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**Additional Proposed Legislation for the
June 16, 2020 City Council Meeting -
Filed in the Office of the City Clerk
June 1, 2020**

2020 JUN -1 P 5:19

**** Please Note ****

**For questions regarding the proposed legislation,
call the City Clerk's Office at 585-428-7421**



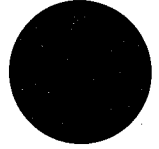
City of Rochester

City Hall Room 308A, 30 Church Street
Rochester, New York 14614-1290
www.cityofrochester.gov

**FINANCE
INTRODUCTORY NO.**

234

Lovely A. Warren
Mayor



June 1, 2020

TO THE COUNCIL

Ladies and Gentlemen:

Re: Revenue Anticipation Note – City School
District

City Council Priority: Deficit reduction and long term
financial stability

Transmitted herewith for your approval is legislation authorizing the issuance of revenue anticipation notes in an amount not to exceed One Hundred Million Dollars (\$100,000,000). This legislation is proposed in accordance with resolution 2019-20:928 approved by the Rochester Board of Education on May 28, 2020.

The City periodically issues revenue anticipation notes for the District because of the difference between the times the District expends funds and when it receives funds from the State. The District usually expends funds at a fairly uniform rate over its fiscal year, however, it receives its allocation of state education aid, its major source of revenue, later in the fiscal year.

At present, a cash deficiency is projected for the end of August, 2020. In order to avoid such a deficiency a revenue anticipation note in an amount not to exceed One Hundred Million Dollars (\$100,000,000) is required, the exact amount of which will be determined at the time of issuance.

The NYS Local Finance Law 25.00(g) states that when a revenue anticipation note amount issued for -a fiscal year against a specific type of revenue equals the remaining amount of that revenue to be collected, then all of the revenue collected thereafter is to be set aside for repayment of the revenue anticipation note. Accordingly, the RCSD anticipates setting aside their general fund state aid payments received during the months of April and May to meet this requirement. The City's Finance Department will set up a separate account to segregate these funds to ensure repayment of the RCSD revenue anticipation note.

A note sale will be scheduled in August in order to maintain an adequate cash balance.

The Rochester City School District Resolution is attached to this item.

Respectfully submitted,

Lovely A. Warren
Mayor

INTRODUCTORY NO.

234

Finance # 41

Ordinance No.

Revenue Anticipation Note Ordinance Delegating To The Director Of Finance The Powers To Authorize The Issuance Of \$100,000,000 Revenue Anticipation Notes Of The City Of Rochester, New York, Or So Much Thereof As May Be Necessary, In Anticipation Of The Receipt Of Certain Revenues For The Fiscal Year Ending June 30, 2021, And To Prescribe The Terms, Form And Contents, And Provide For The Sale Of Such Notes

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. Pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York (herein called "Law"), the power to authorize the issuance of Revenue Anticipation Notes (herein called "Notes") of the City of Rochester, in the State of New York (the "City" and "State", respectively), in the aggregate principal amount of not to exceed \$100,000,000 is hereby delegated to the Director of Finance, as chief fiscal officer of the City.

Section 2. The Notes shall be issued in anticipation of the collection or receipt of revenues due and payable to the Rochester City School District in the 2020-21 School District Fiscal Year from New York State Education Grants and Basic Formula Aid to Education; and the proceeds of such Notes shall be used only for the purposes of paying the current expenses of the City School District for said fiscal year payable from the revenues in anticipation of which they are issued.

Section 3. The Notes shall mature no later than June 30, 2021.

Section 4. The Notes shall contain the recital of validity prescribed by Section 52.00 of the Law and shall be general obligations of the City, and the faith and credit of the City shall be pledged to the punctual payment of the principal of and interest on the Notes and, unless the Notes are otherwise paid or payment provided for, an amount sufficient for such payment shall be inserted in the budget of the City School District and a tax sufficient to provide for the payment thereof shall be levied and collected by the City.

Section 5. Subject to the provisions of this ordinance and the Law, and pursuant to Sections 50.00, 56.00, 60.00 and 168.00 of the Law, the powers to prescribe the terms, form and contents, and all other powers or duties pertaining or incidental to the sale and issuance of the Notes authorized pursuant hereto and the power to enter into agreements for credit enhancement for the Notes, are hereby delegated to the Director of Finance, as chief fiscal officer of the City.

Section 6. The validity of the Notes authorized by this Ordinance may be contested only if: (a) such obligations are authorized for an object or purpose for which the City is not authorized to expend money, or (b) the provisions of law which should be complied with at the date of the publication of such Ordinance are not substantially

complied with, and an action, suit or proceeding contesting such validity, is commenced within twenty (20) days after the date of such publication, or (c) such obligations are authorized in violation of the provisions of the Constitution.

Section 7. This Ordinance shall take effect immediately, and the City Clerk is hereby authorized and directed to publish a summary of the foregoing ordinance, together with a Notice attached in substantially the form prescribed by Section 81.00 of the Law in "The Daily Record", a newspaper published in Rochester, New York, having a general circulation in the City and hereby designated the official newspaper of said City for such publication.