




**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**Office of Audits and Investigations**


June 19, 2019

**MEMORANDUM**

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: David H. Van Dyke   
County Auditor

FROM: Inez N. Claggett   
Senior Legislative Auditor

RE: Fiscal Impact Statement  
CR-028-2019 Contract Approvals

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***Legislative Summary***

CR-028-2019 seeks to provide the requisite approval for a multi-year financing agreement to fund essential equipment and vehicles for Prince George's County.

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***Background***

Section 819 of the Charter of Prince George's County, Maryland requires approval, by Resolution, of all multi-year contracts exceeding \$500,000, by the County Council.

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***Resource Personnel***

Ronald M. Halper, Debt Manager, Office of Finance  
Stanley A. Earley, Director, Office of Management and Budget

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***Assumptions and Methodology***

The County seeks to finance its 2019 capital equipment purchase not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000), for up to ten (10) years. The terms and conditions of the

financing agreement are detailed within Attachment A to the Resolution. Proceeds from the financing agreement will be used to acquire the equipment listed within Attachment B to the Resolution.

In accordance with the Resolution, the financing agreement will be either a tax-exempt lease purchase financial contract, or an issuance of tax-exempt certificates of participation. Once the agreement is finalized, the County will reimburse itself for certain expenditures paid before receipt of the proceeds from the financing agreement in accordance with Treasury Regulations.

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***Fiscal Impact***

- Direct Impact

Adoption of CR-028-2019 will result in a negative fiscal impact to the County of approximately \$2,620,000 annually over the term of the agreement.

- Indirect Impact

Adoption of CR-028-2019 should not have adverse indirect fiscal impact upon the County.

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***Appropriated in the Current Fiscal Year Budget***

The FY 2020 lease payment was appropriated within the FY 2020 approved budget.

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***Effective Date***

The proposed Resolution shall be effective on the date of adoption.

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If you require additional information, or have questions about this fiscal impact statement, please call me.