

**COUNTY COUNCIL OF CECIL COUNTY, MARYLAND  
LEGISLATIVE SESSION DAY 2017-20**

**BILL NO. 2017-20**

**Title of Bill:** Budget Amendment - Wastewater Capital Project Budget - Elkton West Sanitary Sewer District - USDA Loan

Synopsis: A Bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for the fiscal year ending June 30, 2018, to replace existing County General Obligation (GO) Bonds appropriation authority of \$8,070,000 for the construction of the Elkton West Sanitary Sewer Sub-district project within the Wastewater Capital Projects Budget, with a loan approved for the project from the United States Department of Agriculture (USDA).

**Introduced by:** Council President on behalf of County Executive

**Introduced, read first time and ordered posted on:** October 17, 2017

**Public hearing scheduled:** November 21, 2017 at: 7:00 p.m.

**Scheduled for Consideration:** December 5, 2017

By: James Massey  
Council Manager

**Public Hearing**

Notice of time and place of public hearing and title of Bill have been posted by October 17, 2017 at the County Administration Building, 200 Chesapeake Blvd., Elkton and having been published according to the Charter on November 8, 2017 and November 15, 2017, a public hearing was held on November 21, 2017, and concluded on November 21, 2017.

By: James Massey  
Council Manager

**Explanation:** CAPITALS INDICATE MATTER ADDED TO EXISTING BILL.  
{Brackets} indicate matter deleted from existing law.  
Underlining indicates language added to Bill by amendment.  
~~Strike through~~ indicates language stricken out of Bill by amendment.

Budget Amendment - Wastewater Capital Project Budget - Elkton West Sanitary Sewer District - USDA Loan

1           **WHEREAS**, in accordance with Section 505 of the Cecil County Charter, on April 1, 2017, the County  
2 Executive submitted a proposed budget to the County Council for Fiscal Year 2018; and

3           **WHEREAS**, in accordance with Section 506 of the Cecil County Charter, the Cecil County Council held  
4 public hearings on the proposed budget submitted by the County Executive for Fiscal Year 2018; and

5           **WHEREAS**, in accordance with Section 507(b) of the Cecil County Charter, on June 15, 2017, the  
6 Budget for Cecil County was adopted for Fiscal Year 2018; and

7           **WHEREAS**, the County Executive is revising the Fiscal Year 2018 Wastewater Capital Projects Budget  
8 to change the funding schedule of the Elkton West Sanitary Sewer Sub-district project:

9           a) To replace the approved County General Obligation bond amount of \$8,070,000 with loan  
10 proceeds awarded by the United States Department of Agriculture (USDA); and

11           **WHEREAS**, such a change of funding will avail the County of a lower interest rate of  
12 two per cent (2%) versus a general obligation blended rate of approximately three and one-half  
13 percent (3.5%) and the ability to spread the payments over forty years versus the typical twenty  
14 years with General Obligation bonds.

15           **NOW THEREFORE, BE IT HEREBY RESOLVED BY THE COUNTY COUNCIL OF CECIL COUNTY,**  
16 **MARYLAND**, that the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for Fiscal  
17 Year 2017 is amended in order to replace the source of funding from General Obligation Bonds of  
18 \$8,070,000 with United States Department of Agriculture loan proceeds for the Construct Elkton West  
19 Sanitary Sewer Sub-district project within the Wastewater Capital Improvement Program.

20           **AND, BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF CECIL COUNTY, MARYLAND,**  
21 that this Bill shall take effect 60 calendar days from the date it becomes law.

**CERTIFICATION**

I, HEREBY CERTIFY that the above Bill was posted for the public on the public bulletin board with the date, time and location of the public hearing meeting, copies were made available for the public, a copy was distributed to the press, and copy was made available on the Cecil County website.

  
BY: Council Manager

**BILL NO: 2017-20**

**Title of Bill:** Budget Amendment – Wastewater Capital Project Budget – Elkton West Sanitary Sewer District

is hereby submitted to the County Council of Cecil County, Maryland for enrollment as being the text as finally passed.

**CERTIFIED TRUE AND CORRECT**

**ENROLLED**

James Massey  
Council Manager

James Sawlshey  
Council President

Date: December 5, 2017

Date: December 5, 2017

**BY THE COUNCIL**

Read the third time.

**Passed – LSD 2017-23**

**Failed of Passage – LSD \_\_\_\_\_**

BY: James Massey  
Council Manager

**SEALED WITH THE COUNTY SEAL AND PRESENTED TO THE COUNTY EXECUTIVE** for approval this

6<sup>th</sup> day of December, 2017 at 1:00 am/pm  
(10 business days from adoption 306)

BY: James Massey  
Council Manager



BY THE EXECUTIVE:  
[Signature]  
Cecil County Executive

APPROVED Date: 12.8.2017

VETOED Date: \_\_\_\_\_  
(10 business days from presentation 306)

**BY THE COUNCIL**

This **Bill No. 2017-20** having been approved by the Executive and returned to the Council becomes law on

December 8, 2017 with an effective date of February 6, 2018

BY: James Massey  
Council Manager



# CECIL COUNTY, MARYLAND

## DEPARTMENT OF FINANCE

### FISCAL IMPACT NOTE

#### SUMMARY OF LEGISLATION

**SPONSOR:** Council President at the request of the County Executive

**BILL NO. 2017-20 – BUDGET AMENDMENT – WASTEWATER CAPITAL IMPROVEMENT PROGRAM –  
CONSTRUCT ELKTON WEST SANITARY SEWER**

**SYNOPSIS:** A bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2018 to replace existing County General Obligation (GO) Bonds appropriation authority of \$8,070,000 for the construction of the Elkton West Sanitary Sewer Sub-district project within the Wastewater Capital Projects Budget with a loan approved for the project from the United States Department of Agriculture (USDA).

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**FISCAL IMPACT SUMMARY:** The approval of this bill will have no net financial effect on the Capital Improvement Program of Cecil County. The bill replaces the existing bond appropriation authority funding source of General Obligation Debt with a loan from the United States Department of Agriculture (USDA). However, once the bonds are borrowed and spent by the County, there will be a savings resulting from a reduced rate of interest and flexibility in repayment terms resulting in a debt service cost savings of \$454,006.

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**FISCAL ANALYSIS:**

The County Executive's goal of providing sewer infrastructure within the growth corridor was authorized through the FY2018 Capital Improvement Program. In order to fund the needed expansion, the County Executive, as part of his due diligence, wanted to explore other resources to finance those efforts. USDA met with County Administration to explain what they could offer to the County as far as loans and potentially grants for our wastewater projects. Although Elkton West was not awarded a grant, the USDA did award the County \$8,070,000 loan at a rate of 2% for forty years. This is an advantageous opportunity for Cecil to save interest expense, but more importantly the additional years to repay (a general obligation bond is normally 20 years where USDA has offered 40 years) will allow the fund to bring on the additional users while having lower debt service payments.