

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND
LEGISLATIVE SESSION DAY 2021-09**

RESOLUTION NO. 25-2021 AS AMENDED

Title of Resolution: Authorization – Refunding Bonds of 2021

Synopsis: A Resolution to authorize and empower Cecil County, Maryland to borrow, from time to time, not more than Twenty One Million Dollars (\$21,000,000) and to effect such borrowing by the issuance and sale of its general obligation bonds in one or more series, authorized by Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume), such bonds to be designated “Cecil County, Maryland Refunding Bonds of 2021,” such bonds to be sold and issued for the purpose of refunding certain outstanding general obligation bonds of the County; to empower the County Executive to execute and deliver one or more executive orders prior to issuing the bonds in order to fix, prescribe and determine certain matters relating to such bonds and the issuance and sale thereof, as hereinafter described; empowering and directing the County to levy ad valorem taxes in rate and amount sufficient to provide funds for the payment of the maturing principal of and interest on the bonds; exempting the bonds from the provisions of Sections 19-205 and 19-206 of the Local Government Article of the Annotated Code of Maryland, or successor provisions; providing that the County may issue and sell all or any portion of the bonds as bonds the interest on which is not excludable from gross income for federal income tax purposes; and to provide for and determine certain matters in connection with the sale, issuance and delivery of such bonds.

Introduced by: Council President on behalf of the County Executive

Introduced, read first time, and ordered posted on: May 4, 2021

Public hearing scheduled for: June 1, 2021 at: 7:00 p.m.

Scheduled for consideration: June 15, 2021

By: James Massey
Council Manager

PUBLIC HEARING

Notice of time and place of public hearing and title of Bill having been posted by May 4, 2021 at the County Administration Building, 200 Chesapeake Blvd., Elkton, and having been published according to the Charter on May 19, 2021 and May 26, 2021, a public hearing was held on June 1, 2021 and concluded on June 1, 2021.

By: James Massey
Council Manager

Explanation: CAPITAL LETTERS INDICATE LANGUAGE ADDED TO EXISTING DOCUMENT
~~Strike through~~ indicates language deleted from existing document
Underlining indicates language added to document by amendment.
~~Double Strike through~~ indicates language stricken from document by amendment.

1 **WHEREAS**, Cecil County, Maryland (the “County”) previously issued its general obligation bonds
2 described in Section 1 of this Resolution (the “Outstanding Bonds”); and

3 **WHEREAS**, Section 19-207 of the Local Government Article of the Annotated Code of Maryland,
4 as amended (the “Refunding Act”) provides that a governmental entity may issue new bonds to refund
5 any of its bonds then outstanding; and

6 **WHEREAS**, refunding bonds may be issued under the authority of the Refunding Act for the
7 public purpose of (i) realizing for the governmental entity a savings in the total cost of debt service on a
8 direct comparison or present value basis, (ii) debt restructuring that reduces the total cost of debt
9 service, and (iii) debt restructuring that the governmental entity determines (a) is in its best interest, (b)
10 is consistent with its long-term financial plan, and (c) realizes a financial objective of the governmental
11 entity, including improvement of the relationship of debt service to any source of payment such as
12 taxes, assessments, or other charges; and

13 **WHEREAS**, market conditions can be volatile and the interests of the County are best served by
14 providing the County with maximum flexibility in accessing the capital markets; and

15 **WHEREAS**, based on the advice and recommendations of the County’s financial advisor, the
16 County Council has determined that it is in the best interests of the County to authorize the issuance
17 and sale of its general obligation bonds in one or more series to refund all or a portion of the
18 Outstanding Bonds, all as more particularly described herein.

19 **NOW, THEREFORE, BE IT HEREBY RESOLVED** that:

20 Section 1: In accordance with the authority of Section 19-207 of the Local Government Article of
21 the Annotated Code of Maryland (2013 Replacement Volume) (the “Refunding Act”), the County hereby
22 determines that it is necessary to borrow money and incur indebtedness for the purpose of providing
23 funds to refund (1) the outstanding County Commissioners of Cecil County Refunding Bond of 2011 (the
24 “2011 Bond”) and (2) the outstanding County Commissioners of Cecil County Consolidated Public
25 Improvement and Refunding Bonds of 2012 (the “2012 Bonds”, and collectively with the 2011 Bond, the
26 “Outstanding Bonds”). It is hereby estimated and determined that the costs of such refunding will be
27 not more than Twenty One Million Dollars (\$21,000,000) and that such costs, together with any portion
28 of the costs of issuance that the Director of Finance of Cecil County, Maryland (the “Director of
29 Finance”) determines to finance with the proceeds thereof, are to be financed to such extent from the

30 proceeds of the sale of the Bonds (defined below). Notwithstanding the foregoing, the final principal
31 amount of Bonds to be issued and the series, maturities and principal amounts of the Outstanding
32 Bonds to be refunded shall be determined pursuant to the executive order described in Section 3.

33 Section 2: To evidence the borrowing and indebtedness described in Section 1 and acting
34 pursuant to the authority of the Refunding Act, the County is hereby authorized to issue and sell upon
35 its full faith and credit an aggregate principal amount not to exceed Twenty One Million Dollars
36 (\$21,000,000) par value of general obligation bonds of the County. Such issue of bonds shall be
37 designated as “Cecil County, Maryland Refunding Bonds of 2021” (the “Bonds”) or such other or further
38 designation as determined pursuant to the executive order described in Section 3. Under Section 19-
39 101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume),
40 the County Council authorizes the County to consolidate for sale and issue, sell and deliver all or any
41 portion of the Bonds and any other bonds authorized by any other law as a single issue of bonds, at any
42 time and from time to time and the designation of the Bonds may reflect such consolidation. The
43 Refunding Bonds and their issuance and sale shall be exempt from the provisions of Sections 19-205 and
44 19-206 of the Local Government Article of the Annotated Code of Maryland, or successor provision, as
45 in effect from time to time.

46 Section 3: The Bonds may be issued in one or more series, from time to time, as the County
47 Executive of Cecil County, Maryland (the “County Executive”) may deem appropriate upon the advice of
48 the financial advisor and bond counsel employed by the County. Prior to the issuance and sale of all or
49 any part of the Bonds, the County Executive shall execute and deliver an executive order to fix,
50 prescribe and determine, or provide for the method of determining, the date of issue, the
51 denomination(s) of the Bonds, the aggregate principal amount of the Bonds to be issued, the maturity
52 schedule for the Bonds, the form and tenor thereof, the places of payment of the principal thereof and
53 the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if
54 any, to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of said
55 right, the rate or rates of interest payable on the Bonds, or the method of determining the same, details
56 relating to the sale of the Bonds, the award of the Bonds to the purchaser thereof, the price at which
57 the Bonds shall be sold (which may be at, above or below par), the series, maturities and principal
58 amounts of the Outstanding Bonds to be refunded, provision for the payment, as and when due, of the

59 interest on and principal and redemption price of the Outstanding Bonds and the redemption of the
60 Outstanding Bonds that are to be redeemed prior to their respective maturities on the earliest
61 practicable dates, including the appointment of an escrow deposit agent, and any other details, terms
62 or conditions relating to the issuance, sale, delivery and payment of the Bonds. The County Executive is
63 authorized to execute and deliver such documents as he or she deems necessary or appropriate to
64 effect the issuance of the Bonds and to approve the provisions thereof (such approval to be evidenced
65 by his or her execution and delivery of such documents).

66 The County understands that the final determination of whether it is in the best interest of the
67 County to refund any series (and any maturity of any series) of bonds (or certain portions thereof) will
68 depend on the actual interest rates available at the time the Refunding Bonds of each series are sold
69 and the other terms and conditions of the sale. Accordingly, the description and details of the series
70 and maturities of the bonds to be refunded will be determined by the County Executive in the Executive
71 Order. Any series of the bonds (or any maturity of such series or portion thereof) not included in the
72 Executive Order will not be refunded and will continue to remain outstanding.

73 Any savings realized in the aggregate cost of debt service shall be reallocated to other County
74 budget line items in accordance with the County's budget process under the applicable provisions of the
75 Charter and laws of the County.

76 The authority of the County Executive set forth in this Section 3 shall expire on JUNE 30, 2022
77 ~~December 31, 2022.~~

78 Section 4: Each of the Bonds shall be executed in the name of the County and on its behalf
79 by the manual or facsimile signatures of the County Executive and the Director of Finance and the
80 corporate seal of the County or a facsimile thereof, shall be imprinted or otherwise reproduced
81 thereon, and attested by the manual or facsimile signature of the Director of Administration of the
82 County.

83 Section 5: For the purpose of paying the principal of and interest on the Bonds as they become
84 due and payable, in each and every fiscal year that any of the Bonds are outstanding, the County shall
85 levy or cause to be levied ad valorem taxes upon all the legally assessable property within the corporate
86 limits of the County, in rate and amount sufficient to provide for the payment, when due, of the
87 principal of and interest on all of the Bonds becoming due in each such fiscal year and, if the proceeds

88 from the taxes so levied in any fiscal year prove inadequate for such payment, additional taxes shall be
89 levied in the succeeding fiscal year to make up any deficiency. In case the Bonds shall be issued in any
90 fiscal year after the making of the regular levy for that fiscal year, any and all interest becoming due
91 before the next levy shall be paid out of any other funds at the disposal of the County and there shall be
92 levied at the next succeeding levy an amount sufficient to reimburse such other funds. The County may
93 apply to the payment of the principal of and interest on any Bonds issued hereunder any funds received
94 by it from the State of Maryland, the United States of America, any agency or instrumentality of either,
95 or from any other source. Taxes that might otherwise be required to be levied under this Act may be
96 reduced or need not be levied to the extent that any such funds are received or receivable in any fiscal
97 year.

98 The full faith and credit and unlimited taxing power of the County are hereby irrevocably
99 pledged to the payment of the principal of and interest on the Bonds as and when such principal and
100 interest respectively become due and to the levy and collection of the taxes prescribed in this Section as
101 and when such taxes may become necessary in order to provide sufficient funds to meet the debt
102 service requirements of the Bonds.

103 Section 6: The Bonds shall be sold for cash upon receipt of electronic bids to the bidder whose
104 bid is deemed to be in the best interests of the County after the County has given public notice by
105 advertisement inserted at least once in one or more daily or weekly newspapers having a general
106 circulation in the County not less than ten (10) days prior to the sale of the Bonds. The advertisement
107 for the sale of the Bonds shall be in substantially the form set forth in Exhibit A; provided that the
108 County Executive may approve such changes to such form as he or she deems necessary or appropriate,
109 subject to the terms of this Resolution.

110 Section 7: The official Notice of Sale for the sale of the Bonds shall be in substantially the form
111 set forth in Exhibit B and the terms and conditions set forth in the form of the Notice of Sale are hereby
112 adopted and approved as the terms and conditions under which and the manner in which the Bonds
113 shall be sold at public sale; provided that the County Executive may approve such changes to such form
114 as he or she deems necessary or appropriate, subject to the terms of this Resolution.

115 Section 8: Conditional only upon the delivery of and payment for the Bonds, the County
116 hereby specifically and irrevocably elects to redeem (1) the 2011 Bond at the earliest practicable date,

117 at a redemption price of 100% of the principal amount thereof, and (2) the 2012 Bonds on November 1,
118 2022 at a redemption price of 100% of the principal amount thereof, in each case plus interest accrued
119 and unpaid to the applicable redemption date. Notwithstanding the foregoing, the irrevocable election
120 contained in this Section shall only be effective with respect to the series, maturities and principal
121 amounts of the Outstanding Bonds identified in the executive order referred to in Section 3 of this
122 Resolution.

123 Section 9: Nothing in this Resolution shall prevent the County from issuing and selling all or any
124 part of the Bonds as bonds the interest on which is not excludable from gross income for federal income
125 tax purposes.

126 Section 10. The authority to borrow money and to issue bonds conferred on the County by this
127 Resolution shall be deemed to provide additional, alternative and supplemental authority for borrowing
128 money and shall be regarded as supplemental and additional to powers conferred upon the County by
129 other laws and shall not be regarded as in derogation of any power now existing; and all previously
130 enacted laws authorizing the County to borrow money are hereby continued to the extent that the
131 power contained in them is continuing or has not been exercised, and the validity of any bonds issued
132 under previously enacted laws is hereby ratified, confirmed and approved. This Resolution, being
133 necessary for the welfare of the inhabitants of Cecil County, shall be liberally construed to affect its
134 purposes.

135 Section 11. The provisions of this Resolution are severable, and if any provision, sentence,
136 clause, section or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any
137 person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not
138 affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution
139 or their application to other persons or circumstances. It is hereby declared to be the legislative intent
140 that this Resolution would have been passed if such illegal, invalid or unconstitutional provision,
141 sentence, clause, section or part had not been included herein, and if the person or circumstances to
142 which this Resolution or any part hereof are inapplicable had been specifically exempted therefrom.

143 **PRIOR TO THE NEXT COUNCIL WORK SESSION AFTER THE ISSUANCE OF EACH SERIES OF REFUNDING**
144 **BONDS PURSUANT TO THIS RESOLUTION, THE COUNTY EXECUTIVE SHALL SUBMIT A REPORT TO THE**
145 **COUNTY COUNCIL PROVIDING THE DETAILS OF THE REFUNDING BONDS ISSUED AND THE TERMS OF**

146 **THE SALE. THE FAILURE OF THE COUNTY EXECUTIVE TO PROVIDE SUCH A REPORT SHALL HAVE NO**
147 **EFFECT ON THE VALIDITY OR ENFORCEABILITY OF THE REFUNDING BONDS.**

148 **AND BE IT FURTHER RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND, that**
149 **all provisions of this Resolution shall take effect on the date of its passage.**

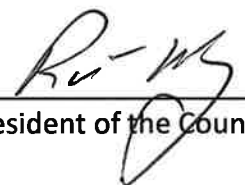
INTRODUCED: May 4, 2021

ADOPTED: June 15, 2021

ATTEST:



Council Manager



President of the Council