

Resolution No.: 17-134
Introduced: May 3, 2010
Adopted: May 17, 2011

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Washington Suburban Sanitary Commission Fiscal Year 2011 Budget Supplement Request: Redemption of General Construction Refunding Bonds of 2001 (Source of Funds: Washington Suburban Sanitary Commission General Bond Debt Service Fund)

Background

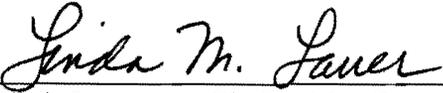
1. Article 29, Section 1-204, of the Maryland Code provides that the Washington Suburban Sanitary Commission (WSSC) may submit a proposed budget supplement to the County Executives of both Montgomery and Prince George's Counties for their recommendations. Within 10 days of receiving the proposed supplements, the County Executives of each county shall transmit the proposed supplements to the County Council of that county, together with recommendations. The County Councils must jointly approve or amend the proposed supplement within 90 days from the date of transmittal of the supplement from WSSC to the County Executives, or the proposed supplement is automatically disapproved.
2. On April 27, 2011, the Washington Suburban Sanitary Commission submitted a Fiscal Year 2011 budget supplement totaling \$26,871,050 to the County Executives of both counties. This supplement would be used to pay for the early redemption of General Construction Refunding Bonds of 2001. The \$26,871,050 will be transferred from the General Bond Debt Service Fund and replenished by front foot benefit charges to be collected between 2012 and 2016.
3. The bond redemption is anticipated to save \$2.4 million, since the General Construction Refunding Bonds of 2001 carry a coupon rate of 5.0 percent while the Washington Suburban Sanitary Commission is only earning .25 percent from investment income.
4. On May 2, 2011, the Council received a recommendation from the County Executive to approve the budget supplement as requested by the Washington Suburban Sanitary Commission.
5. A public hearing was held on May 17, 2011.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Montgomery County Council approves a supplement to the FY11 budget of the Washington Suburban Sanitary Commission for \$26,871,050 for the early redemption of General Construction Refunding Bonds of 2001 from General Bond Debt Service Fund balance.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council