

**PERTAINING TO THE AMENDMENT OF THE DEBT POLICY
FOR CALVERT COUNTY, MARYLAND**

WHEREAS, Section 17-207 of the *Local Government Article* of the Maryland Annotated Code, requires the Board of County Commissioners of Calvert County, Maryland (hereinafter, the “Board of County Commissioners”) to adopt a local debt policy;

WHEREAS, the Board of County Commissioners did adopt such a policy as set forth in Resolution No. 37-09, *Pertaining to the Adoption of a Debt Policy* (hereinafter referred to as the Debt Policy”);

WHEREAS, the Office of Finance and Budget has recommended that the Board of County Commissioners adopt certain amendments to Debt Policy, more specifically set forth below;

WHEREAS, a public hearing regarding the certain amendment of the Debt Policy of Calvert County was duly advertised in for two consecutive weeks before the public hearing held on November 19, 2013, at which time the Board of County Commissioners received public comment;

WHEREAS, upon due consideration of the comments of the public and staff and in furtherance of the public health, safety and welfare, the Board of County Commissioners finds that it is in the best interest of the public health, safety and welfare of the citizens of Calvert County, Maryland to adopt certain amendments to the Debt Policy as set forth herein.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Calvert County, Maryland hereby approves and enacts the following amendments to the Debt Policy:

1. Section IV of the Debt Policy shall be amended by repealing section IV of the Debt Policy in its entirety and adopting in its place the following:

§IV. Debt Limits.

- A. The County periodically requests authorization from the General Assembly, which specifies a not to exceed principal amount of bonds that can be issued pursuant to that authorization.
- B. The County has a Debt Affordability model that it uses to determine the amount of new debt the County can afford to support. The model is driven by revenue and growth assumptions with established standards controlling the amount of new debt to be issued over the life of the CIP. The County uses the following guidelines in deciding how much additional General Obligation Debt may be issued in the six-year CIP period:
 - The ratio of General Fund Debt Service to General Fund Revenue; 9.5%;
 - The ratio of General Fund Debt to Assessed Value of Taxable Real Property; 1.8%; and

- Other standards as may be appropriate.

2. Section VII, DEBT MANAGEMENT POLICIES, Subpart (E), *Debt Management Policies*, shall be amended by repealing Section VII, Subpart (E) in its entirety and adopting in its place the following:

E. Each year in conjunction with the adoption of the capital budget, the Capital Projects Analyst will file a "Declaration of Official Intent to Reimburse." This provides the County with the right to reimburse itself from future General Obligation Debt issues for capital costs advanced prior to the issuance of the debt. These reimbursement rights are subject to rules promulgated by the Internal Revenue Service.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that the Debt Policy, as amended hereby, shall remain in full force and effect.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that, in the event any portion of this Policy is found to be unconstitutional, illegal, null or void, by a court of competent jurisdiction, it is the intent of the Board of County Commissioners to sever only the invalid portion or provision, and that the remainder of the Policy shall be enforceable and valid, unless deletion of the invalid portion would defeat the clear purpose of the Policy, or unless deletion of the valid portion would produce a result inconsistent with the purpose and intent of the Board of County Commissioners in enacting this Policy.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that the foregoing recitals are hereby incorporated and adopted as if fully set forth.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that this Policy shall be adopted and effective upon recordation, which shall be no sooner than ten (10) days from the date of adoption.

DONE, this 19th day of November, 2013, by the Board of County Commissioners of Calvert County, Maryland, sitting in regular session.

Aye: 5
 Nay: 0
 Absent/Abstain: 0

(Signatures on following page)

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
OF CALVERT COUNTY, MARYLAND**

Maureen L. Frederick
Maureen Frederick, Clerk

Pat Nutter
Pat Nutter, President

Steven R. Weems
Steven R. Weems, Vice President

Approved for legal sufficiency on
November 14, 2013 by:

Gerald W. Clark
Gerald W. Clark

John B. Norris
John B. Norris, County Attorney

Susan Shaw
Susan Shaw

Evan K. Slaughenhoupt Jr.
Evan K. Slaughenhoupt Jr.

Received for Record... December 2, 2013
at 10:45 o'clock... A... 43
... COUNTY COMMISSIONERS
... AND RESOLUTION.

John P. Smith

13...
10:45
A...
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