

OFFICE OF THE STATE COMPTROLLER

**ANNUAL PUBLIC AUTHORITY
BUDGET AND FINANCIAL PLAN REQUEST
2022**

Legal Authority: "Budget and Financial Plan Format, Supporting Documentation and Monitoring – Public Authorities" (2 NYCRR, Part 203)

PUBLIC AUTORITY NAME & ADDRESS: Municipal Assistance Corporation for the City of Troy

80 Maiden Lane, Suite 402

New York, New York 10038

BOARD APPROVAL DATE: March 15, 2021

FISCAL YEAR START DATE: January 1

PREPARED BY: Michelle McManus

TITLE: Director of Finance

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SIGNATURE: Michelle McManus

DATE: December 21, 2021

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY

ANNUAL PUBLIC AUTHORITY

BUDGET AND FINANCIAL PLAN

2022

A) Relationship with unit of government on whose behalf the Authority was established.

The Municipal Assistance Corporation for the City of Troy is a corporate governmental agency and instrumentality of the State of New York, constituting a public benefit corporation. The Corporation was created by State legislation on June 19, 1995, under Titles I, II, IV of Article 10 of The Public Authorities Law of the State (Act). Titles may be amended from time to time for purposes of providing financing assistance and fiscal oversight of The City of Troy, New York (City).

The Act provides that the Corporation shall continue for a term of one year after all its liabilities have been paid and fully discharged. In 2021, an amendment (A07237 and S06441) to the Act was proposed and voted upon to allow for the existence of the Corporation to be terminated by resolution of the Board of Directors at any time after all its liabilities have been paid and fully discharged, but in no event later than one year after all its liabilities have been paid.

The Act authorized the Corporation to provide financing assistance by issuing bonds and notes for specified purposes in an aggregate principal amount up to \$71 million. The Act further authorizes the Corporation to issue up to \$2 million of notes to fund City operating expenses. The principal amount of bonds and notes issued to pay costs of issuance, to fund reserve funds, and to refund outstanding bonds do not count against the Act's dollar limits. Through December 31, 2021, the Corporation issued approximately \$68 million of bonds and notes that count toward the \$71 million limit.

B) Description of budget process.

The Corporation's budget is approved by the Board of Directors for each fiscal year. Management controls are in place to ensure that authorizations to expend monies are consistent with the approved budget. The Corporation monitors its expenses periodically and reviews actual expenses versus projections for the period. The Corporation's quarterly certification process requires a review of anticipated expenses and revenue requirements. The review ensures that the Corporation will meet both operating and debt service expenses for the year.

C) Description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals.

The Corporation will incur Operating Fund expenses and Debt Service Fund expenses and will meet those expenses through Certifications to the State. It funds its debt service requirements and operating fund expenses primarily from the City's share of certain sales taxes imposed by Rensselaer County (the "County") and from State aid payments designated for the City. During the fiscal year ending December 31, 2021, the Corporation had projected to certify for sales tax in an amount of approximately \$4.7 million. Other sources of revenue will consist of investment income.

The New York State Financial Control Board personnel along with an accounting consultant provide all administrative services including procurement and the preparation of the financial statements on behalf of the Municipal Assistance Corporation for the City of Troy. The Financial Control Board staff that is responsible for administrative services to the Corporation consists of management confidential employees.

The Corporation is required to reimburse the City of New York for services provided to the Municipal Assistance Corporation for the City of Troy.

An Annual budget for the fiscal year(s) 2021 – 2022 was approved by the Board of Director's on March 15, 2021.

- D) Provide a self-assessment of budgetary risks.

Sales tax certification and investment income are the primary source of revenues to the Corporation.

The Corporation periodically certifies to the State the amount of sales tax it requires, and the State Comptroller disburses to the Corporation the amounts it has certified. Collections of sales taxes in excess of the Corporation's needs are paid to the City.

Operating expenses are expected to remain consistent with prior-year expenses and debt service will be paid in accordance with the schedule provided. Debt service expenses and operating expenses will be met through certifications to the state and earnings on investments.

- E) Revised forecast of current year's budget.

See accompanying Budget and Financial Plan for Fiscal Years 2021 – 2022 as Attachment #1.

- F) Reconciliation that identifies all change estimates from the projections in previously approved budget plan.

See accompanying statement (Attachment #1).

- G) Statement of last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

See accompanying statement (Attachment #1).

H) Projection of the number of employees, including sources of funding, the number of full-time and full-time equivalents and functional classifications.

N/A

I) Statement of each revenue enhancement and cost reduction initiative that represents a component of any gap-closing program and the annual impact on revenues and staffing.

NONE

J) Statement of sources and amount of any material non-recurring resource that is planned for use in any given fiscal year.

NONE

K) Statement of any transactions that shift material resources from one year to another and the amount of any reserves.

NONE

L) Statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan use for purpose of debt issuance; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues; listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

See accompanying Attachment #2.

M) Statement of annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects that, when placed into service are expected to have a material impact on the operating budget.

N/A

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY
FINANCIAL PLAN FOR FYs 2021-22
And Actual Revenues and Expenditures for FY 2020

	FY 2020 Actual	FY 2020 Plan	FY 2021 Plan	FY 2022 Plan
Revenues				
Investment earnings(1)	\$ 169,925	\$ 185,000	\$ 185,000	\$ -
Sales tax revenues(2)	\$ 5,900,064	\$ 5,904,313	\$ 4,692,925	\$ 1,444,750
Total Revenues	<u>\$ 6,069,989</u>	<u>\$ 6,089,313</u>	<u>\$ 4,877,925</u>	<u>\$ 1,444,750</u>
Use of prior-year surplus	-	-	-	-
Release of DSRF	\$ -	\$ -	\$ 581,757	\$ 1,140,525
Revenues and Other Sources	<u>\$ 6,069,989</u>	<u>\$ 6,089,313</u>	<u>\$ 5,459,682</u>	<u>\$ 2,585,275</u>
Expenditures				
Debt Administration				
Trustee services	\$ 6,050	\$ 6,500	\$ 6,500	\$ 6,500
Bond counsel	-	3,000	3,000	3,000
Arbitrage rebate services	1,875	4,250	6,125	2,500
Total Debt Administration	<u>\$ 7,925</u>	<u>\$ 13,750</u>	<u>\$ 15,625</u>	<u>\$ 12,000</u>
General Administration				
Accounting services	\$ 16,810	\$ 16,500	\$ 17,000	\$ 17,000
Reimbursement Financial Control Board	13,056	15,000	15,000	20,000
Professional consulting services	9,756	10,000	12,000	12,000
Software licensing fees	353	500	500	500
Computer services	-	-	-	-
Total General Administration	<u>\$ 39,975</u>	<u>\$ 42,000</u>	<u>\$ 44,500</u>	<u>\$ 49,500</u>
Total Operating Expenses	<u>\$ 47,900</u>	<u>\$ 55,750</u>	<u>\$ 60,125</u>	<u>\$ 61,500</u>
Debt Service				
Principal payment on bonds	\$ 5,910,000	\$ 5,910,000	\$ 5,370,000	\$ 2,515,000
Interest payment on bonds	42,429	52,700	29,557	8,775
Debt service fund retention(3)	69,660	70,863	-	-
Total Debt service	<u>\$ 6,022,089</u>	<u>\$ 6,033,563</u>	<u>\$ 5,399,557</u>	<u>\$ 2,523,775</u>
Total Expenditures	<u>\$ 6,069,989</u>	<u>\$ 6,089,313</u>	<u>\$ 5,459,682</u>	<u>\$ 2,585,275</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES

(1) Equal to income from investments minus accrued annual arbitrage rebate liability, which is paid every five years from earnings in the debt service reserve fund that are transferred to the rebate fund.

(2) Includes certification amounts to pay operating expenses and debt service costs, less applied prior-year surplus funds. Beginning in 2012, the timing for receipt of certification was deferred from December to January to reduce the number of days before the funds are applied to pay debt service.

(3) Certification residuals are retained to pay debt service in subsequent years.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF TROY
BUDGET AND FINANCIAL PLAN - FY2022

FY 2022

Debt outstanding at end of FY (with CABs at maturity value)	\$ -
Debt service payments ^a	2,523,775

1996 B & C debt service as a % of pledged revenues*	7.2%
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2010 Series A debt service as a % of pledged revenues*	1.4%
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Debt service as a percentage of of pledged revenues*	8.6%
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FY 2022

Sales tax and state aid allocable to the City	\$ 29,441,026
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^a Final Debt Service Payment

***Pledged revenues**