




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


June 6, 2018

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-036-2018 DR-1 Contract Approvals

Legislative Summary

CR-036-2018 seeks to provide the requisite approval for the negotiation of a multi-year financing agreement with a vendor to be determined to acquire the County's 2018 capital equipment requirements.

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.

Resource Personnel

Ronald M. Halper, Debt Manager, Office of Finance

Assumptions and Methodology

The County seeks to finance its 2018 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.

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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.

Fiscal Impact

- Direct Impact

Adoption of CR-036-2018 will result in a negative fiscal impact to the County of approximately \$2,680,000 annually over the term of the agreement.

- Indirect Impact

Adoption of CR-036-2018 should not have adverse indirect fiscal impact upon the County.

Appropriated in the Current Fiscal Year Budget

FY 2019 lease payments were appropriated within the FY 2019 approved budget.

Effective Date

Date of adoption of the Resolution.

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