

**PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY**

Meeting Date: 9/25/2001

Reference No.: CR-43-2001

Proposer: WSSC

Draft No.: 1

Sponsors: Maloney

Item Title: A Resolution approving the Finance Plan of the Washington Suburban Sanitary Commission for the refunding of certain bonds of Washington Suburban Sanitary District through the issuance of General Construction Refunding Bonds and Storm Water Drainage Refunding Bonds of the Washington Suburban Sanitary District

Drafter: Linnie Dixon
WSSC

Resource Thomas Traber
Personnel: WSSC

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: __/__/__

Committee Referral: 9/11/2001 THE

Effective Date: __/__/__

Committee Action: 9/18/2001 FAV

Date Introduced: 9/11/2001

Public Hearing: __/__/__ __: __

Council Action: 9/25/2001 ADOPTED

Council Votes: RVR:A, DB:A, JE:-, IG:A, TH:A, WM:A, AS:A, PS:A, MW:A

Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 9/18/01

Committee Vote: Favorable, 3-0, (In favor: Council Members Estepp, Shapiro and Hendershot)

Staff gave an overview of the legislation and informed the Committee of referral comments that were received. CR-43-2001 would approve the refunding of certain bond issues (General Construction Refunding Bonds and Storm Water Drainage Bonds) described in the enclosed Refunding Analysis Plan (Attachment A). These bonds were sold in earlier years at relatively higher interest rates and are candidates for refinancing within the next twelve months.

The Chief Financial Officer, WSSC, informed the Committee that if municipal bond interest rates maintain present levels, refunding certain outstanding bonds could result in present value savings to the Commission. It was further stated that one of the current refunding issues appears not to be cost-effective. However, WSSC was informed that all refunding bond issues were to be included in the Refunding Analysis Plan to be eligible. Depending on the market, only cost-effective issues will be refunded. The Chief Financial Officer indicated that the bonds will not be refunded until November.

The law provides for an automatic approval of any refunding plan if action isn't taken by the Council within 30 days of submission.

The County Executive takes no position. The Legislative Officer and the Office of Law finds it to be in proper legislative form. The Department of Environmental Resources supports and would urge the WSSC to manage the financing of the Storm Water Drainage Bonds so that only cost-effective issues are refunded.

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 finance plan from the Commission. If actions is not taken within the thirty-day period the finance plan stands approved.

CODE INDEX TOPICS: