

Prince George's County Council

Agenda Item Summary

Meeting Date: 1/27/2004
Reference No.: CR-003-2004
Draft No.: 1
Proposer(s): WSSC
Sponsor(s): Knotts, Shapiro
Item Title: A Resolution approving the Refunding Plan of the WSSC for the refunding of certain bonds of Washington Suburban Sanitary District through the issuance of General Construction Refunding Bonds, Water Supply Refunding Bonds and Sewerage Refunding Bonds.

Drafter: Sandra A. Eubanks, Committee Director, THE
Resource Personnel: Tom Traber, WSSC

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:
Committee Referral:	1/13/2004 - THE	Effective Date:
Committee Action:	1/22/2004 - FAV	
Date Introduced:	1/13/2004	
Public Hearing:		
Council Action (1)	1/27/2004 - ADOPTED	
Council Votes:	MB:A, SHD:A, TD:A, CE:A, DCH:A, TH:-, TK:-, DP:A, PS:A	
Pass/Fail:	P	
Remarks:		

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE

Date 1/22/2004

Committee Vote: Favorable, 4-0 (In favor: Council Members Harrington, Peters, Dean and Hendershot).

The Washington Suburban Sanitary Commission requests the Council's approval to refund certain bond issues through the issuance of General Construction, Water Supply and Sewage Disposal Refunding Bonds in the approximate amount of \$270,745,000. There are seven (7) previously issued bonds being refinanced, which will mature within the next eighteen years. WSSC reports that if municipal bond interest rates maintain present levels, refunding these outstanding bonds could result in present value savings of \$15.6 million dollars. The refunding is scheduled to take place on February 3, 2004.

A question was raised regarding which bonds were being reissued and if the total issues would be refunded? WSSC's representative stated that the first seven issues in the refunding plan will be refunded. Only the callable maturities of these issues are candidates for refunding. The Commission's policy is to make the first ten years of a bond issue non-callable.

A question was raised regarding whether the bonds being reissued were for any Prince George's County

projects? WSSC's representative indicated that the bonds are not project specific. However, proceeds from prior bond sales have been used to finance projects in Prince George's County.

A Council member asked for information concerning Public Advisory Consultants. WSSC's representative indicated that Public Advisory Consultants is the name of WSSC's financial advisor and previously Chapman Company was the subcontractor. However, Chapman Company is no longer affiliated with Public Advisory Consultants or WSSC. Public Advisory Consultants is currently seeking to hire a replacement subcontractor.

A Council member requested to be informed of the replacement selection of the financial advisor subcontractor. WSSC's representative affirmed that he would see that this is done.

Montgomery County Council recently approved the refunding plan.

The Legislative Officer finds it to be in proper legislative form and the Office of Audits and Investigations determined that there should not be any negative fiscal impact on the County as a result of adopting CR-3-2004.

BACKGROUND INFORMATION/FISCAL IMPACT:

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

Section 4-109, Article 29 of the Annotated Code of Maryland requires that the sale of refunding bonds by the Washington Suburban Sanitary Commission shall be approved by the County Executive and County Council of Prince George's and Montgomery Counties, respectively. This approval must occur within 30 days of receipt of a Refunding Plan from the Commission. If action is not taken within the thirty-day period the Refunding Plan stands approved.

CODE INDEX TOPICS:

INCLUSION FILES:
