PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 4, 2017

REFUNDING ISSUE | **Bond Rating: See "Ratings"**
BOOK-ENTRY-ONLY BONDS | **SERIAL BONDS**

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described in "Tax Exemption" herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Bonds is not treated as a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest will be included in adjusted current earnings for purposes of calculation of the alternative minimum tax on certain corporations. Interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

The Bonds will be NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX EXEMPTION" herein.

COUNTY OF ALBANY
NEW YORK

$19,025,000*
GENERAL OBLIGATION REFUNDING SERIAL BONDS – 2017
(the "Bonds")

Date of Issue: Date of Delivery | **Maturity Date: August 1, 2018-2028**

The Bonds are general obligations of the County of Albany, New York (the "County"), for the payment of which the County has pledged its faith and credit. All of the taxable real property within the County is subject to the levy of ad valorem taxes without limitation as to rate or amount to pay both principal of and interest on the Bonds (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See "REAL PROPERTY TAXES – TAX LEVY LIMIT LAW").

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the County to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See *"Book-Entry-Only System"* herein.)

The Bonds are dated their date of delivery, and will bear interest from that date until maturity at the annual rates and amounts specified on the inside cover page hereof, payable on August 1, 2018 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds shall mature on the dates and in the amounts as shown on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity as described herein. (See *"Optional Redemption"* herein.)

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the approval of the legality thereof by Hodgson Russ LLP, Albany, New York, Bond Counsel. Capital Markets Advisors, LLC has served as Municipal Advisor to the County in connection with the issuance of the Bonds. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about December 27, 2017.

THIS OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE COUNTY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKING" HEREIN.

Dated: December __, 2017

The Bonds mature on the dates in the years and subject to optional redemption as set forth below:

Year	Principal Amount*	Interest Rate	Yield	Year	Principal Amount*	Interest Rate	Yield
8/1/2018	190,000			8/1/2024	2,580,000		
8/1/2019	5,000			8/1/2025	2,690,000		
8/1/2020	5,000			8/1/2026**	2,795,000		
8/1/2021	5,000			8/1/2027**	2,910,000		
8/1/2022	2,375,000			8/1/2028**	3,000,000		
8/1/2023	2,470,000						

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

** The Bonds maturing in the years 2026 and thereafter will be subject to redemption prior to maturity, as described herein. (See *"Optional Redemption"* herein.)

COUNTY OF ALBANY
NEW YORK

County Officials

Honorable Daniel P. McCoy .... County Executive

Honorable Sean E. Ward .... County Legislature Chairman

Honorable Michael F. Conners, II ....County Comptroller

Honorable Bruce A. Hidley .... County Clerk

Daniel Lynch, Esq. ....County Attorney

BOND COUNSEL

Hodgson Russ LLP
Albany, New York

MUNICIPAL ADVISOR

CAPITAL MARKETS ADVISORS, LLC
Long Island * Hudson Valley * Southern Tier * Western New York
(516) 472-7049

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the County from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereon.

The factors affecting the financial condition of the County are complex. This Official Statement should be considered in its entirety and no factor considered less important than any other by reason of its position in this Official Statement. The information set forth in the appendix hereto constitutes an integral part of this Official Statement and must be read by each investor for a complete understanding of the issuance of the Bonds. Where agreements, reports or other documents are referred to herein, reference should be made to such agreements, reports or other documents for more complete information regarding the rights and obligation of parties thereto, facts and opinions contained herein and the subject matter thereof.

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APPENDIX A

OFFICIAL STATEMENT

COUNTY OF ALBANY
NEW YORK

relating to

$19,025,000*
GENERAL OBLIGATION REFUNDING SERIAL BONDS – 2017
(the "Bonds")

(Book-Entry Only Bonds)

This Official Statement which includes the cover page and appendices hereto presents certain information relating to the County of Albany in the State of New York (the "County" and "State," respectively) in connection with the sale of $19,025,000* General Obligation Refunding Serial Bonds – 2017 (the "Bonds").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the County contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the proceedings of the County relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other information presented herein has been provided by the County.

THE BONDS

Description

The Bonds are dated their date of delivery, and will bear interest payable on August 1, 2018 and semiannually thereafter on February 1and August 1 in each year until maturity. The Bonds shall mature on the dates and in the amounts as shown on the inside cover page hereof. The Bonds maturing in the years 2018 to 2025, inclusive, will not be subject to redemption prior to maturity. The Bonds maturing in the years 2026 and thereafter will be subject to redemption prior to maturity as described herein. (See *"Optional Redemption"* herein.)

The Bonds are issued pursuant to applicable provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, the County Charter, certain acts and proceedings of the County Legislature and bond resolutions adopted on their respective dates authorizing the issuance of the Bonds as discussed below.

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*Preliminary, subject to change.

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as Securities Depository (defined herein) for the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

Principal of and interest on the Bonds will be paid by the County to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred or exchanged in the manner described on the Bonds and as referenced in certain proceedings of the County referred to therein.

The record dates for payment of principal and interest on the Bonds will be the close of business on the fifteenth day of the calendar month preceding each respective interest payment date.

Authorization and the Refunding Plan for the Bonds

The Bonds are issued pursuant to the Constitution, the laws of the State, including the Local Finance Law, including particularly Section 90.10 thereof, the County Charter, and a refunding bond resolution duly adopted by the County Legislature on November 13, 2017. A refunding financial plan has been devised and is described below (the "Refunding Plan").

The Bonds are being issued to refund, prior to maturity, up to $19,110,000 Various Purposes Serial Bonds – 2013, which mature in the years 2022 to 2028, inclusive (the "Refunded Bonds"). The Refunded Bonds were issued in the original principal amount of $37,054,320. Under the Refunding Plan, the Refunded Bonds are to be called and redeemed as detailed in the chart below.

The Escrow Fund will be held by Manufacturers and Traders Trust Company (the "Escrow Holder"), a bank or trust company located and authorized to do business in the State, pursuant to the terms of an Escrow Contract (as defined herein). Under the Refunding Plan, the Refunded Bonds are to be called and redeemed on their next available call date. The net proceeds of the Bonds (after payment of the underwriting fee and other costs of issuance relating to the Bonds) will be used to purchase non-callable, direct obligations of or obligations guaranteed by the United States of America (the "Government Obligations") which, together with remaining cash proceeds from the sale of the Bonds, will be placed in an irrevocable trust fund (the "Escrow Fund") with the Escrow Holder, pursuant to the terms of an escrow contract by and between the County and the Escrow Holder, dated as of the delivery date of the Bonds (the "Escrow Contract"). The Government Obligations so deposited will mature in amounts which, together with the cash so deposited, will be sufficient to pay the principal of, interest on and applicable redemption premium of the Refunded Bonds on the date of their redemption. The Refunding Plan requires the Escrow Holder, pursuant to the refunding bond resolution of the County and the Escrow Contract, to pay off the Refunded Bonds at maturity.

The holders of the respective Refunded Bonds will have a first lien on all respective investment income from, and maturing principal of the Government Obligations, along with other available monies held in the Escrow Fund. The Escrow Contract shall terminate upon final payment by the Escrow Holder to the respective paying agents/fiscal agents for the Refunded Bonds amounts from the Escrow Fund adequate for the payment, in full, of the Refunded Bonds, including interest and the redemption premium, payable with respect thereto.

The Refunding Plan will permit the County to realize, as a result of the issuance of the Bonds, cumulative dollar and present value debt service savings.

Under the Refunding Plan, the Refunded Bonds will continue to be general obligations of the County (although they may be excluded in computing the County's debt limit). However, inasmuch as the Government Obligations held in the Escrow Fund will be sufficient to meet all required payments of principal, interest and redemption premium requirements when required in accordance with the Refunding Plan, it is not anticipated that any other source of payment will be utilized.

The 2013 Refunded Bonds

Maturity Date:	Principal	Interest Rate	Redemption Date/Price	CUSIP
August 1, 2022	2,460,000	3.000	August 1, 2021 @ 100%	0121227P6
August 1, 2023	2,535,000	3.000	August 1, 2021 @ 100%	0121227Q4
August 1, 2024	2,620,000	3.375	August 1, 2021 @ 100%	0121227R2
August 1, 2025	2,715,000	3.500	August 1, 2021 @ 100%	0121227S0
August 1, 2026	2,815,000	3.750	August 1, 2021 @ 100%	0121227T8
August 1, 2027	2,925,000	4.000	August 1, 2021 @ 100%	0121227U5
August 1, 2028	3,040,000	4.000	August 1, 2021 @ 100%	0121227V3
Total:	$19,110,000			

Sources and Uses of Proceeds – The Bonds

Sources:	
Bond Proceeds:	
Par Amount	$
Original Issue Premium (Discount)	
Total:	
Uses:	
Refunding Escrow Deposits:	$
Delivery Date Expenses:	
Costs of Issuance, Bond Insurance and Contingency	
Underwriter's Fee	
Total:	$

Verification of Mathematical Computations

Causey Demgen & Moore, Inc. will verify, from the information provided to them, the mathematical accuracy, as of the date of the closing of the Bonds, of: (1) the computations contained in the provided schedules to determine that the anticipated receipts from the Government Obligations and cash deposits listed in the underwriter's schedules, to be held in escrow, will be sufficient to pay, when due, the principal, interest and call premium requirements of the Refunded Bonds, and (2) the computations of the yield on both the Government Obligations and the Bonds contained in the provided schedules to be used by Bond Counsel in its determination that the interest on the Bonds is excludable from gross income for Federal income tax purposes. Causey Demgen & Moore, Inc. will express no opinion on the assumptions provided to them, nor as to the exclusion from taxation of the interest on the Bonds.

Optional Redemption

The Bonds maturing on or before August 1, 2025 are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 2026 will be subject to redemption prior to maturity, at the option of the County, on any date on or after August 1, 2025, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

The County may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Selection of Bonds to be Redeemed

So long as DTC or a successor securities depository is the sole registered owner of the Bonds, the County will cause notice of redemption to be given only to DTC as registered owner. The selection of the book-entry interests within each Bond maturity to be redeemed will be done in accordance with DTC procedures. See "Book-Entry-Only System" herein regarding DTC's practice of determining by lot the amount of the interest of each Direct Participant for partial bond redemptions.

If the Bonds are not registered in book-entry form, any redemption of less than all of a maturity of the Bonds shall be allocated (in the amounts of $5,000 or any whole multiple) among the registered owners of such maturity of the Bonds then outstanding as nearly as practicable in proportion to the principal amounts of such maturity of the Bonds owned by each registered owner. This will be calculated based on the following formula:

$$\frac{\text{(principal to be redeemed) x (principal amount owned by owner)}}{\text{(principal amount outstanding)}}$$

Notice of Redemption

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call notice, become due and payable, together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

The County may select the maturities of the Bonds to be redeemed prior to maturity and the amount to be redeemed of each maturity selected, as the County shall determine to be in the best interest of the County at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the County by lot in any customary manner of selection as determined by the County. Notice of such call for redemption shall be given by mailing such notice to the registered owner not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

THE BONDS – GENERAL PROVISIONS

Nature of Obligation

Each of the Bonds which have been duly issued and paid for constitutes a contract between the County and the holder thereof.

The Bonds will be general obligations of the County and will contain a pledge of the faith and credit of the County for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the County has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the County without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See "Real Property Taxes – Tax Levy Limit Law").

Under the Constitution of the State, the County is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the County to levy taxes on real estate therefor.

Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the County and discharging its responsibilities with respect thereto under applicable law, or the County may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: The Bonds will be issued in fully registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company located and authorized to do business in the State to be named by the County as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the principal corporate trust office of such fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the respective series certificate of the County Comptroller authorizing the sale of the Bonds and fixing the details thereof and in accordance with the provisions of the Local Finance Law.

Remedies of Bondholders on Default

Upon default in payment in full of the principal of or interest on the Bonds, a holder of such defaulted Bond has a contractual right to sue the County for the amount then due thereon. Such holder may obtain a judgment against the County with interest as provided by law from the date of default in such payment or the date of demand therefor, if later. Execution or attachment of County property cannot be obtained to satisfy the judgment. The General Municipal Law of the State provides that if the County fails to pay a final judgment for such principal and/or interest, it shall be the duty of the County Legislature to assess, levy and cause to be collected at the same time and in like manner as other moneys for expenses are then next thereafter to be assessed, levied and collected, a sum of money sufficient to pay said judgment with interest thereon. Any moneys so collected shall, from time to time, be paid to the judgment creditors.

In addition, the State Constitution provides that if the County fails to provide in its annual budget an amount sufficient to meet payment of principal of or interest on the Bonds, the County shall set aside from the first revenues thereafter received an amount necessary to pay such amounts which were required to be included in the County's annual budget. In addition, the County Comptroller may be required to set apart and apply such revenues to the payment of principal and interest on the Bonds at the suit of any holder of the Bonds. However, such right is subject to the discretionary power of the enforcing court and may be abridged by federal laws affecting creditors' rights or laws involving financial emergencies. (See "Special Provisions Affecting Remedies Upon Default.")

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the County upon any judgment or accrued claim against the County shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

In accordance with the general rule with respect to municipalities, judgments against the County may not be enforced by levy and execution against property owned by the County.

The Federal Bankruptcy Code allows public bodies such as the County recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State (including the County) to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

Under the Federal Bankruptcy Code, a petition may be filed in Federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the Federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The County has the legal capacity to file a petition under the Federal Bankruptcy Code.

It might be asserted that under the Federal Bankruptcy Code interest and principal payments made by the County in respect of its indebtedness within ninety days of the filing of a bankruptcy petition with respect to the County were voidable preferences. If these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the County.

LITIGATION

Upon delivery of the Bonds, the County shall furnish a certificate of the County Comptroller dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or to his knowledge threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application or moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of its obligations, which has not been disclosed in this Official Statement.

Existing Claims Against the County. There are pending against the County a number of claims and formal lawsuits wherein monetary damages among other relief is sought. Procedural statutes in the State prohibit Claimant's and Plaintiff's from including in their initiating papers the specific monetary damages they deem themselves entitled to. In addition, when the County is given formal notice by Claimants and/or Plaintiffs of their monetary damages, they are often extremely inflated. As a result, it is difficult for the County to provide an accurate figure as to specific monetary damages claimed. However, the majority of these claims and lawsuits are expected to be adequately covered by insurance, and thus not have a material affect on the County's financial position.

Personal Injury Actions. The County is involved in less than 50 lawsuits and administrative proceedings arising out of the operation and administration of County affairs for which exposure of $20,000 or more has been estimated. Many of these actions involve personal injury claims, for which estimates of liability are established annually by the County Attorney, to the extent that they can be by law.

Summary. In the opinion of the County Attorney, the resolution of these lawsuits and claims will not have a material affect on the County's financial position. In the event insurance is incapable of covering the full amount of any judgments upon such claims, and the amount of any such judgment is sufficient to materially affect the financial condition of the County, the County would be able to issue bonds to finance the judgment for a term of up to fifteen (15) years. Since the County has only used 13% of its bonding capacity as of the date of this Official Statement, the bonding of any such judgments would be well within the debt limit of the County.

IRS Review. In the course of its general review of tax-exempt bond issues, the Internal Revenue Service (the "IRS") conducted a review of a County bond issue from 2006 (the "Prior Bonds"). The IRS indicated to the County that the Prior Bonds were randomly selected for review in connection with the IRS's ordinary procedures. The County cooperated fully with the IRS in its review of the Prior Bonds, and the review was concluded without any material adverse impact to the County. The proceeds from the sale of the Prior Bonds were used to fund various typical County capital projects.

TAX EXEMPTION

The Bonds

In the opinion of Hodgson Russ LLP, Albany, New York, Bond Counsel, under existing law, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations. Further, (a) the County or another Person, by failing to comply with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), may cause interest on the Bonds to become subject to federal income taxation from the date of issuance thereof, (b) interest on the Bonds is not an "item of tax preference" for purposes of the individual and corporate alternative minimum taxes imposed by the Code, and (c) interest on the Bonds is included in adjusted current earnings for purposes of computing the alternative minimum tax on corporations under Section 56 of the Code and the branch profits tax under Section 884 of the Code.

Tax Requirements

In rendering the foregoing opinions, Bond Counsel noted that exclusion of the interest on the Bonds from gross income for federal income tax purposes may be dependent, among other things, on compliance with the applicable requirements of Sections 141, 148 and 149 of the Code and the regulations thereunder (collectively, the "Tax Requirements"). In the opinion of Bond Counsel, the Tax Compliance Certificate establishes requirements and procedures, compliance with which will satisfy the Tax Requirements.

In the Tax Compliance Certificate, the County has covenanted to comply with the Tax Requirements, and refrain from taking any action which would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes from the date of issuance of the Bonds. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds.

Bank Qualified

The Bonds will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Other Impacts

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisers as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest and the proceeds of the sale of a Bond before maturity within the United States. Backup withholding may apply to holders of the Bonds under Section 3406 of Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States Federal income tax provided the required information is furnished to the Internal Revenue Service (the "Service").

Future Legislation

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds may affect the tax status of interest on the Bonds. The Code has been continuously subject to legislative modifications, amendments and revisions and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government.

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the County. On November 16, 2017, the United States House of Representatives (the "House") approved its version of a tax reform bill. The approved House bill would terminate the ability to issue tax-exempt private activity bonds, tax credit bonds, and tax-exempt advance refunding bonds after December 31, 2017. The approved House bill would make many other changes to the Code. The Budget Committee of the United States Senate (the "Senate") voted to send a tax reform bill to the floor of the Senate on November 28, 2017. The Senate bill is subject to further negotiations prior to a vote on the bill on the floor of the Senate. The House bill and the proposed Senate bill will be subject to further negotiations prior to a vote by both the House and Senate on a single tax reform bill. While it is impossible to predict at this time which, if any, of the proposed changes may be enacted, any future legislation could have an impact on the market value of the Bonds.

No representation is made as to the likelihood of such proposals being enacted, or if enacted, the effective date of any such legislation and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds or the tax consequences of ownership of the Bonds.

New York State Taxes

In the opinion of Bond Counsel, interest on the Bonds is exempt, under existing statutes, from New York State and New York City personal income taxes.

Miscellaneous

All quotations from and summaries and explanations of provisions of laws do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the County shall furnish a certificate of the County, dated the date of delivery of the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds, and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the County wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the County or adversely affect the power of the County to levy, collect and enforce the collection of taxes or other revenues for the payment of its Bonds, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of Hodgson Russ LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the County for which the County has validly pledged its faith and credit, and all the taxable real property within the County is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation of rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York – See "Real Property Taxes – Tax Levy Limit Law"). Said opinions shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to such Bonds may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) said law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the County which have been or may have furnished or disclosed to purchasers of the Bonds, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Tax Levy Limit Law

Prior to the enactment of the Tax Levy Limit Law, all the taxable real property within the County had been subject tot the levy of ad valorem taxes to pay the Bonds and interest thereon without limitation as to rate or amount;

however the power of the County to levy unlimited real estate taxes on all the real property in the County may or may not be subject to the statutory limitations imposed by the Tax Levy Limit Law, depending upon the interpretation of such statute by a court of competent jurisdiction in the event of a legal challenge. See "Real Property Taxes – Tax Levy Limit Law" herein.

Closing Certificates

Upon the delivery of the Bonds, the Purchaser(s) will be furnished with the following items: (i) a Certificate of the County Comptroller to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of delivery of the Bonds, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the County since the date of this Official Statement to the date of issuance of the Bonds; (ii) a Certificate signed by an officer of the County evidencing payment for the Bonds; (iii) a Signature Certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and deliver of the Bonds or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds thereunder, (b) neither the corporate existence or boundaries of the County nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (iv) the Tax Certificate executed by the County Comptroller, as described under "TAX EXEMPTION" herein.

DISCLOSURE UNDERTAKING

Disclosure Undertaking for the Bonds

This Official Statement is in a form "deemed final" by the County for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the County will provide an executed copy of its "Undertaking to Provide Continuing Disclosure" (the "Undertaking"). Said Undertaking will constitute a written agreement or contract of the County for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking,:

(1) (i) certain annual financial information, in a form generally consistent with the information contained or cross-referenced in this Official Statement in Appendix A under the headings : "The County of Albany," "Indebtedness of the County," "County Operating Budget," "Real Property Taxes," "Statistical Information" and "Litigation" on or prior to June 30 following the end of each fiscal year, commencing with the fiscal year ending December 31, 2017 and (ii) the audited financial statement, if any, of the County for each fiscal year commencing with the fiscal year ending December 31, 2017 unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement shall be provided and an audited financial statement shall be provided within 60 days after it becomes available and in no event later than December 31 of the following fiscal year;

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the Issuer; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer]; (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, notice of a failure to provide the annual financial information by the date specified.

The County may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the County does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The County's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provision, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the County, and no person or entity, including a Holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the County to comply with the Undertaking will not constitute a default with respect to the Bonds.

The County reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

Pursuant to its previous undertakings, the County filed its annual financial information in a form generally consistent with the information contained or cross-referenced in this Official Statement and unaudited and audited financial statements as required pursuant to the Undertaking for fiscal years ended 2012 through 2016, inclusive.

The County has established procedures to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the MSRB through EMMA.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as Municipal Advisor to the County in connection with the sale of the Bonds.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources who have access to relevant data to provide accurate information for the Official Statement, and the Municipal

Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the County to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

RATINGS

The County has applied to Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("S&P") for a rating on the Bonds. Such applications are pending at this time.

On May 12, 2016, S&P affirmed the County's underlying credit rating of "AA" with a stable outlook on the County's outstanding parity debt. On May 10, 2016, Moody's affirmed the County's underlying credit rating of "Aa3" on outstanding parity debt.

Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Corporation, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

OTHER MATTERS

The statutory authority for the power to spend money for the objects or purposes, or to accomplish the objects or purposes, for which the Bonds are to be issued is the County Law and the Local Finance Law.

Prior to the date of issuance of the Bonds, the County will have complied with the estoppel procedure for the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

The fiscal year of the County is January 1 to December 31.

There is no bond or note principal or interest payment past due.

This Official Statement does not include the financial data of any other political subdivision of the State of New York having power to levy taxes within the County except as expressed in "Calculation of Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained from Hon. Michael F. Conners, II, County Comptroller, (518) 447-7130, or from the County's Municipal Advisor, Capital Markets Advisors, LLC, (516) 570-0340.

The summaries and explanation in this Official Statement and its Appendices do not purport to be comprehensive and are expressly made subject to the exact provisions of the documents referred to herein and therein.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the County and the original purchasers or holders of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the County. Execution of this Official Statement on behalf of the County is made for the sole purpose of evidencing the County's authorization of the distribution thereof.

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the County nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the County disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Capital Markets Advisors, LLC and the County also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

This Official Statement is submitted only in connection with the sale of the Bonds by the County and may not be reproduced or used in whole or in part for any other purpose.

COUNTY OF ALBANY, NEW YORK

By: ____________________________________

Michael F. Conners, II
County Comptroller

Dated: December __, 2017

<u>APPENDIX A</u>

THE COUNTY OF ALBANY

THE COUNTY OF ALBANY

The following is a brief description of the County and certain information concerning its economy, governmental organization, indebtedness and financial practices. Certain information may require economic analysis in order to assess the importance of the facts and figures presented.

General

The County was incorporated in 1683. Situated on the west bank of the Hudson River, the County is approximately 135 miles directly north of New York City and has an area of approximately 540 square miles.

A number of the State's institutions of higher learning are located in the County, among them the State University of New York at Albany, the Junior College of Albany (a division of Russell Sage College), Albany Law School (Union University), Siena College, the College of St. Rose, Albany Medical College, Albany College of Pharmacy and three business colleges.

The County's transportation needs are served by a network of excellent highways, including the New York State Thruway, Interstate Highways 90 and 87 and a connecting link to the Massachusetts Turnpike; major bus lines; three railroads; Albany International Airport; the Hudson River; the New York State Barge Canal and the Port of Albany. The County contains three cities – Albany, Cohoes and Watervliet – and ten towns. The cities have well equipped fire and police departments and the towns are served by many individual fire districts, volunteer fire companies and town police departments. Educational services for County residents are provided by private schools, school districts and Hudson Valley Community College, which is located in a neighboring county.

Government Organization

The County is governed by the provisions of its Charter. The Charter adopted in 1973 became effective January 1, 1976. In November of 1993 Albany County adopted a new County Charter. The current County Charter differs from the previous County Charter primarily in the balance of power between the Executive and Legislative branches of government. The new charter shifted most of the administrative and day-to-day activities to the Executive branch. Further, it has created a Human Resources department and restructured the internal report hierarchy. Under the Charter, the County is a home rule municipality and functions consistently with those provisions of the State Constitution and laws uniformly applicable to all New York municipalities.

The Legislature is the governing body of the County. A chairman, selected by the legislators every two years, is the presiding officer. Legislators are elected from each of the 39 districts within the County every four years or by special election in the event of a vacancy. The Legislature has the power to establish rules and procedures for itself, adopt local laws, levy taxes and other revenue measures, adopt budgets and approve all matters relevant to the administration of County government. Meetings of the Legislature are held on a monthly basis and are open to the public.

The County Executive is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to the number of terms, and is charged with supervision of all departments of County government, subject to the provisions of the Charter. The Executive reports annually to the Legislature on the activities of all administrative units, recommends an annual budget, recommends for appointment the head of every department and administrative units of government and executes contracts. The financial affairs of the County are administered by two officers: The Commissioner of Management and Budget and the Comptroller. The Commissioner of Management and Budget, who is appointed by the County Executive and confirmed by the Legislature, assists the Executive in the preparation of the operating and capital budgets and in the study of administrative efficiency and economy, collects taxes and other revenues, and invests County funds.

The Comptroller is elected in the general election to a four-year term concurrent with that of the Legislature, without restriction as to number of terms, and is the chief fiscal officer of the County. Under the Comptroller's direction, the Department of Audit and Control obtains and audits all records relating to the use or deposit of County funds and submits annual reports to the Legislature. The Comptroller recommends and the Legislature authorizes issuance of County debt.

The County's fiscal year for budget and accounting purposes is January 1st to December 31st. Its final budget, approved by the Executive and authorized by the Legislature, must make adequate provision for the servicing of debt and must not provide for an excess of expenditures over anticipated revenues. Included as part of each budget is a five-year capital improvement program. This plan is prepared by the County Executive and approved by the Legislature.

There are a total of twenty County administrative departments – Aging; Civil Service; Children, Youth and Families; Consumer Affairs; Economic Development; Conservation and Planning; Elections; General Services; Health; Human Resources; Law; Management and Budget; Mental Health; Probation; Public Defender; Public Works; Rape Crisis Center; Residential Health Care Facilities; Social Services and the Veterans Bureau. The District Attorney, County Clerk, Sheriff, Comptroller and four County Coroners are elected by general election. Candidates for other positions are proposed by the County Executive and appointed by the Legislature with the exception of the Board of Election Commissioners who are appointed solely by the Legislature.

Population

The County has a population of 304,204 as established by the U.S. Department of Commerce in the 2010 Census, of that total 97,856 live in the City of Albany, which is the County seat and State Capital. The following table presents population trends of the County, the Albany Standard Metropolitan Statistical Area (the "SMSA" consists of the five counties of Albany, Montgomery, Rensselaer, Saratoga and Schenectady), the State and the United States since 1980.

Population Trend

	Albany County Population	Albany SMSA Population	New York State Population	United States Population
1980	285,909	795,019	17,558,072	226,504,825
1990	292,793	861,623	17,990,778	248,709,873
2000	294,565	875,583	18,976,457	281,421,906
2010	304,204	888,186	19,378,102	308,745,538
2015	309,381	881,830	19,795,791	321,418,105

Data for 1980, 1990, 2000 and 2010 are compiled by the U.S. Department of Commerce as of April 1 of each year based on the census for that year.

Source: United States Department of Commerce, Bureau of the Census

Economy

The economy of the County is diversified, with significant activity in the areas of industry, commerce and government. There are several banks and trust companies, some of which provide complete branch banking services throughout the County. Industrial establishments are engaged in such diverse operations as paper making, printing and the manufacture of clothing, automobile accessories, chemical products, pharmaceuticals and machine tools. The County also includes many retail stores, wholesale establishments and many shopping centers and several regional shopping malls.

As the State Capital, Government is an especially important factor in the County. Federal, State and local governments provide employment for thousands of people and the State is the largest employer in the County.

Employment

A major portion of non-agricultural workers have historically been employed by Federal, State or local government. The following tables present certain economic and demographic information for the County and the Albany-Schenectady-Troy Standard Metropolitan Statistical Area (SMSA).

Per Capita Income

	2000	2010	2015
Albany County	$35,476	$46,596	$56,692
Albany-Schenectady-Troy SMSA	32,127	44,582	52,899
United States	29,469	30,011	48,112

Source: U.S. Bureau of Census and US Department of Commerce, Bureau of Economic Analysis

Income of Families - 2015

	Less than $25,000	$25,000 - 49,999	$50,000 - 74,999	$75,000 - 149,000	$150,000 or More
Albany County	20.8%	20.9%	18.4%	28.6%	11.2%

Source: U.S. Bureau of Census, American Community Survey

Median Family Income

	2010	2015
Albany County	56,090	59,887
New York State	54,148	59,269

Source: U.S. Bureau of Census, American Community Survey

Civilian Labor Force
(000s)

	2012	2013	2014	2015	2016
Albany County	155.2	155.9	157.3	158.9	158.8
Albany-Schenectady-Troy SMSA	445.5	446.6	445.5	449.1	448.0
New York State	9,587.2	9,636.0	9,569.0	9,679.3	9,584.5

Source: New York State Department of Labor

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Selected Listing of Major Employers

Name	Type	Approximate Number of Employees
State of New York	Government	51,409
St. Peter's Health Care Services	Health Care	12,207
Albany Medical Center	Health Care	9,311
United States of America	Government	8,092
University at Albany	Education	4,700
Verizon	Telecommunications	3,000
Center for Disability Services	Health Care	2,582
County of Albany	Government	2,284
Albany School District	Education	1,600
Empire Blue Cross	Health Insurance	1,500
City of Albany	Government	1,463

Sources: Capital District Business Review and the Capital District Regional Planning Group

Annual Unemployment Rate Statistics

	Albany County	Albany-Schenectady Troy SMSA	New York State
2012	7.3%	7.5%	8.5%
2013	6.3	6.4	7.7
2014	4.9	5.1	6.3
2015	4.4	4.5	5.3
2016	4.0	4.1	4.8

Source: New York State Department of Labor (Note: Figures not seasonally adjusted)

Monthly Unemployment Rate Statistics

	Albany County	Albany-Schenectady-Troy MSA	New York State
October, 2016	3.9	3.9	4.8
November	3.8	3.8	4.5
December	3.8	3.9	4.5
January, 2017	4.3	4.6	4.9
February	4.4	4.6	5.0
March	3.8	4.0	4.4
April	3.9	4.0	4.2
May	3.9	3.9	4.3
June	4.4	4.3	4.5
July	4.4	4.3	4.9
August	4.3	4.2	4.9
September	4.2	4.2	4.7

Source: New York State Department of Labor (Note: Figures not seasonally adjusted)

COUNTY INDEBTEDNESS AND DEBT LIMITATIONS

Constitutional Provisions

Limitations on indebtedness are found in Article VIII of the State Constitution and are implemented by the Local Finance Law. The provisions of Article VIII referred to in the following summaries are generally applicable to the County and the obligations authorized by its County Legislature.

Article VIII, Section 1

Subject to certain enumerated exceptions, the County shall not give or loan any money or property to or in aid of any individual or private corporation, association or private undertaking nor shall the County give or loan its credit to or in aid of any of the foregoing or a public corporation, except for the purpose of joint municipal indebtedness and care of the needy.

Article VIII, Section 2

The County shall not contract indebtedness except for a County purpose and no such indebtedness shall be contracted for longer than the period of probable usefulness of the purpose for which it is contracted and in no event may this period exceed forty years. The County must pledge its faith and credit for the payment of the principal and the interest on any of its indebtedness. Except for certain short-term indebtedness contracted in anticipation of the collection of taxes and indebtedness to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, all indebtedness shall be paid in annual installments. Indebtedness must be paid in annual installments commencing not more than two years after the debt was contracted. Provision shall be made annually by appropriation by the County for the payment of interest on all indebtedness and for the amounts required for the amortization and redemption of serial bonds.

Article VIII, Section 4

The County shall not contract indebtedness which, including existing indebtedness, shall exceed 7% of the five year average full valuation of taxable real estate therein. The average full valuation of taxable real estate of the County is determined pursuant to Article VIII Section 10 of the Constitution by taking the assessed valuations of taxable real estate on the last completed assessment roll and the four preceding rolls and applying to such rolls, the ratio as determined by the State Tax Commission or such other State agency or official as the State Legislature shall direct which such assessed valuation bears to the full valuation. Article VIII Section 5 and Article VIII Section 2-a enumerate exclusions and deductions from the Constitutional debt limit.

Statutory Provisions

Title 8 of the Local Finance Law contains the statutory limitations on the power to contract indebtedness. Section 104.00 limits, in accordance with Article VIII Section 4 of the Constitution, the ability to contract indebtedness by the County to 7% of the five year average full valuation. The statutory provisions implementing constitutional provisions authorizing deductions and excluding indebtedness from the debt limits are found in Title 9 and Title 10 of the Local Finance Law. In addition to the constitutionally enumerated exclusions and deductions, deductions are allowed for cash or appropriations for debt service pursuant to the authority of a decision of the New York Court of Appeals.

Debt Limit

Computation of Debt Limit

Fiscal Year Ending December 31:	Full Valuation
2013	$23,103,152,892
2014	22,664,017,003
2015	23,355,554,809
2016	23,856,807,738
2017	25,192,260,694
Total Five Year Full Valuation	$118,171,793,138
Average Five Year Valuation	23,634,358,628
Debt Limit - 7% of Average Full Valuation	$ 1,654,405,104

Outstanding Indebtedness

Calculation of Total Net Indebtedness
(As of November 28, 2017)

Five Year Average Full Valuation of Taxable Real Property		$23,634,358,628
Debt Limit (7% Thereof)		1,654,405,104
Outstanding Indebtedness:		
Bonds	$ 162,184,854	
Bond Anticipation Notes	134,279,450	
Tax Anticipation Notes	0	
Outstanding Gross Indebtedness		296,464,304
Less Exclusions:		
Environmental Facilities Corporation (Bonds)	$ 5,749,853	
2017 Budgeted Principal Appropriations (remaining)	0	
Total Exclusions		5,749,853
Total Net Indebtedness		$ 290,714,451
Percent of Debt Limit Exhausted		17.57%
Debt Contracting Margin		$ 1,363.690.653

There is no constitutional limitation on the amount that may be raised by the County by taxes on real estate in any fiscal year to pay interest and principal on all indebtedness.

General. The County is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the County so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the County to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Trend of Outstanding Debt

	2013	2014	2015	2016	2017[1]
Subject to Debt Limit:					
Bonds	$213,294,321	$201,715,224	$194,785,011	$173,570,001	$156,435,001
Bond Anticipation Notes	0	27,874,771	56,961,971	102,023,089	134,279,450
Other Notes	10,900,000	0	0	0	0
Not Subject to Debt Limit					
Bonds	22,578,134	16,270,000	6,729,853	6,224,853	5,749,853
Bond Anticipation Notes	0	0	0	0	0
Total Debt Outstanding	$246,772,455	$245,589,995	$258,476,836	$281,817,943	$296,464,304

(1) Unaudited.

Tax and Revenue Anticipation Notes

The County has no tax or revenue anticipation notes outstanding.

Bond Anticipation Notes

On May 26, 2016, the County issued a bond anticipation note in the amount of $102,023,089 which matures on May 25, 2017 and, together with $4,301,984 available funds, will be repaid with proceeds from the Notes.

Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the County's outstanding general obligation bonded indebtedness, exclusive of refunded bonds and debt issued through the New York State Environmental Facilities Corporation.

Schedule of Debt Service Requirements on Outstanding Bonds

Fiscal Year Ending December 31:	Principal	Interest	Total
2017[1]	$16,960,000	$6,167,394	$23,127,394
2018	17,435,000	5,628,444	23,063,444
2019	15,390,000	5,050,306	20,440,306
2020	16,040,000	4,404,556	20,444,556
2021	16,725,000	3,728,631	20,453,631
2022	17,410,000	3,076,681	20,486,681
2023	18,125,000	2,392,106	20,517,106
2024	18,770,000	1,781,112	20,551,112
2025	12,410,000	1,145,975	13,555,975
2026	10,820,000	752,262	11,572,262
2027	8,035,000	436,900	8,471,900
2028	4,540,000	166,600	4,706,600
TOTAL	$172,660,000	$34,730,967	$207,390,967

(1) For the entire fiscal year.

Estimated Overlapping Indebtedness

In addition to the County, the following municipal subdivisions located within the County have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the County. Estimated indebtedness is listed as of the close of the last available fiscal year of the respective municipalities and districts.

	Applicable Total Indebtedness	Applicable Exclusions	Applicable Net Indebtedness
Cities	$131,835,505	$ 40,389,200	$ 91,446,305
Towns	150,014,092	63,673,106	86,340,896
Villages	13,116,280	6,816,280	6,300,000
School Districts	387,375,676	0	387,275,676
Fire Districts	26,691,830	778,122	26,183,708
Total	$ 709,203,383	$ 111,656,708	$ 597,546,675

Source: Annual Reports of the respective units on file with the Office of the New York State Comptroller. This data is for the underlying jurisdictions' 2016 fiscal years.

Authorized but Unissued Debt

The County formulates a five year capital budget as part of its annual budgetary process. The County Executive and County Legislature determine what projects will be completed. Financing of such projects is through long and short-term borrowings, operating funds and Federal and State assistance. As of November 28, 2017, the County has $50,327,896 in authorized but unissued debt.

FINANCIAL INFORMATION

Accounting Practices

Under State law a uniform system of accounting and reporting is prescribed by the State Comptroller for all municipalities. An annual financial report for every municipality must be filed with the State Comptroller by May 1 of the following year of a municipality's fiscal year end. This report is categorized by fund and shows as of year end (a) a balance sheet, (b) a statement of revenues, (c) a statement of expenditures, (d) an analysis of fund balances, (e) a statement of indebtedness and (f) any other particular fund data that is required.

Budgetary appropriations are necessary for all payments. Encumbrance accounting is utilized to guard against the creation of liabilities in excess of appropriations.

The County annually retains independent certified public accountants to conduct an audit of its financial statements.

Financial Statements

The County retains Bollam, Sheedy, Torani & Co. as independent Certified Public Accountants. The financial affairs of the County are also subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the County has complied with the requirements of various State and Federal statutes.

The County complies with the Uniform System of Accounts as prescribed for Counties in New York State. This system conforms with generally accepted accounting principles as promulgated in the "Codification of Governmental Accounting and Financial Reporting Standards," as published by the Governmental Accounting Standards Board, in conjunction with the Government Accounting Research Foundation of the Government Finance Officers' Association.

Revenues

The County derives a significant portion of its general fund revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balances" in Appendix B, herein).

Real Property Tax

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, unaudited figures for fiscal year 2016 and amounts budgeted for the current fiscal year.

Property Taxes

Fiscal Year Ended December 31:	Total Revenues[1]	Real Property Taxes	Real Property Taxes to Revenues (%)
2011	$506,292,483	$69,111,733	13.65%
2012	506,145,334	75,745,309	14.97
2013	517,884,622	86,556,964	16.71
2014	524,497,341	88,053,356	16.75
2015	529,028,967	81,461,326	15.40
2016 (Unaudited)	551,311,329	88,506,698	16.05
2017 (Adopted Budget)	560,008,636	88,006,644	15.72

(1) General Fund

Source: Audited and Unaudited Financial Statements, Adopted Budget of the County.
Summary itself is not audited.

Sales and Use Taxes

The following table sets forth total general fund revenues and Sales and Use Tax revenues during the last five audited fiscal years, unaudited figures for fiscal year 2016 and amounts budgeted for the current fiscal year.

Sales and Use Tax Revenue

Fiscal Year Ended December 31:	Total Revenues[1]	Sales & Use Tax	Sales & Use Tax To Revenues
2011	$506,292,483	$230,258,589	45.48%
2012	506,145,334	238,969,914	47.21
2013	517,884,622	240,274,633	43.40
2014	524,497,341	247,401,723	47.17
2015	529,028,967	266,759,260	50.42
2016 (Unaudited)	551,311,329	259,298,823	47.03
2017 (Adopted Budget)	560,008,636	263,298,823	47.02

(1) General Fund

Source: Audited and Unaudited Financial Statements, Adopted Budget of the County.
Summary itself is not audited.

State and Federal Aid

For the year ended December 31, 2016, $59,382,689 in State monies were received by the County, amounting to approximately 10.77% of total County General Fund Revenues.

Federal aid also constitutes a significant portion of County General Fund Revenues. Federal aid for the year ended December 31, 2016, was $78,332,566 amounting to approximately 14.21% of County General Fund Revenues. The tables in Appendix B present a consolidated statement of revenues, expenses and fund balances of the General and Special Revenue funds for the fiscal years ended December 31, 2011 through 2015.

Other Post Employment Benefits

A recently enacted accounting rule, GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits ("OPEB"). GASB 45 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 45 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 does not require that the unfunded liabilities actually be funded, only that the County account for its unfunded accrued liability and compliance in meeting its ARC. Actuarial valuation will be required every 2 years for the County.

The County is in compliance with the requirements of GASB 45 as was required by the end of the County's 2007 fiscal year. It has been determined that the County's actuarial accrued liability ("AAL") for OPEB as of December 31, 2016 was approximately $271,413,381.

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Employees

The County provides services through approximately 2,284 full and part-time employees, some of whom are represented by the labor unions listed below. County employees are represented by eight labor organizations and labor relations between the County and the eight labor organizations have been reasonable and amicable.

Labor Unit	Approximate Number of Employees Represented	Contract Expiration Date
CSEA – 8 units.	861	12/31/21
Public Works, Social Services/DCYF, Non-Secure Personnel, Mental Health, Health, General Services, County Clerk, E911 Telecommunicators		
Teamsters Local 294		
Law Enforcement	29	12/31/21
DA Investigators	8	12/31/16[1]
Corrections	39	12/31/21
Public Employees Federation - Probation Dept.	83	12/31/16[1]
Albany County Sheriff Deputy's PBA	77	12/31/21
Council, AFSCME Corrections Local 775	261	12/31/21
SEIU RN Unit	8	12/31/18
SEIU Service & Maintenance Unit	169	12/31/18
NYS United Teachers	66	12/31/17
United Public Service Employees Union	86	12/31/21

(1) In negotiation.

Status and Financing of Employee Pension Benefits

The County participates in the New York State and local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Contributions equal to 3% of salary are required of employees, except for employees who joined prior to July 27, 1976, and for those who have ten or more years of credited service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The County is required to contribute at an actuarially determined rate. The required contributions for the following years were:

Year	ERS
2012-13	$22,494,464
2013-14	26,038,368
2014-15	27,014,378
2015-16	24,119,652
2016-17	22,566,223

The County's current contribution to ERS is due on or before February 1 of each year. Such contribution is based on salaries estimated to be paid during the fiscal year ending on March 31 of the next calendar year.

The County's contributions made to the Systems were equal to 100 percent of the contributions required for each year. For the payment made on February 1, 2015, the County paid $19,684,401 and amortized the remaining $7,329,977 which is allowable under Chapter 57 of the Laws of 2010. For the payment made on February 1, 2016, the County paid $20,984,470 and amortized the remaining $3,135,182. For the payment due February 1, 2017, the County prepaid $22,566,223 on December 15, 2016 with no amortized amount. The County has no plans to amortize any amount of the payment due February 1, 2018.

Since 1989, the System's billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participation employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to repay this liability. The County initially elected to make the payments over a 17-year period. In 1998, the County issued $2,446,707 in long-term bonds to retire the liabilities to the retirement system. Those bonds had a final maturity of December 15, 2005 and have been repaid in full.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which provides for a new Tier VI for employees hired after April 1, 2012. The Division of the Budget estimates the new tier will save the State and local governments outside of New York City $80 billion over the next thirty years. The new pension tier has progressive contribution rates between 3% and 6%; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime used to determine an employee's pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan for new non-union employees with salaries of $75,000 or more.

Budgetary Process

The County Executive is responsible for submitting to the County Legislature on or before October 10 of each year a proposed budget and a capital expenditures program for the coming fiscal year. The Commissioner of the Office of Management and Budget develops a complete financial plan on behalf of the County Executive setting forth anticipated revenues and proposed appropriations and expenditures including debt service.

In addition to the proposed budget, the County Executive is required to submit to the County Legislature a budget message which shows that total estimated expenditures are less than or equal to total estimated income for the ensuing fiscal year. Estimated income and expenditures are compared with actual receipts and expenditures for the last completed fiscal year. The message also enumerates the County's financial policies with respect to the proposed capital program and the details of financing and maintaining proposed projects.

The County Legislature reviews the budget, reports out its recommendations no later than November 20 and holds a public hearing not later than December 1. After the conclusion of the public hearing the County Legislature may change items as it sees fit, except for debt service or appropriations required by law. Decreases are not subject to the approval or veto of the County Executive. Increases recommended by the County Legislature must be approved by the County Executive or passed over an executive veto by a two-thirds majority vote of the Legislature, unless the County Executive fails to respond to the legislative changes by December 12.

The amount of all taxes, except as expressly provided by law, becomes a lien on assessed property as of January 1 of the fiscal year for which levied and remains a lien until paid.

The County Legislature may make supplemental appropriations during the course of the fiscal year to the extent that actual revenues exceed anticipated revenues. It may only make emergency appropriations to meet a public emergency affecting life, health or property and, to the extent necessary, may finance such emergency appropriation by the issuance of obligations pursuant to the Local Finance Law. If anticipated revenues appear to be insufficient to meet budgeted appropriations, the County Executive must report to the County Legislature without delay stating the problem and his recommendation for remedial action. The County Legislature may reduce appropriations, except for appropriations for debt service, expended appropriations and amounts required by law to be appropriated, or borrow temporarily pursuant to the Local Finance Law an amount not greater than the anticipated deficit.

The tables in Appendix B present summaries of the County's 2016 and 2017Adopted Budgets.

REAL PROPERTY TAXES

Property Tax Collection and Delinquency Procedures

The County assesses its tax upon the towns and cities within the County. Each town or city collects taxes for itself, the County and the school or fire districts in its area. The towns and cities retain the full amount of their tax budgets and give the balance and any uncollected taxes to the County.

The County procedure for collection on delinquencies, as specified in the New York State Real Property Tax Law consists of four steps: issuance of notice of tax lien, tax sale, foreclosure and auction of the property.

After the tax lien sale the County must wait two years, or four years in the case of owner-occupied one or two-family dwellings, before commencing an in rem foreclosure action and thereafter obtaining a final judgment pursuant to Article 11 Title 3 of the Real Property Tax Law which allows public auction proceedings to begin.

Constitutional Real Estate Tax Limit

In accordance with Section 10 of Article VIII of the State Constitution the amount which may be levied in the County by taxes on real estate in any fiscal year for County purposes, in addition to providing for the principal of and interest on all indebtedness, may not exceed an amount equal to 1.5% of the five year average full valuation of taxable real estate of the County, less certain deductions.

Constitutional Tax Limit

	2017
Five-Year Average, Full Valuation	$ 23,634,358,628
Tax Limit (1.5%)	$ 354,515,379
Total Levy	91,404,198
Total Exclusions	19,860,588
Tax Levy Subject to Limit	71,543,610
Tax Margin	$ 282,971,769

Tax Levy and Collection Record

Tax Levy and Collection Record
Fiscal Year Ending December 31:

	2013	2014	2015	2016	2017
County Taxes	$ 88,399,220	$ 89,763,265	$ 90,207,879	$ 89,819,424	$90,856,644
Town Taxes	145,035,776	154,648,348	157,526,215	159,836,349	165,701,408
Returned School Tax and Penalties	9,411,023	9,730,524	9,800,172	9,925,558	10,318,878
Total Tax Levy	$242,846,020	$254,142,137	$257,534,266	$259,581,331	266,876,930
Returned to County as Uncollected:					
Amount	$ 31,476,611	$ 30,047,359	$ 26,583,695	$ 26,089,695	$ 9,420,834
Percent	12.96%	11.83%	10.22%	10.01%	3.53%
Uncollected at 11/16//2017:					
Amount	$ 5,260,771	$ 6,548,264	$ 9,248,926	$ 12,859,080	$ 5,054,438
Percent	2.20%	2.57%	3.59%	4.95%	1.89%

Tax Levy Limit Law

On June 24, 2011, Chapter 97 of the 2011 Laws of New York was signed into law by the Governor (the "Tax Levy Limit Law"). The Tax Levy Limit Law applies to all local governments, including school districts (with the exception of New York City, the counties comprising New York City and the Big 5 City School Districts (Buffalo, Rochester, Syracuse, Yonkers and New York). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limit Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. It expires on June 16, 2016 unless extended. Pursuant to the Tax Levy Limit Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are permissible exceptions to the tax levy limitation provided in the Tax Levy Limit Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

"It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the Flushing National Bank case stated:

"So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded."

In addition, the Court of Appeals in the Flushing National Bank case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipalities.

Therefore, while the Tax Levy Limit Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limit Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limit Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

It is likely that the Tax Levy Limit Law will be subject to judicial review to resolve the constitutional issues raised by its adoption.

Valuations and Taxes

Trend of Valuations and Taxes
For the Fiscal Years Ending December 31:

	2013	2014	2015	2016	2017
Assessed Valuation	$19,541,412,848	$19,544,243,891	$20,121,282,488	$20,139,381,644	$20,362,993,035
Full Valuation	23,103,152,892	22,664,017,003	23,355,554,809	23,856,807,738	25,192,260,694
General Fund Levy	88,164,779	89,615,090	89,615,090	89,819,255	90,856,644
Tax Rate Per $1,000 Full Valuation	$3.81	$3.95	$3.83	$3.76	$3.61

Source: County Officials

Selected Listing of Large Taxable Properties
2017 Assessment Rolls

Name	Type	Assessed Valuation
National Grid	Utility	$558,581,554
Crossgates Mall Co.	Shopping Center	258,112,406
Atlantic Cement	Manufacturing	99,749,000
New York Central Lines	Railroad	81,588,270
KRE Colonie Owner, LLC	Shopping Center	65,000,000
Selkirk Cogen	Utility	50,000,000
Stuyvesant Plaza/ Exec Park	Shopping/Office	45,989,200
Latham Farms	Shopping Center	41,750,000
99 Washington Ave	Office Building	38,750,000
	Total:	$1,292,250,098

End of Appendix A

<u>APPENDIX B</u>

FINANCIAL STATEMENT SUMMARIES

(This summary is not audited.)

COUNTY OF ALBANY, NEW YORK
CONSOLIDATED STATEMENT OF BUDGETED REVENUES AND EXPENSES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31:

	2016	2017
Revenues		
Local Tax Items	$279,427,445	$282,696,264
Dept/Misc. Income	52,814,572	51,806,582
State Aid	60,219,240	66,252,588
Federal Aid	74,614,650	70,799,813
Interfund Transfers	434,669	446,745
Tax Levy	86,765,090	88,006,644
Fund Balance	0	
Total Revenues	$554,275,666	$560,008,636
Appropriations		
General Government	$156,240,681	$159,584,438
Education	25,508,000	25,810,000
Public Safety	83,371,457	84,843,398
Health/Mental Health	40,470,372	40,559,961
Transportation	1,245,437	1,245,437
Econ Asst/Opportnity	203,600,792	203,493,653
Culture/Recreation	815,084	1,357,397
Home/Community	2,755,716	3,031,966
Inter fund Transfers	32,218,931	31,669,775
Undistributed	8,049,196	8,412,611
Total Expenditures	$554,275,666	$560,008,636

Source: County Officials

COUNTY OF ALBANY, NEW YORK
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
GENERAL FUND
For the Years Ended December 31:

	2012	2013	2014	2015	2016
Revenues:					
Real Property Taxes	$75,745,309	$86,556,964	$88,053,356	$81,461,326	$88,506,698
Real Property Tax Items	7,817,105	7,223,549	7,209,703	9,225,041	8,934,388
Sales and Use Taxes	248,350,399	249,060,293	256,843,674	266,759,260	269,773,392
State Aid	59,511,224	54,140,367	54,762,130	55,439,267	59,424,277
Federal Aid	64,120,786	70,833,282	69,215,853	71,368,532	72,976,799
Departmental Income	32,691,217	30,479,223	26,357,823	28,115,857	28,580,133
Use of Money and Property	2,319,606	2,140,184	2,212,544	2,098,617	3,253,222
Intergovernmental charges	8,456,207	11,439,463	13,422,877	8,374,776	9,007,088
Fines and Forfeitures	625,367	641,072	582,104	714,317	639,496
Sale of property & Compensation for loss	4,163,069	4,165,318	4,725,160	4,029,444	8,134,865
Interfund Revenues	0	0	0	0	0
Miscellaneous	2,345,045	1,204,907	1,112,117	1,442,530	994,777
Total Revenues	$506,145,334	$517,884,622	$524,497,341	$529,028,967	$550,225,135
Other Financing Sources:					
Operating Transfers In	1,334,230	1,025,060	1,340,865	1,309,173	1,086,191
Retirement Credits	0	0	0	0	0
Proceeds of bonds	0	0	0	0	0
Total Revenues and Other Sources	$507,479,564	$518,909,682	$525,838,206	$530,338,140	$551,311,326
Expenditures:					
General Government	$130,417,712	$130,152,923	$133,963,285	$142,036,342	$141,623,872
Education	22,570,692	23,412,207	23,388,173	24,454,494	25,543,670
Public Safety	49,165,523	52,621,117	53,450,389	54,278,563	56,649,885
Health	29,328,077	27,454,413	27,909,052	29,550,305	30,722,273
Transportation	1,258,835	1,254,875	1,256,318	1,243,242	1,242,665
Economic Assistance & opportunity	178,953,423	181,398,517	177,464,354	171,069,306	179,370,576
Culture and Recreation	714,880	566,488	603,042	559,970	548,696
Home & Community Service	1,616,865	1,738,266	2,889,707	2,863,168	3,097,771
Employee Benefits	48,785,598	51,376,812	59,256,314	64,799,262	62,988,069
Debt Service:					
Prinicpal Retirement	0	0	0	0	0
Interest	95,633	195,937	40,875	34,708	0
Capital Outlay	1,894,846	2,261,940	1,157,121	1,597,071	2,240,523
Total Expenditures	$464,802,084	$472,433,495	$481,378,630	$492,486,431	$504,028,000
Other Financing Sources					
Payments of refunded debt escrow agent	0	0	0	0	0
Operating Transfers Out	(41,386,890)	(40,969,171)	(40,120,213)	(35,027,285)	(37,101,773)
Total Expenditures and Other Uses	$506,188,974	$513,402,666	$521,498,843	$527,513,716	$541,129,773
Revenues and Other Sources Over (under) Expenditures and Other Uses	1,290,590	5,507,016	4,339,363	2,824,424	10,181,553
Fund Balances (Deficits), Beginning of Year	35,226,469	36,517,059	42,024,075	47,051,983	49,876,407
Prior Period Adjustment	0	0	0	0	0
Equity Transfer					
Fund Balances (Deficits), End of Year	$36,517,059	$42,024,075	$46,363,438	$49,876,407	$60,057,960

Source: County's Audited Financial Statements
Table itself not audited.

COUNTY OF ALBANY, NEW YORK
COMBINED BALANCE SHEET
GENERAL FUND
For the Years Ended December 31:

Assets:	2012	2013	2014	2015	2016
Cash and Cash Equivalents	$28,743,064	$34,812,130	$36,941,581	$41,994,650	$33,618,933
Cash Restricted	1,415,086	200,897	65	150,136	2,000,381
Investments	0	0	0	0	0
Receivables					
Taxes receivable	61,083,662	68,427,298	74,773,939	75,559,548	74,241,949
State and federal receivables	71,032,772	61,008,447	63,825,416	58,530,465	47,806,420
Other	5,358,859	4,307,188	4,180,637	3,805,365	3,410,534
Due From Other Funds	5,162,726	7,262,548	3,676,156	4,008,762	5,010,327
Due From Other Governments	2,490,324	3,180,261	5,159,046	4,137,726	3,474,751
Prepaid Expenses	0	0	113,978	0	4,838,011
Inventory	68,530	61,532	90,552	62,131	53,683
Total	$175,355,023	$179,260,301	$188,761,370	$188,248,783	$174,454,989
Liabilities:					
Accounts Payable	26,395,876	27,321,931	22,445,359	24,706,358	19,332,243
Accrued Expenditures	2,441,533	2,544,283	1,033,196	1,542,418	2,027,753
Due to Other Governments	57,669,758	57,510,580	67,180,169	66,130,296	47,288,014
Due to Other Funds	3,468,554	1,722,802	1,469,817	3,395,924	1,431,138
Other Liabilites	0	0	0	0	0
Deferred Revenues	29,586,379	30,291,794	31,920,404	36,678,284	39,997,148
Retainage Payable	5,087,290	6,256,263	7,860,414	5,919,096	4,320,733
Bond and Tax Anticipation Notes Payable	13,500,000	10,900,000	9,800,000	0	0
Total Liabilities	138,149,390	136,547,653	141,709,359	138,372,376	114,397,029
Fund Balances:					
Nonspendable	68,530	61,532	204,530	62,131	4,891,694
Restricted	1,415,086	1,719,797	1,987,056	2,078,294	3,789,012
Assigned	8,563,469	6,054,131	5,131,725	5,430,897	6,858,664
Unassigned	27,158,548	34,877,188	39,728,700	42,305,085	44,518,590
Total Fund Equity	37,205,633	42,712,648	47,052,011	49,876,407	60,057,960
	$175,355,023	$179,260,301	$188,761,370	$188,248,783	$174,454,989

Source: County's Audited Financial Statements
Table itself not audited.

APPENDIX C*

FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2016*

Can be accessed on the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board ("MSRB") at the following link:

https://emma.msrb.org/ER1253007.pdf

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

***Such Financial Statements and opinion are intended to be representative only as of the date thereof. The Auditor, BST & Co. CPAs, LLP, has not been requested by the County to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement. The Auditor has not consented to the inclusion of the reports or extracts from this Official Statement. The consent of the Auditor was not sought by the County.**