

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

Meeting Date: 7/26/95

Reference No.: CB-59-1995

Proposer: County Executive

Draft No.: 1

Sponsors: Del Giudice, Bailey, and Scott

Item Title: To authorize Prince George's County, Maryland, to issue and sell General Obligation Bonds in an amount not to exceed \$65,467,000

Drafter: Barbara L. Holtz
Office of Law

Resource Personnel: Steve Kaplan, OMB

LEGISLATIVE HISTORY:

Date Presented:	6/13/95	Executive Action:	8/8/95	S
Committee Referral:	(1) 6/13/95	C.O.W.	Effective Date:	9/25/95
Committee Action:	(1) 6/27/95	FAV		
Date Introduced:	7/5/95			
Pub. Hearing Date:	(1) 7/26/95	1:30 PM		

Council Action: (1) 7/26/95 Enacted
Council Votes: AMc:A, DB:A, SD:A, JE:A, IG:A, WM:A, RVR:AB, AS:A, MW:A
Pass/Fail: P

Remarks: _____

COMMITTEE OF THE WHOLE

Date: 6/27/95

Committee Vote: Favorable, (7-0-1) In favor: Council Members MacKinnon,
Bailey, Del Giudice, Estep, Maloney, Scott and
Wilson

Abstain: Council Member Russell
Absent: Council Member Gourdine

This bill authorizes the County Executive to issue and sell General Obligation Bonds in an amount not to exceed \$65,467,000 for fifteen (15) school construction projects totaling \$16,330,000; twenty-seven (27) Public Works and Transportation projects totaling \$18,108,000; one (1) Library project totaling \$500,000; four (4) Community College projects costing \$1,026,000; two (2) Central Services projects costing \$5,500,000 and six (6) Department of Environmental Resources projects totaling \$24,003,000. All these projects are listed on pages 45 and 46 of the bill.

The school projects are exactly the same as those adopted by the Council in the FY 1996 Capital Budget for school construction. The Committee discussed the fact that the Surrattsville High School Improvement project costs totalled \$2,850,000 as approved in the CIP. However, authorization was shown for only \$1,350,000 in County General Obligation Bonds. Although the project description indicates the remaining \$1,500,000 in funding should come from "other funding" by transferring appropriation authority from the Major Repair school project or from projected Board of Education School Construction surplus. No "other funding" is listed in the table of projects for this project. The Committee amended the table of projects on page 45 to include the reference of CB-57-1995 as the enabling act which authorizes the sale of bonds for the projects listed in the bill.

The Public Works and Transportation, Library, Community College and Central Service projects were all determined by the Committee to have been enabled and approved by the voters at referendum as shown on Attachment 1, the Table of Projects Bond Sale Authorization. The Committee also determined the proposed bond sale for all of these projects is consistent with the adopted and approved FY 1996 Capital Budget for each category of projects listed above.

The Department of Environmental Resources projects were also enabled and approved by the voters at referendum. The debt service on the bond sales for these projects will be paid from revenues collected from the solid waste management fees approved by the County in FY 1996 Current Expense Budget. Council Member Russell noted his objection to the inclusion of the Household Hazardous Waste project in this bond authorization bill because of the proposed location of the facility at the Brown Station Road Landfill. However, he supports the legislation.

The Committee was advised this bond sale will occur between January and June of 1996. It is estimated by staff that the cost of issuance bonds and the repayment of principal and interest to be approximately 9 to 10 percent (9-10%) per year. The projected debt service for a bond sale of \$65,467,000 is, therefore, estimated to be between \$5.8 million and \$6.5 million dollars in FY 1997.

This bill also states that the County's debt limit which is 15% of the County's assessable base or \$2.4 billion dollars is approximately \$2 billion dollars below the limit. The Committee, therefore, found that the proposed sale of \$65.5 million in additional debt limit imposed by Section 5(p) of Article 25A of the Annotated Code of Maryland.

BACKGROUND INFORMATION/FISCAL IMPACT

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

This legislation will authorize Prince George's County, Maryland, to issue and sell General Obligation Bonds in an amount not to exceed \$65,467,000.

CODE INDEX TOPICS: