

PRINCE GEORGE'S COUNTY COUNCIL
AGENDA ITEM SUMMARY

Meeting Date: 9/9/97

Reference No.: CB-94-1997

Proposer: County Executive

Draft No.: 1

Sponsors: Wilson, Del Giudice, Russell

Item Title: The Issuance and Sale of General Obligation Bonds
not to exceed \$184,604,000

Drafter: Kathleen H. Canning
Office of Law

Resource Personnel: Steve Kaplan
OMB

LEGISLATIVE HISTORY:

Date Presented: 9/2/97

Executive Action: 10/16/97 S

Committee Referral:(1) 9/2/97 PSFM

Effective Date: 12/1/97

Committee Action:(1) 9/4/97 FAV

Date Introduced: 9/9/97

Pub. Hearing Date: (1) 9/30/97 1:30 P.M.

Council Action: (1) 9/30/97 ENACTED

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

Pass/Fail: P

Remarks: _____

PUBLIC SAFETY & FISCAL MANAGEMENT COMMITTEE REPORT

Date: 9/4/97

Committee Vote: Favorable, 4-0, (In favor: Council Members Wilson, Estepp, Maloney and Scott).

This bill provides bond sale authority of \$184.6 million for the following projects in the County:

	<u># of Projects</u>	<u>Amount of Bond</u>	<u>FY98 Bond Sale Amount</u>
Schools	19	\$106,401	\$28,584
Public Works	28	28,957	24,359
Library	4	8,453	5,325
Health	1	5,829	2,002
Corrections	1	4,673	4,673

	<u># of Projects</u>	<u>Amount of Bond</u>	<u>FY98 Bond Sale Amount</u>
Police	1	1,590	1,590
Fire	1	43,000	43,000
Community College	5	5,441	3,882
Central Services	1	1,000	1,000
Solid Waste Mgmt.	<u>7</u>	<u>22,217</u>	<u>22,217</u>
TOTAL	68	\$ 184,604	\$ 93,675

The \$184.6 million authorization amount is \$90.9 million larger than the \$93.7 million programmed for sale in FY98. The higher amount reflects an intent to mirror language in Section 827 of the Charter that deals with the contents of the Bond Issue Authorization Ordinances. The \$90.9 million difference represents the amount needed to complete a usable portion of these projects programmed for construction initiation in FY98. Most of the difference (\$ 75.8 million) is for school projects, particularly three high school projects, (Ardmore, Bladensburg, Northwestern). This legislation provides the Executive with the authority to sell sufficient bonds necessary to complete these projects over the next several years.

The amount programmed in the capital budget for FY98 bond sale is \$93.7 million. The debt service for \$22.2 million of this amount will come from the Solid Waste Management Fund. The General Fund will be responsible for the debt service on the remaining \$71.5 million.

The fiscal impact on the County will be negative to the extent of the debt service obligation incurred when the bonds are sold.

BACKGROUND INFORMATION/FISCAL IMPACT

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

As provided in Section 814 of the Charter, the County Council may adopt bond issue authorization ordinances to provide the means to fund capital projects that are to be financed from borrowing. This bill provides the County with the authority to sell general obligation bonds for capital projects in an amount not to exceed \$184,604,000. The projects cited in this bill were approved in the FY1998-2003 Capital Improvement Program.