



City of Rochester

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

**FINANCE
INTRODUCTORY NO.**

244

Lovely A. Warren
Mayor

June 8, 2020

TO THE COUNCIL

Ladies and Gentlemen:

Re: Statement of Necessity

I am submitting this Statement of Necessity so that action may be taken during the June 11, Council Committee Meetings on the attached legislation authorizing the issuance of revenue anticipation notes for the City of Rochester.

Respectfully submitted,

Lovely A. Warren
Mayor

Loretta C. Scott
President

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INTRODUCTORY NO.**

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**Lovely A. Warren
Mayor**

June 8, 2020

FINANCE 48

TO THE COUNCIL

Ladies and Gentlemen:

Re: Revenue Anticipated Note – City of
Rochester

City Council Priority: Deficit reduction and long term
financial stability

Transmitted herewith for your approval is legislation authorizing the issuance of revenue anticipation notes for the City of Rochester in an amount not to exceed 110% of the City's "cumulative cash flow deficit," as provided by the Internal Revenue Code. The notes may be issued to provide temporary financing until the City of Rochester receives its scheduled State Aid Funding.

At present, absent State Aid, a cash flow deficiency is projected throughout the year. Borrowing through a Revenue Anticipation Note would be necessary in order to meet operating expenses while awaiting the receipt of the State Aid funding. The RAN would be repaid with the proceeds of the State Aid funding.

A note sale will be scheduled at the time required to maintain an adequate cash balance.

Respectfully submitted,

Lovely A. Warren

Lovely A. Warren
Mayor

INTRODUCTORY NO.

Finance 48

244

Ordinance No.

Revenue Anticipation Note Ordinance Delegating To The Director Of Finance The Powers To Authorize The Issuance Of Revenue Anticipation Notes Of The City Of Rochester, New York, In Anticipation Of The Receipt Of Certain State Aid Revenues, 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) 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 State aid revenues due and payable to the City of Rochester; and the proceeds of such Notes shall be used only for the purposes of paying the current expenses of the City for the fiscal year in which such revenues are anticipated, and shall be payable from the revenues in anticipation of which such Notes are issued. Such funds, upon receipt, shall be deposited in a designated special City account which shall be used solely for purposes of paying such Notes.

Section 3. The Notes shall be issued pursuant to Sections 25 and 51 of the Law in a principal amount not to exceed 110% of the City's "cumulative cash flow deficit" for the period issued, as provided by Section 148(f)(4)(B)(iii)(II) of the Internal Revenue Code of 1986, as amended. The Notes shall mature no later than one (1) year after issuance.

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 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. This Ordinance shall take effect immediately.