

## ***NYS GFOA Holds American Rescue Plan Seminars***

In recent weeks, NYS GFOA conducted in-person presentations in Western New York and the Hudson Valley on the American Rescue Plan Act. CMA's Rick Ganci participated in the first panel held in Batavia on August 24<sup>th</sup> followed by Richard Tortora serving as a panelist at the Downstate Fall Seminar on October 6<sup>th</sup> in Poughkeepsie. Also on the panels were speakers representing bond counsels, accounting firms and investment advisors. The one-hour presentations were followed by lively Q&A sessions during which the approximately 75 attendees at each session asked about the use of funds, certification of their use, and accounting requirements. The importance of the revenue loss calculation was underscored by several of the speakers as monies received under this formula can be spent on the provision of any government service with only a few exceptions. The audience was reminded that since many jurisdictions will be receiving more than \$750,000 in grant funding, a federal funds grant audit will be required. Also noted was that interest earnings on ARP funds should be kept separate and be carefully tracked. ARP funds must be "obligated" to be spent by December 31, 2024 and all ARP funds must be expended and all work completed by December 31, 2026. All records related to the use of these funds should be diligently maintained and kept for 5 years after all spending is complete. Failure to comply with the spending, investing, and accounting rules could result in the claw back of funds by the Federal government. For assistance with your jurisdiction's ARP funding, please contact your Financial Advisor at CMA. The final GFOA presentation will be held on Long Island on Thursday, October 14<sup>th</sup>.

## ***Infrastructure Bill Could Impact Muni Bonds***

It was reported in The Bond Buyer that the \$3.9 trillion infrastructure bill working its way through Congress currently includes a surcharge that would effectively put a cap on tax-exempt income for high earners. The current provision would impose a tax equal to 3% of a taxpayer's "modified adjusted gross income" in excess of \$5 million, or \$2.5 million for a married individual filing separately. Also included in the bill is a provision to restore tax-exempt, advance refundings which were eliminated by the Trump administration as of January 1, 2018. Currently, advance refundings of tax-exempt debt, in which the proceeds from the sale of refunding bonds are not used within 90 days of their delivery date, can only be accomplished using the proceeds from the sale of taxable bonds. Alternatively, public jurisdictions can issue forward delivery tax-exempt bonds to refund outstanding debt. The forward delivery premium typically ranges from 3 to 10 basis points per month, depending on market conditions and the type and size of the debt offering. The fate of the proposed surcharge, which would adversely affect the muni bond industry, and the reinstatement of tax-exempt advance refundings, which would be good for issuers and the industry, will be determined in the coming weeks and months as the legislation works its way through the arduous legislative process.

## **MMD GENERAL OBLIGATION INTEREST RATES**

Term	Today - October 1, 2021					1 Month Ago - September 1, 2021					1 Year Ago - October 1, 2020				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	0.13%	0.15%	0.19%	0.20%	0.35%	0.08%	0.10%	0.14%	0.15%	0.33%	0.12%	0.17%	0.16%	0.23%	1.15%
5	0.51	0.56	0.59	0.64	0.84	0.41	0.46	0.49	0.54	0.77	0.26	0.36	0.44	0.55	1.47
10	1.14	1.26	1.32	1.39	1.71	0.93	1.05	1.11	1.18	1.52	0.87	1.02	1.10	1.21	2.18
15	1.30	1.45	1.48	1.59	1.88	1.15	1.30	1.33	1.44	1.73	1.20	1.40	1.46	1.63	2.63
20	1.47	1.62	1.66	1.76	2.05	1.33	1.48	1.52	1.62	1.91	1.41	1.62	1.67	1.84	2.84

## **Recent CMA Client Sale Results**

<u>Issuer</u>	<u>Issue Type</u>	<u>Par Amount</u>	<u>Sale Date</u>	<u>Term</u>	<u>Rate</u>	<u>Purchaser</u>
Kings Park CSD (Aa2)	TAN	\$ 14,500,000	28-Sep.	8 mos.	0.20%	TD Securities (USA) LLC
Syracuse City (A1/A)	Ref. Bonds	\$ 17,155,000	Negot.	12 yrs.	1.09%	Oppenheimer & Co.
Suffolk County Tobacco (Var.)	Ref. Bonds	\$ 280,734,731	22-Sep.	30 yrs.	3.00%	Jefferies; Citigroup; Ramirez & Co.
Ossining Village (Aa2)	Ref. Bonds	\$ 4,570,000	14-Sep.	12 yrs.	0.82%	BNY Mellon Capital Markets, LLC
North Hempstead Town (Aaa)	Bonds	\$ 13,755,000	9-Sep.	20 yrs.	1.58%	Roosevelt & Cross, Inc.
Bay Shore UFSD (Aa3)	TAN	\$ 40,000,000	2-Sep.	9 mos.	0.14%	BofA Securities LLC