



Office of the County Executive

MONROE COUNTY, NEW YORK

Cheryl Dinolfo
County Executive

February 13, 2017

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No.	170038
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Committee Assignment	
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To The Honorable
Monroe County Legislature
407 County Office Building
Rochester, New York 14614

Subject: Accept the Assets and Liabilities of Upstate Telecommunications Corporation Pursuant to an Order of Dissolution

Honorable Legislators:

I recommend that Your Honorable Body accept the assets and liabilities of Upstate Telecommunications Corporation ("UTC") pursuant to an order of dissolution under New York State Not-for-Profit Law.

The County of Monroe issued bonds in October 2016 for the prepayment of its service contract obligation to UTC, and UTC used the prepayment proceeds to redeem its outstanding revenue bonds. Subsequent to the bond redemption the New York State Attorney General filed a petition in State Supreme Court for the dissolution of UTC, to which the County agreed and the Court ordered. To implement the order of dissolution, the assets and liabilities of UTC must be transferred to the County. Upon such transfer, the Department of Information Services will perform all the functions previously contracted to UTC.

Assets to be transferred to the County are detailed in Attachment A, and include cash and capital assets such as photocopiers, computers, data and wireless network components, the Voice Over IP telephone system, and components of the SAP Enterprise Resource Planning system. Liabilities to be transferred to the County are detailed in Attachment B and include such items as accounts payable, and several purchase orders and contracts for goods and services to be received. UTC has sufficient cash and receivables to fully fund the liabilities being transferred and to fund capital projects for the scheduled replacement of computer and related office equipment.

The specific legislative actions required are:

1. Accept the assets of Upstate Telecommunications Corporation pursuant to an order of dissolution, to include cash, prepaid expenses, and capital equipment with a book value of \$11,750,414 into internal services fund 9020, and a book value of \$2,798,411 into capital fund 1812, as detailed in Attachment A.

2. Accept the assignment of Upstate Telecommunications Corporation liabilities and commitments pursuant to an order of dissolution, to include accounts payable, purchase orders, and contracts for goods and services to be received, with a book value of \$80,473, into internal services fund 9020, as detailed in Attachment B.
3. Amend the 2017 operating budget of the Department of Information Services by appropriating the sum of \$8,580,473 into internal services fund 9020, funds center 1902010000, Equipment Lease / Maintenance, for the payment of liabilities totaling \$80,473 and for the provision for capital equipment totaling \$8,500,000.
4. Authorize the County Executive to reappropriate any unencumbered provision for capital equipment balances in subsequent years budgets.

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

Funding for these actions will be available in the 2017 operating budget of the Department of Information Services, internal services fund 9020, funds center 1902010000, Equipment Lease / Maintenance, once the UTC assets are accepted. No additional net County support is required in the current Monroe County budget.

I recommend that this matter receive favorable action by Your Honorable Body.

Sincerely,



Cheryl Dinolfo
Monroe County Executive

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Attachment A
Assets of Upstate Telecommunications Corporation

Accept into Fund 9020:

Cash	\$8,580,473
Prepaid Expenses:	
SAP, Inc (licenses)	\$209,883
Ronco (SmartNet)	\$39,864
SHI International (Horizon licenses)	\$984
Solarwinds (maintenance toolset)	\$816
Capital Equipment:	\$2,918,394
<i>Subtotal</i>	<i>\$11,750,414</i>

Accept into Capital Fund 1812:

Cash	\$2,798,411
<i>Subtotal</i>	<i>\$2,798,411</i>

Total of UTC Assets	\$14,548,825
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Attachment B
Liabilities and Commitments of Upstate Telecommunications Corporation

Accept into Fund 9020:

Accounts Payable:	
Sirius	\$8,772
Relcom	\$3,088
Barclay Damon	\$26,996
Frontier	\$1,617
Xerox	\$40,000
Total of UTC Liabilities	\$80,473

Commitments (contracts / purchase orders):

Xerox (copiers)	\$20,000 average monthly charge	Expires Dec 2018
Oxya (SAP hosting)	\$19,700 monthly charge	Expires Jul 2020
Easy-Access (Hamer tax)	\$10,750 monthly charge	Expires Dec 2020
Relcom (phone maintenance)	\$5,167 monthly charge	Expires Dec 2020
Frontier Communications	\$1,617 monthly charge	Expires May 2019
One and One (website hosting)	\$455 monthly charge	Expires Mar 2017
SAP, Inc. (licenses)	\$250,000 annual charge	Expires Dec 2020
Sirius (computer refresh)	purchases as needed	Expires at project completion
Synergy (computer refresh)	purchases as needed	Expires at project completion
Ronco (Smartnet)	prepaid by UTC	Expires Oct 2017
SHI International (Horizon licenses)	prepaid by UTC	Expires Apr 2017
Solarwinds (maintenance toolset)	prepaid by UTC	Expires Jun 2017
Brown and Brown (D&O tail insurance)	prepaid by UTC	Expires Feb 2023