



Office of the County Executive

Monroe County, New York

Adam J. Bello
County Executive

February 5, 2021

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

Subject: Authorize the Issuance of Refunding Bonds

Honorable Legislators:

I recommend that Your Honorable Body authorize the issuance of refunding bonds in a total amount not to exceed \$38 million, with the proceeds to be used to pay the remaining debt service costs, or portions thereof, associated with Public Improvement Bonds – 2012.

The outstanding bonds are callable June 1, 2021, and conditions in the bond market offer the potential for significant savings to taxpayers if the County refinances all or a portion of the outstanding balance of these bonds by issuing refunding bonds. This will have the effect of reducing the future debt service cost of the original bond issue since the refunding bonds would be issued at a lower aggregate principal and interest cost, and therefore result in lower future debt service.

While the exact amount of savings cannot be determined until the interest rates for the refunding bonds are set, it is anticipated that the present value savings will be in excess of \$2.6 million, or greater than 7% of the refunded principal, over the remaining life of the bond issues.

The specific legislative action required is to authorize the issuance of refunding bonds in a total amount not to exceed \$38 million. The proceeds will be used to pay the remaining debt service costs, or portions thereof, associated with Public Improvement Bonds – 2012.

This bond refunding is a Type II action pursuant to 6 NYCRR §617.5(c)(29) ("investments by or on behalf of agencies or pension or retirement systems, or refinancing existing debt") and is not subject to review under the State Environmental Quality Review Act.

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,

Adam J. Bello
Monroe County Executive

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