

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND  
LEGISLATIVE SESSION 2015-01**

**RESOLUTION NO. 04-2015**

**Title of Resolution:** Refunding Bonds of 2015

**Synopsis:** A Resolution to authorize and empower Cecil County, Maryland to borrow, from time to time, not more than Forty One Million Eight Hundred Seventy Five Thousand Dollars (\$41,875,000) 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 2015," 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 the behalf of the County Executive \_\_\_\_\_

**Introduced and order posted on:** \_\_\_\_\_ January 6, 2015 \_\_\_\_\_

**Consideration scheduled on:** \_\_\_\_\_ January 20, 2015 \_\_\_\_\_

**PUBLIC HEARING**

Notice of time and place of public hearing and title of Resolution having been posted by \_\_\_\_\_ at the County Administration Building, 200 Chesapeake Blvd., Elkton, and having been published according to the Charter on \_\_\_\_\_ a public hearing was held on \_\_\_\_\_, and concluded on \_\_\_\_\_.

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

Explanation: CAPITALS INDICATE MATTER ADDED TO EXISTING ORDINANCE.  
{Brackets} indicate matter deleted from existing ordinance.  
Underlining indicates language added to ordinance by amendment.  
~~Strike through~~ indicates language stricken out of an Ordinance by amendment.

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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  
3 of its outstanding bonds for the purpose of realizing savings in the total cost of debt service on either a  
4 direct comparison or present value basis; and

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

8           **WHEREAS**, based on the foregoing advice, pursuant to the Refunding Act, the County Council  
9 wishes to authorize the issuance of the County's general obligation bonds in an aggregate principal  
10 amount not to exceed \$41,875,000 for the above-stated purposes, and to provide for and determine  
11 certain matters in 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  
14 the 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  
16 funds to refund (1) \$18,365,000 principal amount of the County Commissioners of Cecil County  
17 Consolidated Public Improvement Bonds of 2006, which mature on September 1 in the years 2015  
18 through 2026, inclusive (the “Refunded 2006 Bonds”) and (2) \$23,510,000 principal amount of the County  
19 Commissioners of Cecil County Consolidated Public Improvement Bonds of 2007, which mature on  
20 December 1 in the years 2015 through 2027, inclusive (the “Refunded 2007 Bonds”, and collectively with  
21 the Refunded 2006 Bonds, the “Refunded Bonds”), in order to realize savings to the County in the total  
22 cost of debt service. It is hereby estimated and determined that the costs of such refunding will be not  
23 more than Forty One Million Eight Hundred Seventy Five Thousand Dollars (\$41,875,000) and that such  
24 costs, together with any portion of the costs of issuance that the Director of Finance of Cecil County,  
25 Maryland (the “Director of Finance”) determines to finance with the proceeds thereof, are to be financed  
26 to such extent from the proceeds of the sale of the Bonds (defined below). Notwithstanding the  
27 foregoing, the final principal amount of Bonds to be issued and the series, maturities and principal  
28 amounts of the Refunded Bonds to be refunded shall be determined pursuant to the executive order  
29 described in Section 3.

30           Section 2: To evidence the borrowing and indebtedness described in Section 1 and acting  
31 pursuant to the authority of the Refunding Act, the County is hereby authorized to issue and sell upon its

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32 full faith and credit an aggregate principal amount not to exceed Forty One Million Eight Hundred Seventy  
33 Five Thousand Dollars (\$41,875,000) par value of general obligation bonds of the County. Such issue of  
34 bonds shall be designated as "Cecil County, Maryland Refunding Bonds of 2015" (the "Bonds").

35 Section 3: The Bonds may be issued in one or more series, from time to time, as the  
36 County Executive of Cecil County, Maryland (the "County Executive") may deem appropriate upon the  
37 advice of the financial advisor and bond counsel employed by the County. Prior to the issuance and sale of  
38 all or any part of the Bonds, the County Executive shall execute and deliver an executive order to fix,  
39 prescribe and determine, or provide for the method of determining, the date of issue, the  
40 denomination(s) of the Bonds, the aggregate principal amount of the Bonds to be issued, the maturity  
41 schedule for the Bonds, the form and tenor thereof, the places of payment of the principal thereof and  
42 the interest to accrue thereon, any registrar and/or paying agent for such bonds, the reserved right, if  
43 any, to redeem the Bonds prior to maturity and the premium, if any, payable upon the exercise of said  
44 right, the rate or rates of interest payable on the Bonds, or the method of determining the same, details  
45 relating to the sale of the Bonds, the award of the Bonds to the purchaser thereof, the price at which the  
46 Bonds shall be sold (which may be at, above or below par), the application of any premium paid to the  
47 County upon the sale of the Bonds, the series, maturities and principal amounts of the Refunded Bonds to  
48 be refunded, provision for the payment, as and when due, of the interest on and principal and  
49 redemption price of the Refunded Bonds and the redemption of the Refunded Bonds that are to be  
50 redeemed prior to their respective maturities on the earliest practicable dates, including the appointment  
51 of an escrow deposit agent, and any other details, terms or conditions relating to the issuance, sale,  
52 delivery and payment of the Bonds. The County Executive is authorized to execute and deliver such  
53 documents as she deems necessary or appropriate to effect the issuance of the Bonds and to approve the  
54 provisions thereof (such approval to be evidenced by her execution and delivery of such documents).

55 Section 4: Each of the Bonds shall be executed in the name of the County and on its  
56 behalf by the manual or facsimile signatures of the County Executive and the Director of Finance and the  
57 corporate seal of the County or a facsimile thereof, shall be imprinted or otherwise reproduced thereon,  
58 and attested by the manual or facsimile signature of the Director of Administration of Cecil County,  
59 Maryland (the "Director of Administration"). Each of the Bonds shall be authenticated by the manual  
60 signature of an authorized officer of the bond registrar. If by facsimile, the facsimiles of such signatures  
61 and seal shall be engraved, printed or lithographed on the Bonds in accordance with, and pursuant to the  
62 authority of, Sections 2-301 to 2-306, inclusive, of the State Finance and Procurement Article of the

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63 Annotated Code of Maryland (2009 Replacement Volume). The County Executive, the Director of Finance  
64 and the Director of Administration, by the execution of appropriate signature certificates, shall adopt, as  
65 and for their own proper signatures, their respective facsimile signatures on the Bonds if facsimile  
66 signatures are used.

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

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

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

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93 Executive may approve such changes to such form as she deems necessary or appropriate, subject to the  
94 terms of this Resolution.

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

100           Section 8: Conditional only upon the delivery of and payment for the Bonds, the  
101 County hereby specifically and irrevocably elects to redeem (1) the Refunded 2006 Bonds maturing in the  
102 years 2017 through 2026, inclusive, on September 1, 2016, at a redemption price of 100% of the principal  
103 amount thereof, and (2) the Refunded 2007 Bonds maturing in the years 2018 through 2027, inclusive, on  
104 December 1, 2017 at a redemption price of 100% of the principal amount thereof, in each case plus  
105 interest accrued and unpaid to the applicable redemption date. Notwithstanding the foregoing, the  
106 irrevocable election contained in this Section shall only be effective with respect to the series, maturities  
107 and principal amounts of the Refunded Bonds identified in the executive order referred to in Section 3 of  
108 this Resolution.

109           Section 9: The County hereby covenants that it will take, or refrain from taking, any and all  
110 actions necessary to comply with the applicable provisions of Section 103 and Sections 141 through 150,  
111 inclusive, of the Internal Revenue Code of 1986, as amended (the "Code") and the Income Tax Regulations  
112 thereunder, in order to preserve the status of the interest on the Bonds as excluded from gross income  
113 for Federal income tax purposes. Without limiting the generality of the foregoing covenant, (a) the  
114 County will not use or permit the use of any of the proceeds of the Bonds or any of the funds of the  
115 County in such manner as would cause the interest on the Bonds to be included in gross income for  
116 Federal income tax purposes, (b) the County will regulate the investment of the proceeds of the Bonds so  
117 as not to cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code  
118 and the Income Tax Regulations thereunder, (c) the County will, if and to the extent necessary, make  
119 periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof,  
120 to the United States of America, (d) the County will prepare and timely file Internal Revenue Service Form  
121 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the County Executive  
122 and/or the Director of Finance are hereby authorized and directed to prepare or cause to be prepared  
123 and to execute any certificate or other document which may be required in order to assure compliance

124 with the applicable provisions of Section 103 and Sections 141 through 150, inclusive, of the Code, and  
125 the Income Tax Regulations thereunder.

126 Section 10:

127 **AND, BE IT FURTHER RESOLVED** that this Resolution shall take effect on the date of its passage by the  
128 County Council of Cecil County, Maryland.

129

INTRODUCED: January 6, 2015

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

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

ATTEST:

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