agreements," in the amount of \$80,786,000.

2. Amend the 2016 Capital Budget to add a project entitled "Prepayment of LDC Service Agreements," in the amount of \$80,786,000.
3. Authorize financing for the project entitled "Prepayment of LDC Service Agreements," in an amount not to exceed \$80,786,000.

Environmental assessments were completed for this action and it was determined that there would be no significant effect on the environment.

Funding for this project, consistent with authorized uses, will be included in the capital fund to be created and any other capital fund(s) created for the same intended purpose. No additional net County support is required in the current Monroe County budget.

I recommend that this matter be referred to the appropriate committee(s) for favorable action by Your Honorable Body.

Sincerely,



Cheryl Dinolfo  
Monroe County Executive

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