



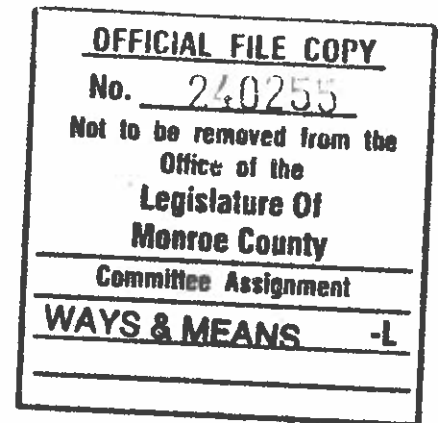
Office of the County Executive

Monroe County, New York

Adam J. Bello
County Executive

July 1, 2024

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



Subject: Appropriate Fund Balance and Authorize Interfund Transfers

Honorable Legislators:

I recommend that Your Honorable Body appropriate assigned fund balance for authorized capital project expenditures and the local share of Medicaid Upper Payment Limit funding, in the aggregate amount of \$20,571,065, and authorize interfund transfers to various capital funds and Monroe Community Hospital.

Your Honorable Body has previously authorized bond financing for certain capital projects for which Local Financial Law establishes a period of probable usefulness of five years. For the past year and a half, however, the County has refrained from issuing bonds on these projects because (a) shorter duration borrowing has been more expensive than longer duration borrowing, and (b) the robust capital improvement program currently under consideration requires a more thoughtful and strategic approach to future debt service planning. Cash funding these five-year projects now would avoid bond issuance costs and the associated interest expense, and reduce upcoming budgetary pressures resulting from higher debt service requirements.

At the same time, the state and federal governments have yet to finalize an agreement for Medicaid Upper Payment Limit funding related to state fiscal year 2023-24. Based on recent agreements, it is estimated the Upper Payment Limit funding will be \$19.8 million. Once approved, this intergovernmental transfer program will require the County to pay to the state a 50% local share requirement before the state remits 100% of the Upper Payment Limit award to Monroe Community Hospital. The currently adopted budget, however, does not include sufficient appropriations for the County to remit two state fiscal years' (SFY 2023-24 and SFY 2024-25) worth of Medicaid Upper Payment Limit local share.

Both of the aforementioned issues can be addressed by the appropriation of assigned fund balance. The audited financial statements for fiscal year 2023 report available fund balance in excess of the fund balance policy upper limit by \$25.79 million, and the appropriations requested herewith are consistent with the policy guidance for excess fund balance of capital project funding and/or debt reduction, or for any other lawful purpose approved by the Legislature.

The specific legislative actions required are:

1. Amend the 2024 operating budget of the following departments by appropriating general fund assigned fund balance in the aggregate amount of \$20,571,065 into:
 - a. Department of Planning and Economic Development, general fund 9001, funds center 1401010000, Planning Services, in the amount of \$1,000,000;
 - b. Department of Public Safety, general fund 9001, funds center 2401010000, Director's Office, in the amount of \$1,210,000;
 - c. Office of the Sheriff, general fund 9001, funds center 3801010000, Sheriff Administration; in the amount of \$2,150,000;
 - d. Department of Public Health, general fund 9001, funds center 5804010000, Medical Examiner, in the amount of \$1,290,000;
 - e. Department of Parks, general fund 9001, funds center 8801010000, Parks Administration, in the amount of \$138,000;
 - f. Department of Transportation, road fund 9002, funds center 8001010000, DOT Administration, in the amount of \$4,667,065, and authorize an interfund transfer from general fund 9001 to road fund 9002;
 - g. Monroe County Library System, library fund 9006, funds center 8904010000, MCLS Programs, in the amount of \$216,000, and authorize an interfund transfer from general fund 9001 to library fund 9006;
 - h. Monroe Community Hospital, hospital fund 9012, funds center 6201010000, MCH Administration, in the amount of \$9,900,000, and authorize an interfund transfer from general fund 9001 to hospital fund 9012.
2. Authorize interfund transfers in the aggregate amount of \$5,788,000 from general fund 9001 to:
 - a. Capital fund 1947, Forensic Instrumentation Upgrade, in the amount of \$400,000;
 - b. Capital fund 1990, Sheriff's Office Firearms Replacement, in the amount of \$250,000;
 - c. Capital fund 1991, Forensic Instrumentation Upgrade, in the amount of \$560,000;
 - d. Capital fund 1993, Emergency Operations Center Improvements, in the amount of \$250,000;
 - e. Capital fund 2036, Electronic Health Record, in the amount of \$980,000;
 - f. Capital fund 2037, Sheriff's Incident Command Post Vehicle, in the amount of \$850,000;
 - g. Capital fund 2047, Multimodal Freight Initiative Planning, in the amount of \$1,000,000;
 - h. Capital fund 2050, Sheriff's Body Worn Camera & Taser Project, in the amount of \$800,000;
 - i. Capital fund 2090, Toxicology Lab Equipment, in the amount of \$310,000;
 - j. Capital fund 2096, Sheriff's Office CBRNE Total Containment Vessel Replacement, in the amount of \$250,000;
 - k. Capital fund 2103, Golf Light Equipment, in the amount of \$138,000.

3. Authorize interfund transfers in the aggregate amount of \$4,667,065 from road fund 9002 to:
 - a. Capital fund 1863, Ridgeway Avenue Safety Improvements, in the amount of \$38,065;
 - b. Capital fund 1992, Highway Lighting Rehabilitation-Central, in the amount of \$4,250,000;
 - c. Capital fund 2031, Equipment/Vehicles Traffic Engineering-Light, in the amount of \$379,000.
4. Authorize an interfund transfer from library fund 9006 to capital fund 2035, MCLS Fleet Replacement, in the amount of \$216,000.

These legislative actions are Type II actions pursuant to 6 NYCRR §617.5(c)(26) ("routine or continuing agency administration and management") and are not subject to further review under the State Environmental Quality Review Act.

These budget amendments and interfund transfers will require \$20,571,065 of additional net County support for which the appropriation of assigned fund balance is requested.

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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