



Committee: Directly to Council
Committee Review: N/A
Staff: Gene Smith, Legislative Analyst
Purpose: Final action – vote expected
Keywords: Debt, CIP

AGENDA ITEM #12
October 1, 2019
Action

SUBJECT

Resolution to Consolidate Previously Authorized Notes for Sale and Issuance as a Single Issue

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

N/A

DESCRIPTION/ISSUE

The Executive requested the Council introduce the subject resolution in conjunction with Expedited Bill 26-19 to implement the FY20 Capital Improvements Program (CIP). The subject resolution allows the Executive to consolidate previous bond authorizations and increases the total bond authorization to include Expedited Bill 26-19; these consolidated bond authorizations may be issued, sold, and delivered from time to time as one or more series of bond anticipation notes (see ©4).

SUMMARY OF KEY DISCUSSION POINTS

- Expedited Bill 26-19 and the subject resolution must be adopted to implement the FY20 CIP.

This report contains:

Executive memo

©#1

Proposed resolution

©#2

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

September 9, 2019

TO: Nancy Navarro, Council President
Montgomery County Council

FROM: Marc Elrich *Marc Elrich*
County Executive

SUBJECT: Bond Authorization Legislation - Approved FY 2020 Capital Budget and Resolution
Providing for the Consolidation of Certain Previously Authorized Notes for Sale and
Issuance as a Single Issue

The approved Capital Budget for Fiscal Year 2020 provides for certain increased appropriation authority that will require funding initially from Commercial Paper Bond Anticipation Notes, and permanent financing from future County general obligation bond issues.

The Council, therefore, will have to consider the related additional bond authority by category, necessary to fully implement this program. Accordingly, I am transmitting the attached bill providing for this action. This legislation was prepared by the Department of Finance and reviewed by the County's bond counsel, McKennon Shelton & Henn LLP. The fiscal impact with respect to the legislation is contained within the approved Operating Budget and consists of the related annual debt service on the Notes and bonds following their ultimate issue.

I am transmitting concurrently the resolution that consolidates the new authority with all previous commercial paper bond anticipation note authority. This "consolidating resolution" will take effect from the date on which the bond authority becomes effective.

I would appreciate it if you could arrange to have the consolidating and refunding resolution placed on the September 17, 2019 Council Consent Calendar for introduction concurrent with the bond authorization legislation, and arrange for it to be adopted on October 1, 2019 when the bond authority bill is approved.

A copy of a schedule prepared by the Controller's Office reflecting the composition of the additional bond authority is enclosed for your information. If you have any questions please contact Michael J. Coveyou, Acting Director of Finance at extension 7-8870.

ME: jc
Attachments

Resolution No.: _____
Introduced: September 17, 2019
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the request of the County Executive

SUBJECT: Resolution to Consolidate Previously Authorized Notes for Sale and Issuance as a Single Issue

Background

1. Resolution No. 16-1104, adopted by the County Council for Montgomery County, Maryland (the "County Council"), on September 15, 2009 as amended by Resolution No. 16-1567 of the County Council adopted on November 30, 2010, Resolution No. 17-318 of the County Council adopted on December 6, 2011, Resolution No. 17-556 of the County Council adopted on September 25, 2012, Resolution No. 17-908 of the County Council adopted on October 1, 2013, Resolution No. 17-1247 of the County Council adopted on October 14, 2014, Resolution No. 18-305 of the County Council adopted on October 27, 2015 and Resolution No. 18-1259 of the County Council adopted on October 2, 2018 (collectively, the "Note Resolution"), authorized the County to issue, at one time or from time to time, bond anticipation notes (the "Notes") of Montgomery County, Maryland (the "County"). The Notes are to be issued pursuant to and in accordance with certain laws of Montgomery County, Maryland (the "Authorizing Legislation") and Section 19-212 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2018 Supplement) (the "Bond Anticipation Note Act"), for the public purposes and uses as set forth in the Authorizing Legislation and to pay the costs of issuing the Notes.
2. On September 17, 2019, the County Council introduced Expedited Bill No. 26-19, Bond Authorization to authorize the County to borrow money in an aggregate amount of \$339,200,000 for the purposes of financing the cost of certain public facilities.
3. In addition, the County has decided to authorize the issuance, sale, and delivery of additional bond anticipation notes in the nature of commercial paper at any time and from time to time in the principal amount of \$570,190,000 for the purpose of having bond

anticipation note authority available for the issuance of bonds previously authorized by the County Council, but heretofore unissued.

4. The County wishes to add the authority provided in Expedited Bill No. 26-19 and the additional bond anticipation note authority hereby authorized with the authority remaining under the Note Resolution so that the aggregate amount of all the authority may be consolidated for sale and issued, sold and delivered from time to time as one or more series of bond anticipation notes.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

Section 1. The Note Resolution is hereby amended as follows:

1. The "Authorized Amount" means \$1,220,403,000 less the aggregate principal amount of Notes paid after the effective date of this Resolution with proceeds of general obligation bonds and other legally available funds, as that amount may be amended from time to time by resolution of the County Council.

2. The definition of "Authorized Legislation" in Section 1, paragraph (b)(iii) of Resolution 16-1104 is hereby amended to include Expedited Bill No. 26-19.

Section 2. The effect of the amendments in Section 1 is to increase the County's authority to issue bond anticipation notes under the Note Resolution.

Section 3. Except as specifically amended by this Resolution, the Note Resolution is hereby fully ratified and confirmed.

Section 4. This Resolution takes effect when the law introduced as Expedited Bill No. 26-19 takes effect.

This is a correct copy of Council action.

Mary Anne Paradise
Acting Clerk of the Council