

# Prince George's County Council

## Agenda Item Summary

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**Meeting Date:** 9/7/2010  
**Reference No.:** CB-012-2010  
**Draft No.:** 1  
**Proposer(s):** County Executive  
**Sponsor(s):** Exum, Turner, Harrison  
**Item Title:** An Act concerning the issuance and sale of General Obligation Bonds to finance the Waste Transfer Station capital project in an amount not to exceed Nineteen Million Six Hundred Seventy-Five Thousand Dollars (\$19,675,000)

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**Drafter:** Joseph R. Hamlin, Office of Law  
**Resource Personnel:** Debra Bice, Office of Management and Budget

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>	3/30/2010	<b>Executive Action:</b>	9/27/2010 S
<b>Committee Referral:</b>	3/30/2010 - PSFM	<b>Effective Date:</b>	11/12/2010

**Committee Action:** 7/7/2010 - FAV

**Date Introduced:** 7/13/2010  
**Public Hearing:** 9/7/2010 - 10:00 AM

**Council Action (1)** 9/7/2010 - ENACTED  
**Council Votes:** MB:A, WC:A, SHD:-, TD:A, CE:-, AH:A, TK:A, EO:A, IT:A  
**Pass/Fail:** P  
**Remarks:**

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### AFFECTED CODE SECTIONS:

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### COMMITTEE REPORTS:

**Public Safety and Fiscal Management** **Date 7/7/2010**  
REPORT: COMMITTEE VOTE: 5-0 Favorable (In Favor Council Members Exum, Campos, Dean, Harrison, and Turner.

This bill will authorize the County to sell bonds for the previously enabled Waste Transfer Station in an amount not to exceed \$19,675,000. The amount being authorized will enhance the construction of a Solid Waste Transfer Station to serve the future solid waste disposal needs of the County. This facility will supplement and replace the Brown Station Road Sanitary Landfill.

The enactment of this legislation is necessary to implement the enacted Fiscal Year 2010 Capital Budget, as amended, by allowing the County to borrow funds and sell bonds for this capital project. The current appropriation of \$8,000,000 is not sufficient thereby resulting in the request for a \$11,675,000 supplemental appropriation.

The approved FY2011- 2016 Capital Improvement Program shows the total cost of the Waste Transfer Station at \$33,775,000. Additional general obligations bonds are expected to be issued to cover most, if not all, of the

remaining project costs (CB-54-2010). The use of general obligations bonds will enable the County to secure lower interest rates than through the issuance of revenue bonds.

This bill was held in Committee on 04/07/2010.

The enactment of CB-12-2010 will have a negative fiscal impact on the County's Solid Waste Management Fund since the principal and interest expenses associated with the general obligation bonds will be recovered from this fund. The extent of the negative fiscal impact is contingent on the bond interest rate and the terms of the bonds.

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**BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

This Bill provides the authority to issue and sell up to \$19,675,000 in general obligation bonds to finance the Waste Transfer Station capital project in the FY 2010 Capital Budget, as amended, general obligation bond anticipation notes in anticipation of any such bond, and general obligation refunding bonds. The fiscal impact on the County for any bonds or bond anticipation notes will be negative to the extent of the debt service obligation incurred by the County when the bonds or notes are sold; the fiscal impact on the County for any refunding bonds should be positive when such refunding bonds are sold.

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**CODE INDEX TOPICS:**

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**INCLUSION FILES:**

I-CB-12-2010 Attachment 1.XLS

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