

Introduced: Ms. Mach
1st Reading: August 12, 2013
Passed: August 12, 2013
Posted: August 13, 2013
Effective: August 12, 2013

ORDINANCE NUMBER 1332

AN ORDINANCE TO AUTHORIZE AND EMPOWER THE CITY OF GREENBELT TO ISSUE ONE OR MORE TAX ANTICIPATION NOTES IN AMOUNTS NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) IN THE AGGREGATE IN ANTICIPATION OF THE RECEIPT OF CURRENT TAXES AND OTHER REVENUES, DIRECTING THAT THE PROCEEDS OF SAID NOTES SHALL BE USED FOR GENERAL FUND OPERATING EXPENSES HERETOFORE AUTHORIZED; AND PROVIDING FOR THE SALE OF SAID NOTES BY PRIVATE NEGOTIATION TO COLUMBIA BANK IN ACCORD WITH ITS OFFER DATED JULY 29, 2013

WHEREAS, the City receives its largest cash receipt during the month of October from real estate taxes which typically accounts for 35% of total revenue for the fiscal year; and

WHEREAS, given the above the City's current cash position is not sufficient to meet its obligations until the receipt of the October real estate tax payments and this delay in receipt of revenues and taxes will result in a temporary shortage of cash; and

WHEREAS, it is desirable for the City to borrow a sum up to, but not to exceed, three million five hundred thousand dollars (\$3,500,000) for the temporary financing of authorized General Fund Expenditures, and to evidence said borrowing by the issuance of Tax Anticipation Notes (Note) of the City; and

WHEREAS, Columbia Bank has offered to provide an Unsecured Revolving Line of Credit until October 31, 2013 that is consistent with the short term lines of credit arranged the past three fiscal years. The City may borrow an aggregate principal amount up to the three million five hundred thousand dollars (\$3,500,000) authorized total at an interest rate equal to 1.75% per annum; and

WHEREAS, the City of Greenbelt, a municipal corporation of the State of Maryland, is authorized and empowered by Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (1957 Edition as amended) and by Section 57 of the Charter of the City of Greenbelt to issue Tax Anticipation Notes. NOW, THEREFORE,

BE IT ORDAINED by the Council of the City of Greenbelt, Maryland, that:

SECTION 1 In order to provide for the temporary financing of authorized General Fund operating expenditures; the issue and sale, by private negotiations, of up to three million five hundred thousand dollars (\$3,500,000) on one or more Tax Anticipation Notes is hereby authorized. Said notes shall be designated Promissory Note of 2013 (Note).

SECTION 2 This Note shall be signed by the City Manager and City Treasurer of the City of Greenbelt, and the corporate seal of the City shall be imprinted thereon, attested by the City Clerk. In the event any official whose signature shall appear on the Note shall cease to be such official prior to the delivery of the Note, or in the event any such official whose signature shall appear on the Note shall have become such after the date of issue thereof, the Note shall nevertheless be a valid and binding obligation of the City of Greenbelt in accordance with its terms.

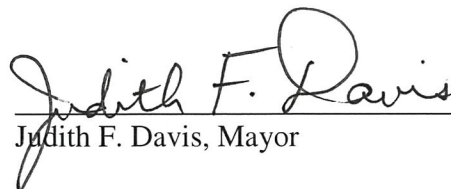
SECTION 3 The offer of Columbia Bank to purchase the Note herein upon the terms recited above is hereby accepted.

SECTION 4 The City Manager and the City Treasurer shall deposit the proceeds of the issuance of the Note into the General Fund bank account, and such proceeds shall be used and are hereby appropriated to pay authorized General Fund operating expenses.

SECTION 5 The payment of principal and interest on this Note shall be rendered at the time of maturity, or anytime prior upon prepayment, from real estate taxes and other revenues which may be received in the City Treasury. Payments will be made to Columbia Bank, 7505 Greenway Center Drive, Greenbelt, Maryland, or at such other place as Columbia Bank may designate in writing, on or before October 31, 2013. The full faith and credit, and unlimited taxing power of the City of Greenbelt are hereby irrevocably and unconditionally pledged to the payment of the Tax Anticipation Note.

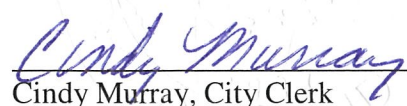
SECTION 6 This Ordinance shall take effect immediately upon its passage.

PASSED by the Council of the City of Greenbelt, Maryland, at its meeting of August 12, 2013.



Judith F. Davis, Mayor

ATTEST:



Cindy Murray, City Clerk