
Reference No: CR-12-1992

A G E N D A I T E M S U M M A R Y

Draft No: 1

P r i n c e G e o r g e ' s

Meeting Date: 3/10/92

C o u n t y C o u n c i l

Requester: WSSC

Item Title: A Resolution concerning approval of Finance
Plan of WSSC for issuance of Refunding
Bonds in the principal amount of
approximately \$873,065,000

Sponsors C CA MC

Date Presented	___/___/___	Executive Action	___/___/___	___
Committee Referral	(1) 2/18/92	H&ED	Effective Date	___/___/___
Committee Action	(1) 3/4/92	FAV		
Date Introduced	2/18/92			
Pub. Hearing Date	(1) ___/___/___	___:___		

Council Action (1) 3/10/92 Adopted
Council Votes CA: A_, B_: -_, C_: A_, D_: A_, F_: A_, MC: A_,
M_: N_, P_: AB, WI: A_, ___: ___, ___: ___, ___: ___
Pass/Fail P

Remarks _____

Drafter: Craig S. Price Deputy Council Admin.	Resource Joseph T. Carrigan, Dir. Personnel: WSSC-Invstmts & Funding
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LEGISLATIVE HISTORY

HOUSING & ECONOMIC DEVELOPMENT COMMITTEE REPORT

DATE: 3/4/92

Committee Vote: Favorable, 3-0 (In favor: Fletcher, Bell, Del Giudice).

CR-12-1992 authorizes the WSSC to issue a maximum of \$873 million in refunding bonds. However, this amount will only be reached if the interest rate for bonds drops to 5.4%. The Commission is anticipating that interest rates will be between 6.4% and 5.4%. Only those issues which will yield at least a two percent present value savings of outstanding debt will be refunded. The resolution also requires the WSSC to provide a comprehensive report to the Council within ten days of the refunding which indicates total savings, the present value of savings for the current year and FY 1993.

BACKGROUND INFORMATION/FISCAL IMPACT**(Includes reason for proposal, as well as any unique statutory requirements)**

By letter dated February 12, 1992, the Washington Suburban Sanitary Commission requested the County's approval of a plan to refinance \$873,065,000 in General Construction Bonds, Water Supply Bonds, Sewage Disposal Bonds, and Administration Building Construction Refunding Bonds. The Commission intends to refund only the callable portions of these bonds. The proposed refunding issues are structured to concentrate all of the savings in the early years of the debt service payments with no subsequent increase in debt service during the later years. WSSC is recommending the issuance of refunding bonds to refinance these bonds because under current market conditions the refunding issues will result in at least a 2% present value savings. If at the time of sale any one of the proposed refunding issues will not result in at least 2% present value savings that refunding will be excluded from the sale. Unless this Resolution is acted upon by the Council by March 10, 1992, the proposed action will stand approved.