

Local Municipalities to Benefit from Record Investment Returns in State Pension Fund

On August 25th, State Comptroller Tom DiNapoli, as Trustee for the State’s pension fund, announced that he will lower the future, per-employee payment that NYS municipalities must make as the employer contribution to the State’s retirement system. This reduction in the required payment that local governments make to the State each year will provide relief to one of the localities’ biggest budget items and their taxpayers. The future reduction was made possible by the record 33.5% return that the State enjoyed on its pension fund investments during the State’s 2020-21 fiscal year. The reduced payments begin on February 1, 2023 and won’t impact the State’s ability to meet its financial obligation to its 1.1 million retirees.

In announcing the reduction in future payments, DiNapoli noted that in the past year, there were more deaths among pensioners as a result of the COVID 19 pandemic than had been anticipated. In addition, the growth in salaries paid to municipal workers was less than expected further reducing the state’s future pension liability.

NYS Education Department Extends Deadline for ARPA Filing

The New York State Education Department has extended the deadline for the American Rescue Plan Part 2 application to September 30, 2021. The ARP Act requires states to return to the US Department of Education any ARP elementary and secondary school emergency relief funds (“ESSER”) that a state does not award within one year of the state’s receipt of such funds. Accordingly, all local educational agencies’ (“LEA”) applications must be received and approved by NYSED, and a Grant Award Notification issued to the LEA, prior to March 23, 2022. A LEA’s allocation is at risk of being returned to the US Department of Education if this filing deadline is not met.

NYSED staff are available to help provide technical assistance with the completion of the ARP Part 2 application. Districts may request technical assistance from NYSED by sending an email to CARESACT@nysed.gov. Additional extensions beyond the new September 30th deadline will be considered upon request.

MMD GENERAL OBLIGATION INTEREST RATES

Term	Today - September 1, 2021					1 Month Ago - August 2, 2021					1 Year Ago - September 1, 2020				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	0.08%	0.10%	0.14%	0.15%	0.33%	0.05%	0.07%	0.11%	0.12%	0.30%	0.15%	0.20%	0.19%	0.26%	1.23%
5	0.41	0.46	0.49	0.54	0.77	0.36	0.41	0.44	0.49	0.74	0.27	0.37	0.45	0.56	1.53
10	0.93	1.05	1.11	1.18	1.52	0.82	0.95	1.00	1.07	1.45	0.82	0.97	1.05	1.16	2.18
15	1.15	1.30	1.33	1.44	1.73	1.02	1.17	1.20	1.32	1.65	1.15	1.35	1.41	1.58	2.63
20	1.33	1.48	1.52	1.62	1.91	1.19	1.34	1.38	1.49	1.82	1.36	1.57	1.62	1.79	2.84

RECENT CMA CLIENT SALE RESULTS

Issuer	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
East Quogue UFSD (Aa1)	TAN	\$ 5,000,000	26-Aug.	9 mos.	0.21%	BNY Mellon Capital Markets, LLC
Hampton Bays UFSD (Aa3)	TAN	\$ 12,400,000	19-Aug.	9 mos.	0.12%	JP Morgan Securities, LLC
Mamaroneck Town (Aaa)	Bonds	\$ 6,100,000	12-Aug.	15 yrs.	1.20%	Roosevelt & Cross, Inc.
Middletown City (A1)	BAN	\$ 21,954,218	11-Aug.	12 mos.	0.11%	Morgan Stanley; JP Morgan Securities
Orchard Park Town (Aa1)	Bonds	\$ 8,940,000	5-Aug.	28 yrs.	2.01%	Roosevelt & Cross, Inc.
North Tonawanda CSD (Aa3)	Bonds	\$ 13,635,000	3-Aug.	11 yrs.	1.04%	Fidelity Capital Markets