

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

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**Meeting Date:** 5/16/2000

**Reference No.:** CB-39-2000

**Proposer:** County Executive

**Draft No.:** 1

**Sponsors:** Shapiro, Bailey

**Item Title:** Water Quality Refunding Bonds  
Maryland Water Quality Financing Administration  
authorizing the County to borrow money and incur  
indebtedness in a principal amount not to exceed  
\$8,550,000

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**Drafter:** Kathleen H. Canning  
Law

**Resource** Kathleen H. Canning  
**Personnel:** Law

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**LEGISLATIVE HISTORY:**

**Date Presented:** \_\_/\_\_/\_\_

**Executive Action:** 5/16/2000 S

**Committee Referral:** 4/25/2000 THE

**Effective Date:** 6/30/2000

**Committee Action:** 5/1/2000 FAV

**Date Introduced:** 4/25/2000

**Public Hearing:** 5/16/2000 10:00 A.M.

**Council Action:** 5/16/2000 ENACTED

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

**Pass/Fail:** P

**Remarks:** See also CB-37 & 38-2000 & CR-21-2000

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**TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE** DATE: 5/1/00

Committee Vote: Favorable, 5-0 (In favor: Council Members Shapiro, Gourdine, Hendershot, Maloney and Wilson).

Staff gave an overview of the legislation and informed the Committee of referral comments that were received. The Bond Counsel indicates that this legislation will provide the authority to borrow up to \$8,550,000 under a loan agreement from the Maryland Water Quality Financing Administration (the "MWQFA") to refund certain outstanding maturities of the Stormwater Management Bonds issued by the County in 1993 and 1997. A portion of the proceeds of these bonds were used to defray the construction cost of 38 stormwater projects. The cost of these

projects have been determined eligible by MWQFA for refunding from the Maryland Water Quality Revolving Loan Fund. The refunding will effectuate economic savings to the County through a reduction in the cost of debt service.

The County Executive transmittal indicates that the refunding of the County's outstanding bonds as described in CB-39-2000, CB-38-2000 and CR-21-2000 is expected to effect debt service savings of approximately \$4 million.

A list of the Stormwater Capital Improvement Projects eligible for financing under the State Revolving Loan Fund was distributed by the Office of Law.

Currently, MWQFA is funding loans from the Maryland Water Quality Revolving Loan Fund at a low interest rate of 2.62%. If the County sells its general obligation bonds now, the net interest rate on borrowing amount is expected to be 5.40%.

## **BACKGROUND INFORMATION/FISCAL IMPACT**

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

This legislation authorizes the County to borrow a total of \$15,100,000 from the Fund to refund certain selected maturities of previously issued general obligation bonds and general obligation stormwater management bonds.

## **CODE INDEX TOPICS:**