



THE PRINCE GEORGE'S COUNTY GOVERNMENT  
Office of Audits and Investigations

October 11, 2016

MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*  
County Auditor

FROM: Inez N. Claggett *INC*  
Senior Legislative Auditor

RE: Fiscal Impact Statement  
CR-072-2016 Contract Approval

Pursuant to your request, we have reviewed CR-072-2016 to estimate its fiscal impact on Prince George's County, Maryland.

Section 819 of the Charter of Prince George's County, Maryland requires approval, by Resolution, of all multi-year contracts exceeding \$500,000, by the County Council. CR-072-2016 provides the requisite approval for the multi-year financing agreement with Old Line Bankshares, Inc. and Industrial Bank (collectively referred to as the Banking Consortium) to acquire various County equipment, pursuant to the terms and conditions as outlined in the Memorandum of Understanding (MOU) designated as Attachment A to the Resolution.

Under the terms and conditions of the MOU the County may finance up to Thirty-Four Million Dollars (\$34,000,000) over the next four fiscal years from the Banking Consortium for the acquisition of eligible equipment. The four fiscal year term shall commence as of July 1, 2016 and shall expire on June 30, 2021. Amounts payable under the agreed upon financing agreement by the County shall not create additional indebtedness or charge against the State or Prince George's County. Any loans under the agreed upon financing agreement are a limited obligation of the County such that repayments shall be subject in each year to appropriation by the County. The County shall be under no obligation to make any appropriations, with respect to the agreed upon financing agreement, for any and all financing agreements made under the terms of the MOU.

CR-072-2016 should not have an adverse fiscal impact on the County.

If you require additional information, or have questions about this fiscal impact statement, please call me.