

## RESOLUTION

Resolution No. 13-04

A RESOLUTION OF THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND REVISING THE COUNTY'S LOCAL DEBT POLICY.

WHEREAS, the County Commissioners of Queen Anne's County, Maryland ("the Commissioners") are required, pursuant to Article 95, Section 22F of the Annotated Code of Maryland to adopt a local debt policy that is consistent with the Maryland Constitution, Articles 23A, 24 and 31 of the Annotated Code of Maryland and all other applicable statutes, charters and local laws; and

WHEREAS, the Commissioners established a local debt policy by Resolution 09-13 adopted August 25, 2009 and now wish to revise and update the same; and

WHEREAS, this Resolution shall replace Resolution 09-13 in all respects; and

WHEREAS, the Commissioners wish to promote the continued sound financial management of the County; and

WHEREAS, this local debt policy is intended to promote proper fiscal management, maintain intergenerational equity and meet the individual needs of Queen Anne's County, Maryland.

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS OF QUEEN ANNE'S COUNTY, MARYLAND this 14<sup>th</sup> day of May, 2013, as follows:

1. Within each budget cycle, the Director of Budget and Finance will prepare a six year capital plan showing requirements for the budget year and for the following five years and which shows the source of funds for each capital project.
2. At the end of each financial audit, the Director of Budget and Finance will review the Capital Fund fund balance with respect to the six year plan. Each budget will propose an amount to be transferred from the General Fund to the General Capital Fund to serve as Pay-as-you-Go funding in order to lessen the need for future county debt and provide a balanced approach to capital financing.
3. Pursuant to Section 5-4 of the Code of Public Local Laws of Queen Anne's County, Maryland the County may, in addition to any bonded indebtedness, borrow as needed amounts not to exceed \$8,000,000.00 for general operating expenses or capital improvements.
4. Prior to issuance of any bonded indebtedness in excess of the amount provided in Section 5-4 of the Code of Public Local Laws, the Director of Budget and Finance

will certify to the Commissioners that the sum of outstanding General Bonded Debt and the new General Obligation debt proposed:

-is 2.5% or less of the Total Taxable Assessable Base,

-is \$3,000 or less per capita, and

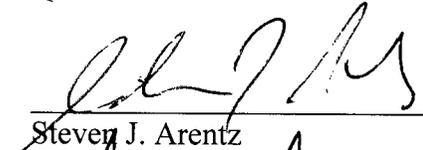
-although there is some flexibility in the measurement of debt service compared to general fund expenditures and no absolute limit established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service.

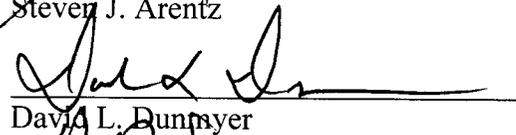
5. The Resolution shall be known as "The Queen Anne's County Debt Policy" and a certified copy of the same shall be mailed to the Maryland State Treasurer.
6. The Queen Anne's County Debt Policy shall be reviewed and revised as necessary no later than September 1, 2015.

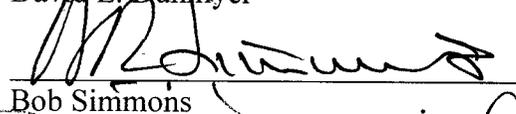
AS WITNESS the hands and seals of the County Commissioners of Queen Anne's County, Maryland this 14<sup>th</sup> day of May, 2013.

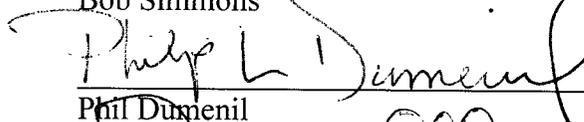
WITNESS:

THE COUNTY COMMISSIONERS OF  
QUEEN ANNE'S COUNTY

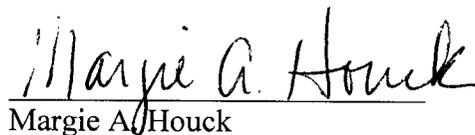
  
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Steven J. Arentz

  
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David L. Dunmyer

  
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Bob Simmons

  
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Phil Dumenuil

  
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Dave Olds

  
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Margie A. Houck