COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

SUBJECT: To authorize Montgomery County, Maryland to execute and deliver a conditional purchase agreement (the “Conditional Purchase Agreement”) in an amount not to exceed $32,000,000, and to authorize the issuance of certificates of participation (the “COPs”) in an amount not to exceed $32,000,000, in order to finance the costs of certain equipment useful and necessary for the use and benefit of the County and its agencies; providing that the County’s obligation to make lease payments under the Conditional Purchase Agreement will be subject to annual appropriation by the County Council and will not constitute indebtedness of the County; and generally providing for other matters related to the execution and delivery of the Conditional Purchase Agreement by the County.

Background

1. The County desires to acquire certain equipment (the “Equipment”) useful and necessary for the use and benefit of the County and its agencies.

2. The County has a need for the Equipment to provide improved and continued public service to the citizens of the County.

3. The Director of Finance of the County has determined that the most cost-effective method of acquiring the Equipment, taking into account the overall financing needs of the County, is by entering into a conditional purchase agreement (the “Conditional Purchase Agreement”) with a financial institution and selling certificates of participation (the “COPs”) in the payment of purchase installments under the Conditional Purchase Agreement.

4. The County has determined that it is in the best interests of the County to finance the costs of acquiring the Equipment by means of the Conditional Purchase Agreement and the issuance of the COPs.
Resolution No.: 15-1542

Action

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

Section 1. The execution and delivery by the County Executive or the Chief Administrative Officer of the Conditional Purchase Agreement in an amount not to exceed $32,000,000, the sale of COPs in the purchase installments payable under the Conditional Purchase Agreement, and the execution and delivery by any other officers, officials, employees or agents of the County of all other related documents necessary to consummate the transactions contemplated therein and thereby is hereby approved. The Conditional Purchase Agreement may be executed and delivered in order to provide funds sufficient to finance all or a portion of the costs of the Equipment.

Section 2. The County's obligation to make lease payments under the Conditional Purchase Agreement will be subject to annual appropriation by the County Council. The Conditional Purchase Agreement will not constitute indebtedness of the County under the Constitution and Laws of Maryland, the Montgomery County Code or the Public Local Laws of Montgomery County, Maryland or for any other purpose. The Conditional Purchase Agreement will not be a general obligation of the County and will never constitute an indebtedness of the County within the meaning of any constitutional or statutory limitation or a charge against the general credit or taxing powers of the County.

Section 3. The County will cause to be sold the COPs representing proportional interests in the purchase installments payable under the Conditional Purchase Agreement, such COPs to be sold at public, competitive sale.

Section 4. The Conditional Purchase Agreement will be in such form as the County Executive or the Chief Administrative Officer may approve, such officer's execution and delivery of the Conditional Purchase Agreement to constitute conclusive evidence of such approval.

Section 5. This Resolution takes effect immediately upon adoption.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council