

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND  
LEGISLATIVE SESSION DAY 2015-24**

**RESOLUTION NO. 68-2015**

**Title of Resolution:** Refunding Bonds of 2016

**Synopsis:** A Resolution to authorize and empower Cecil County, Maryland to borrow, from time to time, not more than Nineteen Million Three Hundred Eighty Five Thousand Dollars (\$19,385,000) 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 sold and issued for the purpose of refunding certain outstanding general obligation bonds of the County in order to realize savings to the County in the total cost of debt service; 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 sale thereof, as hereinafter described; to provide for the levy and collection of taxes in rate and amount sufficient, together with funds from other sources, to pay the principal of and interest on such bonds as they mature; 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 and ordered posted on:** December 15, 2015

**Scheduled for consideration on:** January 5, 2016

By: \_\_\_\_\_  
Council Manager

Notice and title of Resolution having been posted by \_\_\_\_\_ at the County Administration Building, 200 Chesapeake Blvd., Elkton and consideration by the Council having been scheduled on \_\_\_\_\_.

By: \_\_\_\_\_  
Council Manager

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

1           **WHEREAS**, pursuant to Section 19-207 of the Local Government Article of the Annotated Code of  
2 Maryland (2013 Replacement Volume) (the “Refunding Act”), the County may issue bonds to refund any of its  
3 outstanding bonds for the purpose of realizing savings in the total cost of debt service on either a direct  
4 comparison or present value basis; and

5           **WHEREAS**, Davenport & Company LLC, the County’s financial advisor, has advised the County that the  
6 County may be able to realize savings in the total cost of debt service on certain of its outstanding general  
7 obligation bonds; and

8           **WHEREAS**, based on the foregoing advice, pursuant to the Refunding Act, the County Council wishes to  
9 authorize the issuance of the County's general obligation bonds in an aggregate principal amount not to  
10 exceed \$19,385,000 for the above-stated purposes, and to provide for and determine certain matters in  
11 connection therewith.

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

13           Section 1: In accordance with the authority of Section 19-207 of the Local Government Article of the  
14 Annotated Code of Maryland (2013 Replacement Volume) (the “Refunding Act”), the County hereby  
15 determines that it is necessary to borrow money and incur indebtedness for the purpose of providing funds to  
16 refund all or a portion of the \$19,385,000 principal amount of the County Commissioners of Cecil County  
17 Consolidated Public Improvement Bonds of 2009, which mature on June 1 in the years 2016 through 2029,  
18 inclusive (the “Refunded Bonds”), in order to realize savings to the County in the total cost of debt service. It  
19 is hereby estimated and determined that the costs of such refunding will be not more than Nineteen Million  
20 Three Hundred Eighty Five Thousand Dollars (\$19,385,000) and that such costs, together with any portion of  
21 the costs of issuance that the Director of Finance of Cecil County, Maryland (the “Director of Finance”)  
22 determines to finance with the proceeds thereof, are to be financed to such extent from the proceeds of the  
23 sale of the Bonds (defined below). Notwithstanding the foregoing, the final principal amount of Bonds to be  
24 issued and the maturities and principal amounts of the Refunded Bonds to be refunded shall be determined  
25 by the County Executive of Cecil County, Maryland (the “County Executive”) in the executive order described  
26 in Section 3.

27           Section 2: To evidence the borrowing and indebtedness described in Section 1 and acting pursuant to  
28 the authority of the Refunding Act, the County is hereby authorized to issue and sell upon its full faith and  
29 credit an aggregate principal amount not to exceed Nineteen Million Three Hundred Eighty Five Thousand  
30 Dollars (\$19,385,000) par value of general obligation bonds of the County. Such issue of bonds shall be

31 designated as "Cecil County, Maryland Refunding Bonds of 2016" (the "Bonds") or such other designation as  
32 determined by the County Executive in the executive order referred to in Section 3 below.

33 Section 3: The Bonds may be issued in one or more series, from time to time, as the County Executive  
34 may deem appropriate upon the advice of the financial advisor and bond counsel employed by the County. To  
35 the extent any of the Bonds are issued at the same time as the County's bonds authorized pursuant to Bill No.  
36 2015-25, as amended, they are hereby consolidated for sale, issuance and delivery as a single issue of bonds  
37 pursuant to the authority of Section 19-101 of the Local Government Article of the Annotated Code of  
38 Maryland (2013 Replacement Volume).

39 Prior to the issuance and sale of all or any part of the Bonds, the County Executive shall execute and  
40 deliver an executive order to fix, prescribe and determine, or provide for the method of determining, the date  
41 of issue, the denomination(s) of the Bonds, the aggregate principal amount of the Bonds to be issued, the  
42 maturity schedule for the Bonds, the form and tenor thereof, the places of payment of the principal thereof  
43 and the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if any,  
44 to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of said right, the  
45 rate or rates of interest payable on the Bonds, or the method of determining the same, details relating to the  
46 sale of the Bonds, the award of the Bonds to the purchaser thereof, the price at which the Bonds shall be sold  
47 (which may be at, above or below par), the application of any premium paid to the County upon the sale of  
48 the Bonds, the maturities and principal amounts of the Refunded Bonds to be refunded, provision for the  
49 payment, as and when due, of the interest on and principal and redemption price of the Refunded Bonds and  
50 the redemption of the Refunded Bonds that are to be redeemed prior to their respective maturities on the  
51 earliest practicable dates, including the appointment of an escrow deposit agent, and any other details, terms  
52 or conditions relating to the issuance, sale, delivery and payment of the Bonds. The County Executive is  
53 authorized to execute and deliver such documents as she deems necessary or appropriate to effect the  
54 issuance of the Bonds and to approve the provisions thereof (such approval to be evidenced by her execution  
55 and delivery of such documents).

56 Section 4: Each of the Bonds shall be executed in the name of the County and on its behalf by the  
57 manual or facsimile signatures of the County Executive and the Director of Finance and the corporate seal of  
58 the County or a facsimile thereof, shall be imprinted or otherwise reproduced thereon, and attested by the  
59 manual or facsimile signature of the Director of Administration of Cecil County, Maryland (the "Director of  
60 Administration"). Each of the Bonds shall be authenticated by the manual signature of an authorized officer of

61 the bond registrar. If by facsimile, the facsimiles of such signatures and seal shall be engraved, printed or  
62 lithographed on the Bonds in accordance with, and pursuant to the authority of, Sections 2-301 to 2-306,  
63 inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland (2015  
64 Replacement Volume). The County Executive, the Director of Finance and the Director of Administration, by  
65 the execution of appropriate signature certificates, shall adopt, as and for their own proper signatures, their  
66 respective facsimile signatures on the Bonds if facsimile signatures are used.

67 Section 5: The Bonds shall be sold and issued on the full faith and credit of the County. For the  
68 purpose of paying the interest on and redeeming and paying the Bonds as they mature, the County shall levy  
69 or cause to be levied in each and every fiscal year that any of the Bonds are outstanding ad valorem taxes  
70 upon all the legally assessable property within the corporate limits of the County in rate and amount  
71 sufficient, together with other available funds, to provide for the payment, when due, of the interest on and  
72 principal of all of the Bonds maturing in each such fiscal year. In case the Bonds shall be issued in any fiscal  
73 year after the making of the regular levy for that fiscal year, any and all interest becoming due before the next  
74 levy shall be paid out of any other funds at the disposal of the County and there shall be levied at the next  
75 succeeding levy an amount sufficient to reimburse such other funds. Funds available from other sources may  
76 be applied to assist in the payment of interest on and principal of the Bonds. Taxes that might otherwise be  
77 levied hereunder may be reduced or not levied to the extent of such funds being received or receivable. The  
78 full faith and credit and unlimited taxing power of the County are hereby irrevocably pledged to the payment  
79 of the principal of and interest on the Bonds as and when such principal and interest respectively mature and  
80 to the levy and collection of the taxes prescribed in this Section as and when such taxes may become  
81 necessary in order to provide sufficient funds to meet the debt service requirements of the Bonds.

82 The County hereby solemnly covenants with each of the holders of any of the Bonds to take all action  
83 as may be appropriate from time to time during the period that any of the Bonds remain outstanding and  
84 unpaid to provide the funds necessary to make the principal and interest payments. The County hereby  
85 further covenants and agrees with each of the holders of any of the Bonds to levy and collect the taxes  
86 prescribed in this Section.

87 Section 6: The Bonds shall be sold for cash upon receipt of electronic bids to the bidder whose bid is  
88 deemed to be in the best interests of the County after the County has given public notice by advertisement  
89 inserted at least once in one or more daily or weekly newspapers having a general circulation in the County  
90 not less than ten (10) days prior to the sale of the Bonds. The advertisement for the sale of the Bonds shall be

91 in substantially the form set forth in Exhibit A; provided that the County Executive may approve such changes  
92 to such form as she deems necessary or appropriate, subject to the terms of this Resolution.

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

98 Section 8: Conditional only upon the delivery of and payment for the Bonds, the County hereby  
99 specifically and irrevocably elects to redeem the Refunded Bonds maturing in the years 2020 through 2029,  
100 inclusive, on June 1, 2019, at a redemption price of 100% of the principal amount thereof, plus interest  
101 accrued and unpaid to the redemption date. Notwithstanding the foregoing, the irrevocable election  
102 contained in this Section shall only be effective with respect to the maturities and principal amounts of the  
103 Refunded Bonds identified in the executive order referred to in Section 3 of this Resolution.

104 Section 9: The County hereby covenants that it will take, or refrain from taking, any and all actions  
105 necessary to comply with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of  
106 the Internal Revenue Code of 1986, as amended (the "Code") and the Income Tax Regulations thereunder, in  
107 order to preserve the status of the interest on the Bonds as excluded from gross income for Federal income  
108 tax purposes. Without limiting the generality of the foregoing covenant, (a) the County will not use or permit  
109 the use of any of the proceeds of the Bonds or any of the funds of the County in such manner as would cause  
110 the interest on the Bonds to be included in gross income for Federal income tax purposes, (b) the County will  
111 regulate the investment of the proceeds of the Bonds so as not to cause any of the Bonds to be an "arbitrage  
112 bond" within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the  
113 County will, if and to the extent necessary, make periodic determinations of the rebate amount and timely pay  
114 any rebate amount, or installment thereof, to the United States of America, (d) the County will prepare and  
115 timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental  
116 Obligations, and (e) the County Executive and/or the Director of Finance are hereby authorized and directed  
117 to prepare or cause to be prepared and to execute any certificate or other document which may be required  
118 in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150,  
119 inclusive, of the Code, and the Income Tax Regulations thereunder.

120           **AND BE IT FURTHER RESOLVED** that this Resolution shall take effect on the date of its passage by the  
121 County Council of Cecil County.

INTRODUCED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

\_\_\_\_\_  
President of the Council

ATTEST:

\_\_\_\_\_  
Council Manager