

RESOLUTION NO. 24-19

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, PROVIDING OFFICIAL INTENT PURSUANT TO TREASURY REGULATION SECTION 1.150-2 IN CONNECTION WITH THE ISSUANCE AND SALE BY COUNTY COMMISSIONERS OF CALVERT COUNTY (THE "COUNTY") OF ONE OR MORE SERIES OF ITS GENERAL OBLIGATION CONSOLIDATED PUBLIC IMPROVEMENT BONDS OR OTHER DEBT OBLIGATIONS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$21,342,948 FOR THE PURPOSE OF FINANCING VARIOUS CAPITAL PROJECTS LOCATED OR TO BE LOCATED IN CALVERT COUNTY.

RECITALS

WHEREAS, the County Commissioners of Calvert County, a body politic and corporate and a political subdivision of the State of Maryland (the "County") intends to issue bonds or other debt obligations to finance the Project Costs (hereinafter defined) of certain projects described herein (as hereinafter defined, the "Capital Projects"); and

WHEREAS, the U.S. Treasury Department issued Treasury Regulation §1.150-2 governing the use of the proceeds of tax-exempt bonds or other debt obligations for the purpose of reimbursing expenditures paid prior to the issuance of such bonds or obligations and requiring, among other things, the declaration of an official intent to reimburse; and

WHEREAS, U.S. Treasury Income Tax Regulation Section 1.150-2 requires that, in order to assure the eligibility of expenditures made with respect to the Capital Projects for reimbursement with the proceeds of tax-exempt obligations, the County generally must adopt a declaration of official intent in compliance with such regulation either before, or within 60 days after, payment of the expenditure; and

SUBJECT: Declaration of Intent of the County
to reimburse from bonds or other debt obligations

Page 2 of 6

WHEREAS, the County proposes to make certain capital expenditures in connection with the acquisition, design, construction, expansion and/or renovation and equipping of various capital projects, including: construction of the Northern High School and Beach Elementary School replacement facilities; design of the new Twin Beaches Library; construction of tennis courts, restrooms and snack facilities at County parks; design and construction relating to the Ward Farm Recreation and Nature Center; design of the new clubhouse at Chesapeake Hills Golf Course; acquisition and design of improvements to Little Cove Point Road; design and construction relating to the Prince Frederick – Traskers Boulevard Intersection; design, acquisition and construction of improvements to West Dares Beach Road; design relating to the widening of St. Leonard Road; design relating to the 800 MHz Digital Communication System; acquisition of equipment for the St. Leonard Volunteer Fire Department and Rescue Squad and career EMS personnel; construction relating to the Back Creek Loop water project; design, construction and equipping of various County wastewater treatment facilities; construction relating to the Solomons Wastewater Treatment Plant upgrades; construction related to the Prince Frederick Pump Station upgrades; design and construction of the Headworks Pumping Station upgrades; and other projects presently included in or later appended to the approved Calvert County, Maryland Capital Improvement Program and related issuance costs (collectively, the “Capital Projects”);

WHEREAS, the County intends to issue general obligation consolidated public

SUBJECT: Declaration of Intent of the County
to reimburse from bonds or other debt obligations

Page 3 of 6

improvement bonds or other debt obligations to finance the acquisition, construction, design, renovation, expansion, equipping and installation expenses of the Capital Projects and issuance costs of bonds or other debt obligations, all constituting capital expenditures (collectively referred to as the "Project Costs") pursuant to the authority granted by certain laws adopted from time to time by the Maryland General Assembly;

WHEREAS, the County reasonably expects that a portion of the Project Costs will be paid by the County prior to the issuance of the bonds or other debt obligations and that certain proceeds of the bonds or other debt obligations will be used to reimburse the County for the Project Costs paid by the County prior to the issuance of the bonds or other debt obligations; and

WHEREAS, the County desires to declare its official intent to reimburse the costs of the Capital Projects with the proceeds of the County's bonds or other debt obligations in order to comply with the requirements of U.S. Treasury Income Tax Regulation Section 1.150-2 and thereby to assure the eligibility of expenditures made with respect to the Capital Projects for reimbursement from the proceeds of tax-exempt obligations of the County.

NOW, THEREFORE, THE COUNTY MAKES THE FOLLOWING
DECLARATION OF OFFICIAL INTENT:

SECTION 1. BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF CALVERT COUNTY, That the County reasonably expects that:
(i) it will issue bonds or other debt obligations to finance all or a portion of the Project

SUBJECT: Declaration of Intent of the County
to reimburse from bonds or other debt obligations

Page 4 of 6

Costs; (ii) capital expenditures may be paid or incurred for the Capital Projects prior to the issuance of such bonds or other debt obligations; and (iii) such expenditures will be reimbursed from the proceeds of such bonds or other debt obligations.

SECTION 2. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the maximum aggregate principal amount of bonds or other debt obligations that the County expects to issue for Project Costs is \$21,342,948.

SECTION 3. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the County intends that the adoption of this Resolution shall be and constitute an "official intent resolution" within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department.

SECTION 4. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections, or parts of this Resolution or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Resolution would have been passed if such

SUBJECT: Declaration of Intent of the County
to reimburse from bonds or other debt obligations

Page 5 of 6

illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Resolution or any part hereof is inapplicable had been specifically exempted therefrom.

SECTION 5. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That the foregoing recitals are hereby incorporated by reference.

SECTION 6. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That this Resolution shall not discharge, impair or release any contract, obligation, duty, liability or penalty, whatever existing on the date of its enactment.

SECTION 7. AND BE IT FURTHER RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, That this Resolution shall be effective upon its adoption in accordance with applicable law.

(Signatures Appear on Next Page)

SUBJECT: Declaration of Intent of the County to reimburse from bonds or other debt obligations

DONE, this 6th day of August, 2019, by the Board of County Commissioners for Calvert County, Maryland, sitting in regular session.

Aye: 5

Nay: 0

Absent/Abstain: 0

ATTEST:

COUNTY COMMISSIONERS OF CALVERT COUNTY

Karen S. Phelps
Karen Snyder Phelps,
Clerk to the Board of
County Commissioners
of Calvert County

By: Thomas E. Hutchins
Thomas E. Hutchins, President

Kelly D. McConkey
Kelly D. McConkey, Vice President

Approved for legal sufficiency
on July 11, 2019 by

Earl F. Hance
Earl F. Hance, County Commissioner

Mike Hart
Mike Hart, County Commissioner

Cheryl O. Donnell Guth
Cheryl O. Donnell Guth
McGuire Woods LLP
Bond Counsel

Steven R. Weems
Steven R. Weems, County Commissioner

Received for Record August 20, 2019
at 3:21 o'clock P.M. Same day
recorded in Liber KPS No. 58
Folio 435 COUNTY COMMISSIONERS
ORDINANCES AND RESOLUTION.

Garry P. Smith