

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2008 Legislative Session

Legislative Day No. 15

Resolution No. 100-2008

Introduced by: The President of the Council at the request of the County Executive

CHARTER AMENDMENT

A RESOLUTION OF THE COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND TO AMEND ARTICLE III, SECTION 313 TO ALLOW FOR THE REFUNDING OF OBLIGATIONS OF THE COUNTY.

WHEREAS, interest rates fluctuate over time; and

WHEREAS, when interest rates decline, the County may be able to save substantial amounts through refunding outstanding bonds, certificates of indebtedness, notes or other obligations; and

WHEREAS, while Section 24 of Article 31 of the Annotated Code of Maryland permits Maryland counties and municipalities, among other public entities, to issue bonds to refund their general obligation bonds, revenue bonds or other evidences of obligation by whatsoever name known or source of funds secured, subsection c of Section 313 of Article III of the County's Charter current provides that all obligations authorized under such Section 313 with a term in excess of twelve (12) months and all obligations for twelve (12) months or less issued for current operating expenses shall not be refunded; and

WHEREAS, many Maryland counties have been able to achieve substantial debt service savings by exercising their refunding authority; and

WHEREAS, the County's financial advisor tracks interest rates and in December of 2007 determined that three outstanding County bond issues were candidates for refunding, if refunding were allowed, and calculated the savings over the life of such bonds could be close to \$700,000 if such bonds were refunded at that time; and

WHEREAS, the County Council has determined to propose the following amendment to the Charter, and now desires to submit the proposed revision of the Charter to the citizens of the County for consideration at the next general or congressional election in accordance with the provisions of the Charter.

NOW THEREFORE, BE IT RESOLVED by the County Council of Wicomico County, Maryland, pursuant to the authority granted the County Council of Wicomico County, Maryland by Article XI-A, Section 5 of the Constitution of Maryland and Article XI, Section 1002 of the Charter of Wicomico County, Maryland that the Charter of Wicomico County, Article III, titled "The Legislative Branch," Section 313, titled "Limitation on bond issues" be amended to read as follows:

CERTIFICATION

This Resolution was Adopted , Adopted with Amendments , Failed , Withdraw  by the County Council on July 15, 2008.

Certified by [Signature] Matthew E. Creamer, Council Administrator

ARTICLE III  
THE LEGISLATIVE BRANCH

Section 313. Limitation on bond issues.

- A. Aggregate issues. No bonds, certificates of indebtedness, notes or other obligations shall be issued by the county on its faith and credit and for its corporate uses in an amount exceeding, in the aggregate, three and two tenths per centum (3.2%) of the assessable basis of real property of the county and eight per centum (8%) of the County's assessable basis of personal property and operating real property of the county as described in section 8-109c of the Tax - Property Article, except that (1) tax anticipation notes or other evidences of indebtedness having a maturity not in excess of twelve (12) months, (2) bonds or other evidences of indebtedness issued or guaranteed by the county payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing areas or districts heretofore or hereafter established by law and (3) bonds or other evidences of indebtedness issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services, shall not be included as bonds or evidences of indebtedness in computing or applying said limitations.
- B. Serial maturity plan. All issues of bonds, certificates of indebtedness, notes or other obligations of the county for a term in excess of twelve (12) months, shall be issued on a serial maturity plan providing for the maturity of the series in consecutive annual installments; said annual installments shall be in such amounts as may be deemed advisable by the County Council, and said installments are not required to be equal in amount: provided, however, that the last installment of the series shall become due not later than twenty-five (25) years after the date of issuance.
- C. ~~Payment. All such obligations for a term in excess of twelve (12) months, and all obligations for twelve (12) months or less issued for current operating expenses, shall be paid at maturity and shall not be refunded.~~ REFUNDING. ALL ISSUES OF BONDS, CERTIFICATES OF INDEBTEDNESS, NOTES OR OTHER OBLIGATIONS OF THE COUNTY ARE SUBJECT TO REFUNDING IN ACCORDANCE WITH THE PROVISIONS OF SECTION 24 OF ARTICLE 31 OF THE ANNOTATED CODE OF MARYLAND, AS REPLACED, SUPPLEMENTED OR AMENDED FROM TIME TO TIME.
- D. Current expenses. No county obligations for a term in excess of twelve (12) months shall be issued for current operating expenses.
- E. Urban Service Commission. This section shall not be applicable as to bonds issued or to be issued by the Wicomico County Urban Service Commission, now or hereafter established in said county under Chapter 243 of the Laws of 1955 and the amendments thereto.

AND BE IT FURTHER RESOLVED, that this Resolution having been approved by not less than five (5) members of the County Council of Wicomico County, the proposed amendment shall be published by the County Executive in one (1) or more newspapers of general circulation in Wicomico County once each week for five (5) successive weeks prior to the next general election or congressional

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Certified by  Matthew E. Creamer, Council Administrator

election occurring after passage hereof; and at such election the question shall be submitted to the voters of Wicomico County, Maryland, and if at said election a majority of the votes cast on the question shall be in favor of the herein proposed amendments, such amendment shall stand adopted and become a part of the Charter of Wicomico County, Maryland, from and after the thirtieth (30) day following said election, in accordance with Article XI, section 1002, of the Charter of Wicomico County, Maryland.

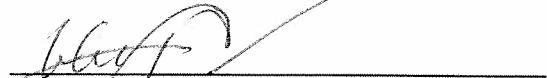
Done at Salisbury, Maryland, this      day of July, 2008.

ATTEST:

COUNTY COUNCIL OF  
WICOMICO COUNTY, MARYLAND



Matthew E. Creamer  
Council Administrator



John T. Cannon  
Council President

Explanation:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

Strike out indicates material deleted from law.

~~CAPITAL~~ - ~~STRIKE OUT~~ indicates matter stricken from Resolution

Underlining indicates Amendments to Resolution

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Certified by

  
Matthew E. Creamer, Council Administrator