

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

Meeting Date: 3/26/96

Reference No.: CR-9-1996

Proposer: WSSC

Draft No.: 1

Sponsors: Del Giudice

Item Title: A resolution to approve a certain Finance Plan of the Washington Suburban Sanitary Commission for the Issuance of Refunding Bonds in the amount of \$177,545,000

Drafter: Joseph P. Carrigan
WSSC

Resource Personnel: Joseph P. Carrigan
WSSC

LEGISLATIVE HISTORY:

Date Presented: __/__/__
Committee Referral:(1) 3/12/96 THE
Committee Action:(1) 3/21/96 FAV
Date Introduced: 3/12/96
Pub. Hearing Date: (1) __/__/__ __: __ __

Executive Action: __/__/__ ____
Effective Date: __/__/__

Council Action: (1) 3/26/96 ADOPTED
Council Votes: SD:A, DB:A, JE:A, IG:A, AMc:A, WM:--, RVR:A, AS:A, MW:A
Pass/Fail: P

Remarks: _____

TRANSPORTATION, HOUSING AND ENVIRONMENT COMMITTEE DATE: 3/21/96

Committee Vote: Favorable 3-0 (In favor: Council members Estepp, Russell, Scott).

Joseph Carrigan, Director of Investment and Funding of WSSC, indicated that the Commission has established a 1.5% threshold for the refunding. No bond issues will be refunded unless at least a 1.5% savings (net of issuance costs) can be achieved. Mr. Carrigan indicated that the current market rate on refunding bonds is approximately 5.3%. The refunding plan lists the bond issues that would

be refunded at the 5.06%, 4.81% and 4.56% levels. If the interest rate on refunding bonds reaches 4.56% a total of \$5,715,408 in present value savings can be achieved. The Commission will provide a comprehensive report to the Council within ten days of the issuance of the refunding bonds. This report will list: Total debt service savings; the present value of savings; and total savings for the current (as well as the ensuing) fiscal year.

BACKGROUND INFORMATION/FISCAL IMPACT

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

Section 4-109, Article 29 of the Annotated Code of Maryland requires that the sale of refunding bonds by the Washington Suburban Sanitary Commission shall be approved by the County Executive and County Council of Prince George's and Montgomery Counties, respectively. This approval must occur within 30 days of receipt of a finance plan from the Commission. If action is not taken within the thirty-day period the finance plan stands approved.

CODE INDEX TOPICS: