

COUNTY COUNCIL OF
WICOMICO COUNTY, MARYLAND

BILL NO. 2007-4

INTRODUCED BY: Council at request of Executive Legislative Day No. 07-16
Date: August 21, 2007

AN ACT to authorize and empower Wicomico County, Maryland to borrow on the faith and credit of Wicomico County, Maryland an aggregate amount not exceeding Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) and to evidence such borrowing by the issue and sale from time to time of one or more series of general obligation bonds of the County, the proceeds thereof to be used by Wicomico County to finance, refinance or reimburse all or a portion of the costs of projects for the Board of Education of Wicomico County for the planning, design, acquisition, construction, improvement, installation, renovation, rehabilitation, repairing, furnishing and equipping of facilities, buildings and structures, together with other costs and financing costs related thereto; authorizing the County Council to pass one or more resolutions prior to issuing all or any part of the bonds in order to fix, prescribe and determine the details of the bonds and the issuance and sale thereof; authorizing the issuance from time to time of one or more series of general obligation refunding bonds in order to refund or advance refund any of the bonds issued pursuant to the authority of this act, provided that the aggregate principal amount of each such issue of refunding bonds does not exceed one hundred thirty percent (130%) of the aggregate principal amount of bonds refunded thereby; providing that the bonds shall be general obligations of the County to which the faith and credit of the County are pledged and authorizing annual appropriations to pay the principal of and interest on said bonds and the levying of taxes to meet said appropriations, subject to any lawful limitations on the County's taxing power set forth in the Charter, as that taxing power may relate to the bonds; exempting the bonds from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland; authorizing the issuance from time to time of one or more series of general obligation bond anticipation notes in an aggregate principal amount not to exceed Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) prior to and in anticipation of the sale of the bonds authorized hereby; providing for the disbursement of the proceeds of the bonds or bond anticipation notes; providing that the provisions of this Act shall be separable; and generally relating to the issuance and sale of such bonds or bond anticipation notes.

Introduced, read first time, ordered posted and public hearing scheduled on: September 18, 2007
Time: 10:30 am Location: Council Chambers

PUBLIC HEARING: Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on September 18, 2007 and concluded on, September 18, 2007.



Council Administrator

CERTIFICATION

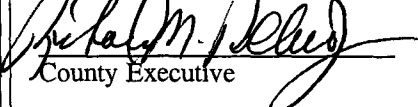
The undersigned hereby certifies that this Bill was Approved and Adopted by the County Council of Wicomico County, Maryland, on the 18th day of September, 2007.


Council Administrator

Presented to the County Executive for approval this day of September 24, 2007 at _____ (5 days §411)


Council Administrator

BY THE EXECUTIVE:


County Executive

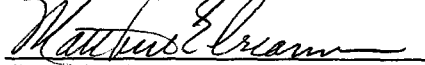
APPROVED
VETOED

Date: 9/25/07
Date:

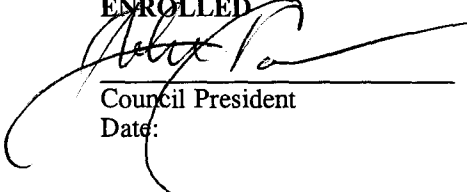
EFFECTIVE DATE: This Bill having been approved by the County Executive and returned to the Council, becomes law on _____ and effective on: _____

ENROLLMENT: Legislative Bill No. 2007-4 is herewith submitted to the County Council of Wicomico County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT


Council Administrator
Date: _____

ENROLLED


Council President
Date: _____

ENROLLED

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND
LEGISLATIVE SESSION, 2007
BILL NO. 2007-4

Introduced August 21, 2007

BY: Mr. Cannon, Mrs. Prettyman, Mr. McCain, Mrs. Sample-Hughes, Mrs. Bartkovich, Mr. MacLeod and Mr. Holloway.

AN ACT to authorize and empower Wicomico County, Maryland to borrow on the faith and credit of Wicomico County, Maryland an aggregate amount not exceeding Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) and to evidence such borrowing by the issue and sale from time to time of one or more series of general obligation bonds of the County, the proceeds thereof to be used by Wicomico County to finance, refinance or reimburse all or a portion of the costs of projects for the Board of Education of Wicomico County for the planning, design, acquisition, construction, improvement, installation, renovation, rehabilitation, repairing, furnishing and equipping of facilities, buildings and structures, together with other costs and financing costs related thereto; authorizing the County Council to pass one or more resolutions prior to issuing all or any part of the bonds in order to fix, prescribe and determine the details of the bonds and the issuance and sale thereof; authorizing the issuance from time to time of one or more series of general obligation refunding bonds in order to refund or advance refund any of the bonds issued pursuant to the authority of this act, provided that the aggregate principal amount of each such issue of refunding bonds does not exceed one hundred thirty percent (130%) of the aggregate principal amount of bonds refunded thereby; providing that the bonds shall be general obligations of the County to which the faith and credit of the County are pledged and authorizing annual appropriations to pay the principal of and interest on said bonds and the levying of taxes to meet said appropriations, subject to any lawful limitations on the County's taxing power set forth in the Charter, as that taxing power may relate to the bonds; exempting the bonds from the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland; authorizing the issuance from time to time of one or more series of general obligation bond anticipation notes in an aggregate principal amount not to exceed Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) prior to and in anticipation of the sale of the bonds authorized hereby; providing for the disbursement of the proceeds of the bonds or bond anticipation notes; providing that the provisions of this Act shall be separable; and generally relating to the issuance and sale of such bonds or bond anticipation notes.

WHEREAS, Wicomico County, Maryland (the "County") is authorized pursuant to Section 5(P) of Article 25A of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended) to borrow money on the faith and credit of the County for any proper purpose; and

WHEREAS, the Capital Improvement Budget for Wicomico County, Maryland, adopted by the County Council of Wicomico County, Maryland (the "County Council") in Legislative

Session, under date of March 6, 2007, as the same may be amended, provides for a construction and general improvement program during the fiscal year beginning July 1, 2007, in the amount of Fifty-Five Million Six Hundred Twenty-Six Thousand Five Hundred Twenty-Five Dollars (\$55,626,525), said budget showing that it is proposed to finance said program with State, Federal and Other Aid in the amount of Thirty-One Million Four Hundred Sixteen Thousand Three Hundred Seventy-Five Dollars (\$31,416,375), funds from non-bond revenue in the amount of Seven Million Five Hundred Thirty-Five Thousand One Hundred Fifty Dollars (\$7,535,150), and funds provided by the County through the issuance of its bonds in the amount of Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000); and

WHEREAS, the County Council of Wicomico County, Maryland deems that the projects identified as being funded from bond proceeds are necessary to the welfare of Wicomico County, Maryland and that the financial resources of the County are ample and within the limitations as prescribed by the Charter of Wicomico County, Maryland to permit the borrowing of the sum required therefor; now, therefore:

SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND, IN LEGISLATIVE SESSION, that to provide the funds required to enable the County to finance, refinance or reimburse the cost of certain of the school projects in the Capital Improvement Budget of the County Council adopted March 6, 2007, as the same may be amended, and to provide the funds required to enable the Board of Education of Wicomico County to finance, refinance or reimburse the cost of certain of the school projects approved in the Capital Improvement Budget of the County Council adopted March 6, 2007, as the same may be amended, the County is with this Act authorized and empowered by resolution or resolutions of the County Council passed in Legislative Session to borrow from time to time an amount not exceeding Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) and to evidence said borrowing by the issue and sale of the general obligation serial maturity bonds of the County, in one or more series, in like aggregate par amount. Unless otherwise advised by bond counsel to the County, any resolution adopted in accordance with Section 3 below may provide that any such series may be issued as a single bond in installment and/or draw-down form as long as such installment bond provides for annual principal payments thereon.

It is hereby recognized and acknowledged that the details of the Capital Improvement Budget of the County for the fiscal year beginning July 1, 2007 is necessarily subject to change because of corresponding changes in construction and other costs, project time schedules, availability of other funding sources and other circumstances not now known or anticipated. It is the purpose and intent of this Act to authorize the borrowing of money to finance the projects identified in Section 2 hereof as such projects are referenced in the Capital Improvements Budget for the fiscal year beginning July 1, 2007, as amended, and in any amended or subsequent capital budget or capital improvement program, unless otherwise contrary to applicable law.

SECTION 2. AND BE IT FURTHER ENACTED, that with respect to the school projects listed below, the word "cost" as used in Section 1 hereof shall, unless particularly limited in this Section, include land and right-of-way acquisition and development; site and utility

improvements; construction of new buildings or schools and/or renovations of, additions to, or improvement of, existing buildings and schools; construction or provision of facilities; acquisition and installation of equipment; pedagogical material for any school project; capitalized interest during construction and for a reasonable period thereafter, whether or not specifically stated; professional fees and expenses incurred in connection with any such school projects or the financing thereof (which shall include, without limitation, planning, design, engineering, architectural, fiscal and legal expenses related thereto); costs of issuing the bonds (which costs may include the costs of bond insurance or other credit enhancement); and any of such costs which may represent the County's share or contribution to the financing or refinancing of any such project. The total bond funds to be appropriated or paid to pay the costs of such school projects as provided in the Capital Improvement Budget shall be allocated among the following school projects in the amount set forth below opposite each, subject to such variations or modifications as are herein provided:

1	Board of Education	
	Prince Street Construction	\$4,375,525
	Bennett High School Construction	\$12,000,000
2	Contingency	\$299,475

Item No. 2 above, being Contingency Fund, in the amount of Two Hundred Ninety-Nine Thousand Four Hundred Seventy-five Dollars (\$299,475), shall be used to pay any difference between the actual cost of any one or more of the above-listed school projects to be funded from bond proceeds and the respective amount allocated thereto. Said fund also shall be used to pay the expenses of any bond issue hereunder. Any excess of the bond-financed actual costs of the above-listed school projects shall be credited to the Contingency Fund, and said Contingency Fund shall likewise be credited with any appropriation transfers or any supplementary appropriation made by the County Council in Legislative Session to meet any increase in the cost of the above-listed projects. If there shall be a balance remaining in the said Contingency Fund, said balance shall be credited to the Capital Program for the fiscal year following the year in which said balance is ascertained or shall otherwise be applied in accordance with Section 710 and Section 712 of the County Charter (as such sections may be re-numbered from time to time), as applicable.

SECTION 3. AND BE IT FURTHER ENACTED, that the bonds hereby authorized may be issued at one time or in series from time to time in the current or any future fiscal year, separately or in conjunction with other bonds the County may be authorized to issue, all as may be determined by one or more resolutions adopted by the County Council in Legislative Session. Prior to passage of any such resolution, the County Council shall obtain a certificate from the Director of Finance that the limitation on indebtedness contained in the County Charter will not be exceeded by the issuance of bonds in the amount contemplated and the County Council shall also obtain a certificate from the County Attorney that the authority hereby conferred for the contemplated bond issue has not been previously exercised and that such authority has not been

repealed, revoked or suspended in accordance with the County Charter. Each such resolution shall fix, prescribe, determine or provide for the title, date of issue, and denomination(s) of said bonds, the aggregate principal amount and maturities thereof, the form and tenor thereof, and the manner of executing the same, the places of payment thereof and of the interest to accrue thereon, the agent or agents of the County to make such payment, any registrar for such bonds, the reserved right, if any, to redeem any such bonds prior to maturity and the premium or premiums, if any, payable upon the exercise of said right, the rate or rates of interest payable on said bonds, or the method of determining the same, the purchaser of such bonds and details relating to the public sale of such bonds (unless such resolution shall provide for the private sale of such bonds in accordance with subsection (c) below, in which event such resolution shall provide for the manner of public sale), the allocation of such bond proceeds to one or more of the school projects identified in Section 2 hereof, and any other details, terms or conditions relating to the issuance, sale, delivery and payment of such bonds to the extent not contrary to applicable law or this Act; provided, however, that:

- (a) no such issue shall be sold at a price less than the par value thereof;
- (b) the bonds of each such issue shall become due and payable in accordance with the consecutive annual serial maturity plan over a period not exceeding twenty-five (25) years from the date of issue;
- (c) each issue of said bonds shall be sold by award to the best bidder therefor after solicitation of competitive bids, which competitive bids may be submitted by sealed bid and/or electronic bid as provided in such resolution, following at least ten (10) days published notice of the sale, which notice may be published solely in summary form if so determined by the County Council by resolution in Legislative Session unless the County Council in Legislative Session shall adopt a resolution providing that any such issue shall be sold by private sale.
- (d) no such bonds shall be issued in any fiscal year unless there shall be appropriated by the County Council an amount sufficient to pay debt service due on said bonds in such fiscal year; and
- (e) in any such resolution the County Council may approve, determine or provide for the payment of a commitment fee, breakage compensation or related costs to the purchaser of any such bonds and/or the execution and delivery by the County of any continuing disclosure undertaking or any ongoing representations or certifications.

Acting pursuant to the authority of Section 24 of Article 31 of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended), and provided that the Charter does not prohibit the issuance of such refunding bonds, the County is hereby authorized and empowered to issue and sell from time to time one or more series of general obligation serial maturity bonds for the purpose of refunding or advance refunding any of the bonds authorized hereby then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of bonds to be refunded, funded interest and paying all costs and expenses in connection with the issuance, sale and delivery of such refunding bonds, for the public purpose of realizing savings to the County in the

aggregate cost of debt service on either a direct comparison, present value or other basis; provided that the aggregate principal amount of each such issue of refunding bonds does not exceed one hundred thirty percent (130%) of the aggregate principal amount of bonds refunded thereby. Prior to the issuance, sale and delivery of any such issue of refunding bonds, the County Council in Legislative Session shall adopt a resolution or resolutions authorizing such refunding bonds and specifying, describing, determining, providing for and approving such matters, details, forms, documents or procedures as may be authorized or required by applicable law.

Any of the bonds hereby authorized, when duly issued, executed and delivered in the manner above-described, shall constitute general obligations of the County, to the payment of which, when due, the faith and credit of the County are pledged, and any said resolution of the County Council in Legislative Session shall constitute an irrevocable covenant of the County annually to appropriate the amount necessary to pay the principal of and interest on said bonds when due and, subject to any lawful limitations on the County's taxing power set forth in the County Charter, as that taxing power may relate to the bonds, to levy ad valorem taxes upon all property in the County subject to County taxation in rate and amount, in each year, sufficient to meet said annual appropriations.

The bonds authorized by this Act are hereby expressly exempted from the application or the provisions of Sections 10 and 11 of Article 31 of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended).

SECTION 4. AND BE IT FURTHER ENACTED, that pursuant to the authority of Section 12 of Article 31 of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended), the County is hereby authorized to issue and sell its general obligation bond anticipation notes from time to time in one or more series in an aggregate principal amount not to exceed Sixteen Million Six Hundred Seventy-Five Thousand Dollars (\$16,675,000) prior to and in anticipation of the sale of the bonds authorized hereby in order to finance costs of the school projects identified in Section 2 hereof on an interim basis. Prior to the issuance, sale and delivery of any such bond anticipation notes, the County Council in Legislative Session shall adopt a resolution or resolutions authorizing such notes and specifying, describing, determining, providing for and approving such matters, details, forms, documents or procedures as may be authorized or required by applicable law.

SECTION 5. AND BE IT FURTHER ENACTED, that the proceeds from the sale of any of the bonds or bond anticipation notes herein authorized shall be paid to the Director of Finance of the County, who shall first deduct any amount received by her on account of accrued interest and shall apply said amount on account of payment of the first maturing interest on said bonds or bond anticipation notes and who shall thereafter disburse said bond or note proceeds for or on account of financing or refinancing the cost of school projects listed in Section 2 hereof and expenses of bond or note issuance. All projects shall be deemed capital projects for the purpose of this Act, any subsequent bond issue, and any commission created hereunder. Upon the joint order of the County Council in Legislative Session and the Board of Education of Wicomico County, said bond or note proceeds for or on account of the cost of the school projects listed in Section 2 hereof shall be disbursed. Notwithstanding the foregoing, any refunding bond proceeds may be disbursed on the order of the County Council in Legislative Session. Within the

limitations of the County Charter and of this Act, full authority is hereby conferred upon the said County Council and the Board of Education acting jointly with regard to said school projects to expend said bond or note proceeds for said school projects in such manner as will best achieve the stated objectives of this Act and of the Capital Improvement Budget of the County. Within the aforesaid limitations, authority is hereby delegated to the department or commission charged by law with the operation and administering of the above-listed school projects to program the expenditures of its share of said bond or note proceeds in such manner as will best achieve the stated objectives of this Act and of the Capital Improvement Budget of the County above referred to.

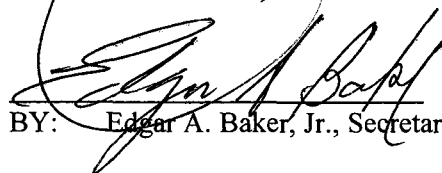
SECTION 6. AND BE IT FURTHER ENACTED, that the various provisions of this Act shall be regarded as separate and severable; and should any section, sentence, clause or provision thereof be held invalid or unconstitutional for any reason, the validity of the remaining parts hereof shall not be affected thereby.

SECTION 7. AND BE IT FURTHER ENACTED, that this Act, having been passed by the County Council of Wicomico County, at its Legislative Session on the Day of , 2007, shall take effect sixty (60) days after enactment, unless a proper petition for referendum thereof shall be filed prior to said date, in which event this Act shall not take effect until the expiration of thirty (30) days following the approval of this Act by a majority of the qualified voters of the County voting in any such referendum.

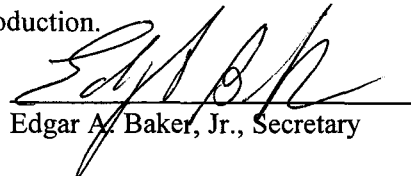
Certified correct as passed and adopted by the County Council of Wicomico County, Maryland, this 18th day of September, 2007.

WICOMICO COUNTY, MARYLAND


BY: John Cannon, President


BY: Edgar A. Baker, Jr., Secretary

I HEREBY CERTIFY that twenty-five (25) copies of the above Bill are available for distribution to the public and press at the time of its introduction.


Edgar A. Baker, Jr., Secretary

Explanation:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

~~Strike out indicates material deleted from law.~~

~~CAPITAL - STRIKE OUT~~ indicates matter stricken from Bill by Amendment.

Underlining indicates Amendments to Bill.