HARFORD COUNTY, MARYLAND
Office of the County Auditor

FISCAL IMPACT NOTE

Summary of Legislation

Sponsor: Council President Boniface at the request of the County Executive

Resolution Number 1-13 **Terms of Sale – GO Bonds**

A RESOLUTION to authorize the issuance, sale and delivery by Harford County, Maryland (the "County") of its Bonds designated "Harford County, Maryland Consolidated Public Improvement Bonds, Series 2013A" (the "CPI Bonds") in the aggregate principal amount not to exceed Forty Million Dollars ($40,000,000) pursuant to the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (2003 Replacement Volume; 2011 Supplement) (the "Consolidated Bonds Act"), Section 524 of the Charter of Harford County (the "Charter"), Sections 123-40 and 256-26 of the Code of Harford County (the "County Code")…..

Resolution Number 2-13 **Terms of Sale – Refunding Bonds**

A RESOLUTION to authorize the issuance, sale and delivery by Harford County, Maryland (the "County") of its Bonds designated "Harford County, Maryland Refunding Bonds, Series 2013B" in the aggregate principal amount not to exceed Eighty-Nine Million Dollars ($89,000,000) (the "Refunding Bonds") pursuant to the provisions of Section 24 of Article 31 of the Annotated Code of Maryland (2003 Replacement Volume; 2011 Supplement) (the "Refunding Bonds Act"), Section 524 of the Charter of Harford County (the "Charter"), Sections 123-40 and 256-26 of the County Code of Harford County (the "County Code"), and Bill No. 07-18 enacted by the County Council of Harford County, Maryland (the "County Council") on July 10, 2007, effective September 17, 2007 and Bill No. 12-53, enacted by the County Council on December 18, 2012, effective December 20, 2012 (the "Refunding Bills") for the purpose of financing the refunding of certain maturities of the outstanding amounts of the $42,415,000 Harford County, Maryland Consolidated Public Improvement Bonds, Series 2005 (the "Outstanding 2005 Bonds") issued pursuant to Bill Nos. 02-17, 03-20, 04-36 and 04-37 and the $120,595,000 Harford County Consolidated Public Improvement Bonds, Series 2007 (the "Outstanding 2007 Bonds") issued pursuant to Bill Nos. 02-17, 02-18, 03-20 and 03-21 (the maturities to be refunded of the Outstanding 2005 Bonds and the Outstanding 2007 Bonds are sometimes hereinafter referred to collectively as the "Refunded Bonds"), and including accrued interest and cost of issuance; providing for increase or decrease in the aggregate principal amount of Refunding Bonds (not to exceed $89,000,000)…..

The resolutions will take effect when adopted.

Fiscal Impact Summary and Analysis

These resolutions provide the financing terms for the debt issues approved by prior legislation. The resolutions confirm the Council's approval of the terms for $40 million in new debt and refunding of $89 million of previously issued debt.

The annual debt service for the new debt will be approximately $2,472,500 for 20 years. The refunding will save Harford County $2,918,125 in debt service over 15 years. Both debt issues will be general obligations of the government of Harford County, Maryland.

The previously approved bond bills authorized the County Council to adopt, via resolution, the terms of the bonds as recommended by the County Executive. The resolutions set forth the following terms:

	Resolution 1-13	Resolution 2-13
Name	Harford County, Maryland Consolidated Public Improvement Bonds, Series 2013A	Harford County, Maryland Refunding Bonds, Series 2013B
Amount of Financing	$ 40,000,000	$ 76,930,000
Estimated Interest rate	2.0% - 2.5%	3.0% - 5.0%
Length of financing	20 years	15 years
Annual Debt Service	$ 2,472,500	$ 6,984,200
Refunding Savings		$ (2,918,125)
Use of Funds	Projects Included 23 General (Bills 08-35, 09-26, 10-18, 11-25, 11-28, 12-37) 12 Water and Sewer (Bills 06-20, 07-17, 08-36, 09-27, 11-27, 12-36)	Bond Issues Included 2005 $21,015,000 (3%-5% interest) 2007 $52,945,000 (4%-5% interest)
Date of Sale	Tuesday, February 19, 2013	
Type of issuance	Public Sale, Competitive Bids	

The interest rates used in the above are averages of the current bond issues and projections for the new bond issues. This amount is an estimate which will change with the market. The actual savings is not guaranteed until the sale is complete.

Additional Information

Previous Introductions: None

Fiscal Note History: Version 01 (1/8/2013) based on resolution as of January 8, 2013.
Fiscal Analysis was prepared by Chrystal Brooks, County Auditor.
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