

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

Meeting Date: 5/7/2002

Reference No.: CB-27-2002

Proposer: County Executive

Draft No.: 1

Sponsors: Bailey, Scott, Russell, Dernoga

Item Title: An Emergency Act to authorize and empower the County to issue and sell an amount not to exceed \$99,000,000 in aggregate principal amount of general obligation refunding bonds

Drafter: Bond Counsel
Kathleen H. Canning, Law

Resource Pran N. Katyal
Personnel: Finance

LEGISLATIVE HISTORY:

Date Presented: __/__/__

Executive Action: 5/7/2002 S

Committee Referral: 4/16/2002 PSFM

Effective Date: 5/7/2002

Committee Referral: 4/30/2002 C.O.W.

Committee Action: 4/30/2002 FAV

Date Introduced: 4/16/2002

Public Hearing: 5/7/2002 10:00 A.M.

Council Action: 5/7/2002 ENACTED

Council Votes: PS:A, DB:A, TD:A, JE:A, TH:A, RVR:A, AS:A, MW:A

Pass/Fail: P

Remarks: _____

COMMITTEE OF THE WHOLE REPORT

DATE: April 30, 2002

Committee Vote: 8-0 (In favor: Council Members Shapiro, Bailey, Dernoga, Estepp, Hendershot, Russell, Scott and Wilson)

This emergency bill will authorize the refund of certain outstanding general obligation bonds of the County in an amount not to exceed \$99,000,000.00. The purpose of this refunding is to take advantage of the low interest rate which will provide an economic savings to the County by reducing the debt service payment on outstanding consolidated Public Improvement Bonds and Stormwater Bonds. The designation of this legislation as an emergency bill is needed to take advantage of the currently low interest rates in the market that could change very quickly

thereby negating the proposed savings.

There should be a positive fiscal impact on the County as a result of enacting CB-27-2002. The current rate of the debt service payment is 5.71% and the rate after refunding will be 4.04% which will translate into a net savings of approximately three million dollars (\$3,000,000.00) to the County.

BACKGROUND INFORMATION/FISCAL IMPACT

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

P

This emergency bill will authorize the County to issue and sell an amount not to exceed \$99,000,000 in aggregate principal amount of general obligation refunding bonds. The purpose of this refunding is to effect economic savings to the County by reducing the debt service payments on outstanding Consolidated Public Improvement Bonds and Stormwater Bonds. An emergency bill is needed to take advantage of currently low interest rates in a market that could change rapidly and move in a direction that could hurt the deal.

CODE INDEX TOPICS: