

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXEC. ACTION _____
EFFECTIVE DATE _____

County Council Of Howard County, Maryland

2015 Legislative Session

Legislative Day No. 1

Bill No. 2 -2015

Introduced by: The Chairperson at the request of the County Executive

AN ACT for the purpose of authorizing and empowering Howard County, Maryland to borrow money in the aggregate principal amount of up to \$3,263,000 on its full faith and credit, and issue and sell its bonds therefor, to be used to pay costs of various capital projects, more particularly described in the County's 2015 Capital Budget, and to pay costs of issuance of such bonds; authorizing the County to issue bond anticipation notes or to enter into installment purchase agreements for payment of portions of such costs; and to levy taxes upon the assessable property within the County sufficient, together with other available funds, to pay the debt service on such obligations; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2015. Ordered posted and hearing scheduled.

By order _____
Jessica Feldmark, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2015.

By order _____
Jessica Feldmark, Administrator

This Bill was read the third time on _____, 2015 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Jessica Feldmark, Administrator

Sealed with the County Seal and presented to the County Executive for approval this __day of _____, 2015 at ____ a.m./p.m.

By order _____
Jessica Feldmark, Administrator

Approved by the County Executive _____, 2015.

Allan H. Kittleman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment

1 **Recitals**

2 The County Council of Howard County, Maryland (the “County Council”) has adopted a Capital
3 Budget for Howard County, Maryland (the “County”) for the fiscal year ending June 30, 2015, and
4 included therein certain appropriations to pay the costs certain County capital projects that are more
5 particularly described in Appendix A attached hereto (the “Projects”). Pursuant to Resolution No. ____-
6 2015, which has been adopted by the County Council prior to the passage of this Act, the County has
7 modified the funding sources for the Projects by transferring from various other capital projects to the
8 Projects an aggregate appropriation of \$3,263,000 in bond funding to finance and refinance the Projects,
9 including payment of the costs of issuance of any obligation issued to evidence such borrowing.

10 **Now therefore, in accordance with the provisions of Article VI of the Charter of Howard**
11 **County:**

12 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That the
13 County, finds it necessary to borrow and is hereby authorized and empowered to borrow on its full faith
14 and credit, and issue and sell its bonds therefor, at one time or from time to time, an aggregate principal
15 amount not exceeding \$3,263,000 the proceeds thereof to be used to finance and refinance the Projects
16 more particularly described in Appendix A attached hereto and in the Capital Budget, including without
17 limitation, the cost of planning, design, construction, reconstruction, furnishing, equipping,
18 improvements, renovations, remodeling, enlargements, engineering services, architects services, surveys,
19 landscaping, site development, evaluation studies, land acquisition and related items, appurtenances and
20 incidental activities. Proceeds of any bonds authorized by this Act may also be used to pay costs of
21 issuance of such bonds.

22 **Section 2. And be it further enacted by the County Council of Howard County, Maryland,**
23 That, pursuant to and in accordance with Section 19-212 of the Local Government Article of the
24 Annotated Code of Maryland, as amended, the County is also authorized to issue bond anticipation notes
25 in anticipation of the issuance of the bonds authorized by this Act and described in Section 1 hereof, and
26 all references to “bonds” or “obligations” in this Act shall include such bond anticipation notes, unless the

1 context clearly requires a contrary meaning. It is intended that the aggregate principal amount of issued
2 and outstanding bond anticipation notes when added to the aggregate principal amount of issued and
3 outstanding bonds in anticipation of which such notes were issued, shall not exceed the aggregate
4 principal amount set forth in Section 1 of this Act at any time. The County will agree in each ordinance
5 described in Section 4 of this Act relating to any notes issued pursuant to this Act to pay such notes and
6 the interest and premium, if any, thereon from the proceeds of the bonds in anticipation of the sale of
7 which such notes are issued and other available funds, and the County will agree to issue such bonds
8 when, and as soon as, the reason for deferring their issuance no longer exists.

9 **Section 3. And be it further enacted by the County Council of Howard County, Maryland,**

10 That, in connection with the acquisition of real property as part of the Projects, the County may incur all
11 or any portion of the indebtedness authorized by this Act for such acquisition by entering into an
12 installment purchase agreement pursuant to and in accordance with Section 4.201A of the Howard
13 County Code (“Section 4.201A”) or any successor provisions of law in lieu of issuing bonds for such
14 acquisition. The principal amount of any such installment purchase agreement shall not exceed the lesser
15 of (a) the maximum principal amount permitted by Section 4.201A or (b) the portion of the amount to be
16 borrowed for the Projects (as set forth in Section 1 hereof) which relates to such acquisition. All
17 references to “bonds” or “obligations” in this Act shall include such installment purchase agreements,
18 unless the context clearly requires a contrary meaning.

19 **Section 4. And be it further enacted by the County Council of Howard County, Maryland,**

20 That the County Council of the County, by an ordinance or ordinances adopted from time to time in
21 accordance with Article VI of the Charter and other applicable provisions of law and policies of the
22 County, shall provide for (a) the issuance and sale of, (b) the maximum principal amount, designation,
23 form, tenor and denomination or denominations of, (c) the dates of the first maturity and the last maturity
24 (not more than 30 years after the date of issue) of, and (d) the interest rate or rates per annum (or the
25 method of determining such rate or rates) payable on, any bonds or other obligations issued from time to

1 time under this Act; and may by any such ordinance, or by separate resolution, provide that the issue of
2 bonds or other obligations hereby authorized be consolidated with one or more other issues.

3 **Section 5. And be it further enacted by the County Council of Howard County, Maryland,**

4 That for the purpose of paying the principal of and interest on such bonds or other obligations as the same
5 shall become payable, the County Council of Howard County shall levy annually ad valorem taxes upon
6 the assessable property in the County sufficient, together with other available funds, to pay the principal
7 of and interest on such bonds or other obligations until all of such bonds or other obligations shall mature
8 and be redeemed.

9 **Section 6. And be it further enacted by the County Council of Howard County, Maryland,**

10 That any bonds or other obligations issued from time to time under this Act are specifically exempt from
11 the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of
12 Maryland, as amended, and any successor provision of law.

13 **Section 7. And be it further enacted by the County Council of Howard County, Maryland,**

14 That all bonds or other obligations authorized hereby shall be issued within four years from the date this
15 Act becomes effective. Notwithstanding the foregoing, if bond anticipation notes are issued within such
16 period in accordance with Section 2 hereof, the bonds authorized hereby may be issued until the final
17 maturity date of such notes.

18 **Section 8. And be it further enacted by the County Council of Howard County, Maryland,**

19 That the County anticipates that a portion of the costs of the Projects may be paid prior to the issuance of
20 the bonds or other obligations authorized hereby. The amount of such costs so paid will depend on
21 various factors, including, without limitation, the timing and speed of progress on the Projects, the
22 availability of other funds to pay such costs on an interim basis, bond and money market conditions and
23 compliance with federal and State laws and regulations.

24 Accordingly, the County reasonably expects to reimburse costs of the Projects (as described
25 herein) with proceeds of the bonds or other obligations authorized hereby, such bonds or other obligations
26 to be issued by the County in the maximum principal amount of \$3,263,000.

- 1 **Section 9. And be it further enacted by the County Council of Howard County, Maryland,**
- 2 That this Act shall take effect sixty-one (61) days after its enactment.

| Project Description | Amount to be Borrowed |
|---|------------------------------|
| E0980 FY2004 SYSTEMIC RENOVATIONS | \$ 600,000 |
| Improvements and installation of systemic renovations at various school sites, including projects of a critical nature such as sprinkler repair, HVAC repair, window replacement, and other projects in support of the local CIP outlined in the HCPSS Comprehensive Maintenance Plan, as well as emergent projects on school properties. | |
| E1023 FY2013 NEW MIDDLE SCHOOL #20 | 827,000 |
| A project to construct a new middle school to relieve the Northeastern and Southeastern regions in 2014. | |
| E1030 FY2014 DEEP RUN ELEM SCHOOL RENOVATION/ADDITION | 536,000 |
| A project to expand educational program spaces and renovate Deep Run Elementary School. | |
| E1032 FY2014 LAUREL WOODS ELEM SCHOOL ADDITION | 1,300,000 |
| A project to expand educational program spaces Laurel Woods Elementary School. | |
| TOTAL AMOUNT TO BE BORROWED: | <u>\$3,263,000</u> |