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COUNTY OF ALBANY
DEPARTMENT OF MANAGEMENT
AND BUDGET
112 STATE STREET, ROOM 1200
ALBANY, NEW YORK 12207

SHAWN A. THELEN
COMMISSIONER

M. DAVID REILLY
DEPUTY COMMISSIONER

Honorable Andrew Joyce
Chair, Albany County Legislature
112 State Street, Rm. 710
Albany, NY 12207

Dear Chairman Joyce:

Attached, please find a Request for Legislative Action respectfully requesting that authorization be provided to the County Comptroller to issue Tax Anticipation Notes (TANs) for an amount not to exceed \$40 million. This funding will assist in the County's cash management ensuring that the necessary cash is on hand to meet operational expenses and will be backed by a portion of the 2021 Tax levy from the County to the municipalities within the County.

The short term borrowing will provide the County with the necessary cash to maintain a positive balance in the General Fund through the fourth quarter of the 2020 and into 2021. While there is an existing request for \$16.8 million against the remaining portion of the 2020 warrant, there are concerns that this will not be enough to cover worst case scenarios and due to the scheduling of Legislative meetings and the time required for approval has led to a realization that we will need to ask for authorization before knowing the exact amount that will be needed. Based on all forecasts that we have done, between Management and Budget as well as the Comptroller's office, we have come up with a "worst case scenario" of needing an additional \$40 million. We would like to request authorization of up to this amount and will likely borrow less as we can perform more precise forecasts as we get closer to year end. There are administrative actions we could take to reduce this number, but the additional interest charged on those amounts would be several times the size of the interest paid on this short term borrowing.

Two of the County's main sources of revenue have been impacted during the COVID-19 pandemic; sales tax receipts and reimbursements from New York State. While sales tax receipts have started to begin their return to normalcy, we still do not know the final numbers for either the fourth quarter of 2020. Additionally, many of the payments from NY State are being partially

withheld at this time. What this means is that certain reimbursements are only being paid at 80% of their face value based on authority granted in the State FY 2021 Enacted Budget. If the Federal Government provides funding to the State to offset revenue losses then the County would be eligible to receive all or a portion of these withheld funds.

The Department of Management and Budget will continue to monitor this situation on an ongoing basis. I will be available at the Audit and Finance Committee meeting to provide additional information and answer any questions for you. If there are questions before that date, please reach out and we can discuss them at a mutually agreeable time.

Sincerely,

M. David Reilly
Deputy Commissioner

cc: Dennis Feeney, Majority Leader
Frank Mauriello, Minority Leader
Rebekah Kennedy, Majority Counsel
Arnis Zilgme, Minority Counsel