

**MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF TROY**

*123 William Street – 23<sup>rd</sup> Floor*

*New York, New York 10038*

*Telephone: (212) 417-5046*

*Fax: (212) 417-5055*

**Mission Statement**

The Municipal Assistance Corporation for the City of Troy (Corporation) is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation, created in July 1995 to raise funds to repay the deficit financing bonds sold by the City of Troy, New York (City); acquire leased properties and pay for landfill closure; ensure maintenance of essential services within the City; and restore investor confidence in the City's obligations.

**DEBT OBLIGATION:**

The debts of the Corporation are its general obligation secured by the City's share of Rensselaer County sales tax revenues and State aid for the City (subject to appropriation). Additionally, New York State has pledged an amount of aid that, when added to sales tax revenues and State aid, is sufficient to provide a minimum debt service coverage of 1.5 to 1 for the next fiscal year (subject to appropriation). The Corporation's debt authorization for new money expired 12/31/1999. The Corporation makes semi-annual debt service payments. The Corporation's existing debt is scheduled to be retired fully by 2022.

**MANAGEMENT:**

The Corporation is administered by a seven-person Board of Directors (Board), five of whom are appointed by the Governor, one by the Majority Leader of the Senate and one by the Speaker of the Assembly. There are currently four directors of the Corporation. The remaining three seats are vacant. None of the directors may be officers or employees of the Federal government or of the State or political subdivisions thereof. Each member of the Board serves at the pleasure of the appointing official.

The staff of the Corporation consists of the staff of the New York State Financial Control Board. The officers of the Corporation shall be those specified in Article 3, of the by-laws of the Corporation. Officers of the Corporation other than the Chairman shall be appointed by and shall hold office at the pleasure of the Board for terms of one year, unless otherwise specified by the Board.

## **OPERATIONAL OBJECTIVES:**

The primary responsibilities of the Corporation are to:

- Maintain the integrity of the Corporation's fiscal health to protect the interest of the bond holders and the City of Troy.
- Seek to reduce annual debt service costs, without extending the life of the debt.
- Seek to improve or maintain credit ratings.
- Produce and update four-year financial plans.
- Review annual budgets to ensure that revenues are available and sufficient to meet timely semi-annual debt service payments and operating expenses.
- Provide independent auditors accurate financial records and information to ensure an understanding of the Corporation's activities.
- Provide annual financial statements in accordance with the Corporation's General Bond Resolution, with prescribed accounting principles, and in compliance with the reporting requirements of the Office of the State Comptroller.
- Hold Annual board meetings to review and adopt certain documents in accordance with the Public Authorities Law.
- Post Board-adopted documents on the Corporation's webpage for public viewing.

## **PERFORMANCE EVALUATION:**

Over the past year, the Corporation has met its operational objectives by:

- making timely semi-annual debt service payments and prompt payments to its vendors, as documented in its annual Prompt Payment Report;
- undertaking a refunding bond sale on November 30, 2010 that replaced high coupon bonds with lower coupon bonds, which produced \$831,000 of total savings over the life of the bonds, with budgetary savings to Troy of \$270,000 in FY 2011, \$266,000 in FY 2012 and \$270,000 in FY 2013, and no dissavings in the outyears;
- revising a loan agreement on May 27, 2010 that generated \$181,756 of budgetary savings over the remaining life of the loan, to be passed on to the City;
- reducing the annual budget to reflect debt service savings;
- obtaining an increase in its credit rating on November 15, 2010 from Moody's Investors Service from A1 to Aa3;
- holding the annual Board meeting on March 29, 2010 to adopt the audited financial statement, mission statement, internal control guidelines, investment guidelines, procurement contract guidelines, procurement contract report, prompt payment report, and four-year financial plan;
- submitting Board-adopted documents to the Authorities Budget Office by the March 31<sup>st</sup> deadline; and
- posting Board-adopted documents and public notifications on the Corporation's webpage.