



The Jewel of the Chesapeake Bay
North Beach, Maryland

8916 Chesapeake Avenue | Post Office Box 99
North Beach, MD 20714

410.257.9618 | 301.855.6681
www.northbeachmd.org

**TOWN COUNCIL MEETING
NORTH BEACH TOWN HALL
March 14, 2013
7:00 PM**

Mayor for the Day Recipient – **Nathanial Carey**

- I. PLEDGE OF ALLEGIANCE
- II. ROLL CALL
- III. APPROVE AGENDA
- IV. APPROVAL OF MINUTES
 - A. Minutes from the February 14, 2013 Town Council Meeting
 - B. Minutes from the March 7, 2013 Work Session
- V. SCHEDULED APPOINTMENTS
 - A. Grace Mary Brady from the Bayside History Museum
 - B. Stephanie Zanelotti– Starts and Stripes Festival
 - C. Nancy Valentine – Presentation of 2012 Financials
- VI. PUBLIC SAFETY REPORT
 - A. Sheriff's Department
- VII. TREASURER'S REPORT
- VIII. REPORTS
 - A. Public Works Supervisor
 - B. Code Enforcement Officer
 - C. Town Engineer
- IX. BOARDS AND COMMISSIONS

Mark R. Frazer, Mayor

Council Members: Mike Benton Gregory Dotson Gregory McNeill Randy Hummel Gwen Schiada Kenneth Wilcox



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X. BUSINESS ITEMS

- A. Approve request for construction bids for fishing platform
- B. Approve request for construction bids for wetlands trail (piles and stringers only)

XI. ORDINANCES AND RESOLUTIONS

- A. Ordinance No: 13-01: An Ordinance of the Mayor and Town Council of North Beach, Maryland to close and abandon an unopened right-of-way for 11th Street east of Dayton Avenue in Block 7 of the North Chesapeake Beach Subdivision located in the Town of North Beach, Maryland – VOTING
- B. Ordinance 13-02: An Ordinance for the participation in the Enhanced Nutrient Removal upgrades to the wastewater treatment plant in the Town of Chesapeake Beach. – INTRODUCTION

XII. MAYOR AND COUNCIL REPORTS

XIII. PUBLIC COMMENT

XIV. CLOSED SESSION MEETING IF NEEDED

XV. ADJOURNMENT

Upcoming Meetings and Events

All Meetings held at the Town Hall

- 1) Wednesday, March 20, 2013 – First Day of Spring
- 2) Thursday, March 28, 2013 – Planning Commission Meeting – 7:00 p.m. – Town Hall
- 3) Friday, March 29, 2013 – Town Government Closed
- 4) Sunday, March 31, 2013 – Easter Sunday
- 5) Thursday, April 4, 2013 – Work Session

All agendas are subject to change up until the time of the meeting.

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Public Hearing – 7:00 p.m.

Public Hearing on Ordinance 13-01: An Ordinance of the Mayor and Town Council of North Beach, Maryland to close and abandon an unopened right-of-way for 11th Street east of Dayton Avenue in Block 7 of the North Chesapeake Beach subdivision located in the Town of North Beach, Maryland

- There was no public comment on the above reference Ordinance.

Minutes from the February 14, 2013 Town Council Meeting 7:10 pm

X___ Mayor Frazer	X___ Joanne Hunt	___ Buddy Jenkins
X___ Mr. Benton	X___ Stacy Wilkerson	X___ John Shay
X___ Mr. Dotson	X___ Donnie Bowen	X___ Dawn Richardson
X___ Mr. McNeill	X___ John Hofmann	X___ Sgt. Jones
X___ Mr. Hummel	X___ Richard Ball	
X___ Ms. Schiada	___ Mr. Wilcox	

APPROVAL OF AGENDA AND MINUTES

- MOTION made by Greg Dotson to approve the agenda as presented. Seconded by Mike Benton. All in favor. Motion carries.
- MOTION made by Randy Hummel to approve the Town Council Minutes from the January 10, 2013 Meeting. Seconded by Greg Dotson. Motion carries.
- Minutes from the February 7, 2013 Work Session. MOTION made by Greg Dotson to approve the minutes as submitted. Seconded by Gwen Schiada. Motion carries.

NOTE: Under the Maryland Opens Meeting Law the Mayor and Town Council voted to enter into Executive Session to discuss a land matter and contract negotiations on February 7, 2013.

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SCHEDULED APPOINTMENTS

- a) Mayor Frazer presented a check in the amount of \$3,376.31 to the Bayside Boys and Girls Club. This check represents the monies raised from the North Beach Polar Bear Plunge. Old Town Candy also donated \$100.00 to the club.
- b) Grace Mary Brady gave a presentation on the architecture of North Beach

SHERIFF'S DEPARTMENT REPORT

- a) In January the Sheriff's Department responded to 172 calls for service in North Beach. This is up from 161 calls in December 2012.

TREASURER'S REPORT

Treasurers Report: Reporting Period: 1/1//13 – 1/31/13: Beginning Balance \$260,500.69; Total Debits: \$472,456.03 Total Credits: \$459,694.37; Ending Balance: \$273,262.35. MOTION made by Greg McNeil to accept the report. Seconded by Greg Dotson. Motion carries.

REPORTS

Staff Reports: Public Works Department, Code Enforcement, Waterfront Supervisor and Town Engineer are attached to this report.

BUSINESS ITEMS:

- a) Agreement with Utility Services for additional antennae on the water tower. Utility Services was able to negotiate on behalf of the Town for a fee in the amount of \$2800.00 per month for Verizon to install additional antennas on the Tower. MOTION made by Greg Dotson to move forward with the contract. Seconded by Greg McNeil. All in favor.

ORDINANCES AND RESOLUTIONS

- A) Resolution 13-02: Town of North Fee Schedule: MOTION made by Randy Hummel to pass Resolution 13-02 as presented. Seconded by Greg McNeil. All in favor. Motion carries.
- B) Ordinance 13-01: An Ordinance of the Mayor and Town Council of North Beach, Maryland to close and abandon an unopened right-of-way for 11th Street east of

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Dayton Avenue in Block 7 of the North Chesapeake Beach subdivision located in
The Town of North Beach. Randy Hummel introduced.

Meeting closed 8:45 pm on a Motion made by Randy Hummel. Seconded by Greg McNeil. All
in favor. Motion carries.

Submitted:

Mark R. Frazer, Mayor

Stacy L. Wilkerson, Town Clerk

Mark R. Frazer, Mayor

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Minutes from the March 7, 2013 Work session

Attendance: Mayor Frazer, Mike Benton, Greg Dotson, Randy Hummel, Greg McNeil, Ken Wilcox, John Shay, John Hofmann, Joanne Hunt, Dawn Richardson and Stacy Wilkerson. Absent Gwen Schiada and Donnie Bowen.

- 1) Appointment of individuals to the Economic Development Commission: MOTION made by Randy Hummel to appoint the following individuals to the Economic Development Commission: Celia Molfosky from Wheel Clothing, Jeff Bradshaw from Lighthouse Market Place along with John and Megan Lorio from Sweet Sue's. Seconded by Ken Wilcox. All in favor.
- 2) Recommendation for the 3rd Street Park Consultant: MOTION made by Randy Hummel to award the contract to CPH in the amount of \$35,000.00 Seconded by Ken Wilcox. All in favor.
- 3) Calvert County Program Open Space: Mr. Jenny Plummer-Welker was in attendance from Calvert County to advise the Town that projects for the Program Open Space are due in by the 22nd of April. Joanne Hunt is working with the County on the Town's projects. The Town's submission will be updated at the April Town Council Meeting.
- 4) Update on the Livability Code: John Hofmann advised the Council he is working with Buddy to modify the code Calvert County uses. The livability code only applies to rental housing. Once a draft is complete it will be forward to everyone. This item will be placed on the April Work session to discuss the draft.
- 5) Update on the Lower Pier Permits: John Hofmann advised the final inspection on the Timber Breakwaters were conducted on Tuesday. They are ready to be accepted by the Town. The project came in under budget with a cost savings. The license approval on the lower lever pier was completed this week at the State Board of Public Works. The permit is now going through the Army Corp process. The plans should be finalized and ready for bid within the next 3 weeks. Work scheduled to start in the fall.
- 6) Extension of contracts for concrete and asphalt: Both ACSI and SMP&S have agreed to extend their contracts for work in calendar 2013 under similar or the same terms as contained in their contracts that were in place in 2012. SMP&S has agreed to reduce their asphalt price from \$11 per ton to \$79 per ton for the larger paving projects that the Town will undertake in 2013. The \$79.00 per ton price is the same price that Calvert County has in their current contract for

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asphalt work. Additionally, SMP&S has agreed to include in their contract prices for roadway milling that are the same as in the current County Contract. MOTION made by Greg McNeil to approve the extension of the 2012 contract into 2013. Seconded by Ken Wilcox. All in favor. Motion carries.

- 7) Award Contract for work at the 9006 Dayton Avenue property. This property was the old site of the Bayside History Museum. There needs to be minor work done to place the house on the market for sale. Donnie Bowen met with three contractors to obtain proposals to complete the work. Two contractors submitted proposals. All contracts were under \$7,500, the Mayor can sign without Council approval. The work being done is as follows: Stalling National Enterprises, Inc for painting in the amount of \$6,983.00; Stallings Enterprise in the amount of \$6030.00 to construct two closets and remodeling of bathrooms; Stallings National Enterprise in the amount of \$312.00 for gutter repair.
- 8) Repeal of Historic Preservation Commission Ordinance: Kirsti Uunila was in attendance to speak in regards to repealing the ordinance. She advised the Mayor and Council that in other jurisdictions throughout the State some board or commissions perform a dual role. For example our current planning commission could serve at times as the HPC Commission to review permits from presently designated properties who would like to make exterior changes to their properties. These properties are currently able to obtain certain tax credits for being historical properties. John Shay stated he knew of other jurisdictions that have done the dual roles. He is going to do some further research and discuss this further at the April Work Session.
- 9) End Hunger – Chesapeake Church Dragon Boat Races: Reverend Robert Hahn from Chesapeake Church was in attendance to discuss the upcoming fundraising event for End Hunger. This is a wonderful opportunity to partner with the Town. The event is scheduled for June 22, 2013 from 9 am to 3 pm. The Town Staff is working with Chesapeake Church to make this the premier fundraising event in Calvert County.
- 10) Meeting closed at 8:10 p.m.

Mark R. Frazer, Mayor

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Memo



CALVERT COUNTY SHERIFF'S OFFICE TWIN BEACHES PATROL

Date: March 5, 2013

To: Stacy Wilkerson

From: First Sergeant Roscoe Jones

Re: Sheriff's Office Report-North Beach

In February, the Sheriff's Office handled 180 calls for service in North Beach. This is up from 172 calls in January.

Call Breakdown for February:

118 calls were self-initiated (patrol checks, follow-up investigations, etc)

62 calls were received by other means (citizens, alarm companies, etc)

Of the 180 calls, we handled:

- 2 Assault (closed by arrests)
- 2 CDS Violations
- 4 Thefts All are under investigation
 - *Theft from UNLOCKED vehicle*
 - *Theft of registration plate*
 - *Theft of lawn ornament*
 - *Theft of decoration*
- 1 Destruction of Property (under investigation)
 - Substance poured in vehicle gas tank
- 0 DWI

****See Page 2 for Breakdown of Dispatched/Self Initiated Calls****

Breakdown of Dispatched/Self Initiated Calls

Abandoned vehicle - 2	Fraud - 1	Unauthorized Use M/V - 1
Accident – 6	Harassment - 2	Warrant service - 3
Alarm – 6	House/building check - 2	
Animal complaint - 1	Intoxicated person - 1	
Assault – 2	Notification - 1	
Assist sick – 1	Parking complaint -2	
Attempt to locate – 8	Patrol check – 93	
Burglary - 3	Police information – 3	
Check Welfare- 1	Special assignment – 1	
Destruction of Property – 3	Suicide attempt - 1	
Disorderly – 3	Summons service – 4	
Domestic – 1	Suspicious person - 3	
Eviction -1	Theft - 4	
Fight – 1	Traffic complaint - 2	
Follow up - 16	Trespassing - 1	

****Note – The reportable incident totals on page 1 may differ from the dispatched totals on page 2. The breakdown on page 2 represents all calls dispatched/self initiated by the sheriff's office. The totals listed on page 1 may be less due to factors the deputy learns upon arrival to the scene****

TOWN OF NORTH BEACH
TREASURER'S REPORT

Reporting Period 2/01/2013- 2/28/2013

PNC Bank:

Beginning Balance 1/31/13	\$ 273,262.35	
Total Debits (+)	\$ 437,598.32	
Total Credits (-)	\$ 271,588.82	
Ending Balance 1/31/13	\$439,271.85	Last Year: \$210,940.36
Investments (MLGIP/General Fund)	\$1,282,891.41	Last Year: \$1,592,454.73
(MLGIP/Sewer Capital)	\$ 33,952.20	Last Year: \$383,552.58
(MLGIP/Water Capital)	\$ 7,417.13	Last Year: \$137,275.54
Total Cash	\$ 1,763,532.59	Last Year: \$2,324,223.21

CASH RECEIPTS OVER \$7,500.00

\$282,937.50- Waterway Draw #1
\$ 18,834.80- Comcast Franchise Fee
\$ 42,310.50- Calvert County (January 2013 Tax Payment)
\$ 41,887.03- Local Tax Dist. (February 2013)
\$ 9,937.17- Water Bills Audit #4350

CASH DISBURSEMENTS OVER \$7,500.00

\$ 20,554.54- Payroll W/E 2/5/13
\$ 23,724.97- Payroll W/E 2/16/13
\$ 33,210.21- Town of Chesapeake Beach- (WWTP Nov & Dec 2012)
\$ 21,133.01- Southern Maryland Recycling- (January 2013)
\$ 87,737.40- Dissen and Juhn- Wave Barrier Project

To: Mayor Frazer and Town Council Members

From: Don Bowen DPW

Date: 3-12-13

Subject: Monthly Report

The Following is a list of item's DPW has been working on in addition to routine task.

- 1) Have been work with staff on upcoming budget for DPW and related areas. Provided staff with budget numbers for Mayor and Council's review.
- 2) Attended a joint evaluation meeting to assist Mr. Hoffman with a presentation of the Town's proposed berm project for the flooding in the 9th street area. Meeting and presentation went well. Mr. Hoffman will give update in his report of progress.
- 3) On March 4, 2013 Mr. Hoffman and I attended a storm water symposium held at the Miller senate office building in Annapolis. The event was sponsored by MAC and MML and went over storm water compliance, solutions and examples of current projects designed to meet storm water regulations. The symposium also touched on ways that town's are creating financing to pay for solutions to storm water compliance problems.
- 4) Installed 100 feet of storm drain pipe and two new inlets on Dayton Ave. in the area of 6th street to correct drainage problem and provide more suitable shoulder parking in that area.
- 5) Working on small punch list of items at the new Bayside History Museum in preparation for the ribbon cutting ceremony on May 4. Finished cleaning out the old museum and made ready for contractor to began renovations required to put property on the market.
- 6) Working with Mr. Hoffman on all related items associated with the new parking lot proposed for the property on Chesapeake Ave. Planning on having parking lot ready for use in May pending permit issues.

- 7) Started replacing damaged stop signs throughout Town, will continue as budget allows.

MEMORANDUM

TO: Mayor & Town Council
FROM: John A. Hofmann, P.E. Town Engineer & Zoning Administrator
RE: Monthly Report
DATE: March, 2013

ATT

The following is the status of activities that are being worked on:

Timber Wave Barrier Project

Work is completed and has been approved by the Buck Emory the design engineer and the DNR representative.

Corps of Engineers Wetland Revitalization Project

Mr. Brennan from the Corps has provided the revised scoping report and has requested a letter of acceptance from the Town before he submits the project to the Division office in New York for approval. After the Division office approval, the Baltimore Office will request headquarters approval before the actual design work starts. The Town letter to Mr. Brennan will be provided during the week of March 11th.

Boat Slip Dredge

We are pursuing permits and working with DNR on funding.

9th Street Flood Mitigation Project

The project was well received at the Joint Evaluation committee meeting on February 27th. We will now submit the necessary Federal State tidal wetland application. Easement surveys are completed. Easement agreements will be submitted to all property owners during the week of March 18th.

New Fishing Platform for Town Pier.

The State has issued the Tidal Wetland License and we expect the Corps permit before the end of the m March. Plans and specifications will be completed so the Town can advertise for Construction bids. In April.

Wetland Trail

The Corps has issued their permit and MDE is waiting for the end of their public notice period before recommending their issuance of the tidal wetland license. We expect to have approvals in place to allow for advertising for construction bids in April. Bids will be taken for pile driving and structural framing. The Town is planning to complete the decking and railing with the DPW staff.

DNR Parcels

The appraisals that the State requires are being reviewed by DGS and once approved the DGS recommendation will be sent to The Board of Public works for approval to convey the parcels to the Town.

Block 4 Parking Lot

Design and permits are moving forward for spring construction.

Pier upgrade project

We are continuing with the design for the upgrades including new decking and lighting for the Town pier. Plans are to have funding and plans and specifications in place for construction in the fall.

3rd Street Park

CPH is now under contract and are working on the planning and design for the park.

**Town of North Beach, Maryland
8916 Chesapeake Avenue
North Beach, Maryland**

ORDINANCE NO. 13-01

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF NORTH BEACH, MARYLAND TO CLOSE AND ABANDON AN UNOPENED RIGHT-OF-WAY FOR 11TH STREET EAST OF DAYTON AVENUE IN BLOCK 7 OF THE NORTH CHESAPEAKE BEACH SUBDIVISION LOCATED IN THE TOWN OF NORTH BEACH, MARYLAND.

WHEREAS, North Beach, Maryland is a municipal corporation in the State of Maryland organized and operating under a Charter adopted in accordance with Article XI-E of the Constitution of Maryland (1990 Repl. Vol. and 2000 Supp.) and Article 23A of the Annotated Code of Maryland (1998 Repl. Vol. and 2000 Supp.); and,

WHEREAS, North Beach is empowered by virtue of Article 23A Section 2(24) and Section 19-501(47) of the Charter of the Town of North Beach to convey real property, when such real property is no longer necessary for the public use after having given at least twenty (20) days public notice of the proposed conveyance; and,

WHEREAS, there is an unused and unopened Right-of-Way in Block 7, Lots 37 to 48. This Right-of-Way is further described on a Plat attached hereto as Exhibit A and incorporated herein by reference; and,

WHEREAS, the Mayor and Town Council of North Beach has determined that the Right-of-Way referenced above is not necessary for public purposes and is not expected to be necessary for public purposes in the near future and that a substantial public benefit would be obtained if the Right-of-Way referenced above is vacated and closed so that the Town might be relieved from any possible obligation to open and maintain the same; and

WHEREAS, that the Town has received a request from citizens living along the referenced alleyway requesting closure and the right to purchase same from Town; and

WHEREAS, twenty (20) days public notice has been given of the proposed closing of the above referenced Right-of-Way and of the Town's intention to abandon and vacate this Right-of-Way and to convey all the Town's right, title and interest, claims and causes which the Town may have in the Right-of-Way referenced above. Council finds that there is sufficient cause to close the Right-of-Way referenced above and that the closing of the Right-of-Way would be in the best interest of the public.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Mayor and Town Council of the Town of North Beach the following:

1. That the right-of-way in Block 7 for 11th Street east of Dayton Avenue on Exhibit A is hereby closed and abandoned allowing the Town's interest in the land to be deeded to the adjoining landowners by a Quit Claim Deed pursuant to Maryland law reserving unto the Town an Easement for ingress-egress, over-under and through the Right-of-Way for public utility facilities. A separate contract to convey the property will be executed by the Town and landowners and approved by the Mayor and Town Council.
2. That the Mayor is hereby authorized and empowered and directed to execute documents which would recognize the conveyance, revocation, termination, vacation, abandonment and closing affected by this Ordinance and which further grants, conveys and releases unto the owner of the lots adjacent to the Right-of-Way any further right, title, claims or interest of the Town in and to the Right-of-Way referenced above reserving unto the Town an Easement of ingress-egress, over-under and through the Right-of-Way referenced above for public utility facilities.

AND BE IT FURTHER ORDAINED that upon passage of this Ordinance, the same shall be authenticated by the signature of the Mayor and Town Clerk to be recorded among the Town books kept for that purpose, and that a certified copy of this Ordinance shall be posted and advertised pursuant to Section 19-311 of the Town Charter.

AND BE IT FURTHER ORDAINED that this Ordinance shall become effective on the 3rd day of April, 2013 after being read at two successive Town Council meetings as required by Section 19-311 of the Charter.

PASSED this _____ day of _____, 2013.

ATTEST:

Stacy Wilkerson, Town Clerk

Mark R. Frazer, Mayor

Stacy Wilkerson

From: Lindsey A. Rader [lrader@fblaw.com]
Sent: Sunday, March 10, 2013 1:48 PM
To: Joanne Hunt; Stacy Wilkerson; John Shay
Subject: Bullet Points Summary of MWQFA Ordinance

All: Attached is the bullet points summary of the ordinance relating to the upcoming MWQFA loan that will be introduced on 03/14. Please feel free to share this with the Mayor and Council.

SUMMARY OF ORDINANCE RELATING TO THE TOWN OF NORTH BEACH BORROWING FOR WASTEWATER PROJECTS

- Recitals: Bond proceeds to be used for the public purpose of financing, reimbursing or refinancing costs of ENR upgrades to the regional wastewater treatment plant and system, together with related costs and costs of issuance. The Recitals trace authority for incurring borrowings for project purposes and defines what activities constitute the "Project".
- Recitals: The details of the Maryland Water Quality Financing Administration ("MWQFA") loan(s) and the Town's bond(s) will be determined by resolution of the Council; the ordinance is a "parameters" ordinance in that it authorizes a "not-to-exceed" amount to be borrowed and provides general authority for the borrowing, with all the details to be fixed by resolution. Recitals detail that the Town is also authorizing bond anticipation notes (to provide additional interim financing, if needed) and refunding bonds.
- Sections 2 and 3: Authorize the issuance of general obligation bonds in one or more series from time to time in the aggregate principal amount not to exceed \$1,810,000 to finance, reimburse or refinance Project costs, subject to approval of MWQFA. Each series of bonds may consist of one or more bonds, and any bond may be issued in installment and/or draw-down form.
- Section 4: Each series of bonds will be sold to MWQFA by private sale, without public bidding, due to the beneficial interest rates offered by MWQFA, the ability to negotiate certain terms with MWQFA, the ability to issue the bond(s) as draw-down obligations and typically lower costs of issuance.
- Section 5: Proceeds to be used as provided in the Ordinance unless the Council enacts an ordinance providing for another authorized purpose allowed by MWQFA and applicable law.

- Section 6: The Town is authorized to enter into one or more loan agreements with MWQFA and the Ordinance provides that the final or substantially final form of each loan agreement will be approved and authorized pursuant to resolution. The Town acknowledges that each loan agreement may allow MWQFA to accelerate payment of the corresponding bond upon a default thereunder.
- Section 7: As authorized by the Environment Article, the Town pledges any money it is entitled to receive from the State, including its share of the income tax, to secure its obligations to MWQFA (this allows MWQFA to intercept revenues due to the Town if the Town defaults on an MWQFA loan).
- Section 8: The Council is authorized to determine matters relating to the bonds pursuant to one or more resolutions. This section specifies the types of matters to be determined by resolution.
- Section 9: The Town is expressly authorized to pay any fees or costs provided for in the MWQFA loan agreements.
- Section 10: The Town shall use and apply bond proceeds only as allowed by applicable law and the related loan agreement(s).
- Section 11: The Town is authorized to issue one or more series of general obligation bond anticipation notes (“BANs”) from time to time in an aggregate principal amount not to exceed \$1,810,000 in order to finance or reimburse project costs on an interim basis, any such series may be sold by private negotiation unless the Council determines otherwise by resolution, details of any BANs will be determined by resolution, and that any BANs may be renewed at maturity with or without resale.
- Section 12: The Town is authorized to issue one or more series of general obligation bonds from time to time in order to refund any bonds issued pursuant to the Ordinance, provided that the aggregate principal amount of any such series may not exceed 130% of the aggregate principal amount of the outstanding bonds refunded therefrom, any such series may be sold by private (negotiated) sale unless the Council determines otherwise by resolution, and details of any refunding bonds will be determined by resolution. This Section also provides that if any series of refunding bonds is sold to MWQFA, by resolution the Council may determine the details thereof and security therefor, as required by MWQFA.
- Section 13: Specifies certain other matters the Council may determine by resolution with respect to any BANs or refunding bonds.

- Section 14: The BANs, bonds and any refunding bonds authorized by the Ordinance will be payable in the first instance from wastewater system revenues, including charges for the use of or connection to such system, but the Town pledges its full faith and credit and unlimited taxing power to payment of such obligations—by this pledge the Town covenants to levy taxes if necessary to cover debt service on such obligations. To the extent required by the purchaser of any such obligations, the Town, by resolution, may provide for payment of any such obligations from water system revenues as well. The Town may apply any other funds available to pay debt service on such obligations.
- Section 15: In addition to the refunding bond authority provided in Section 12, the Council by resolution may provide for the modification of any outstanding bonds or loan agreements, whether or not the same results in a reissuance. (Note: This section is included because there have been times in the past when MWQFA refunds its own bonds—from which loans were made to borrowers—and, in connection therewith, requires the underlying borrowers to modify their obligations to reflect the new refinancing terms. This is done in place of the issuance of refunding bonds by the borrower to MWQFA.)
- Section 16: Allows any of the authorized obligations to be consolidated with other authorized obligations of the Town and issued as a single series (this would more likely apply to refunding bonds than any other obligations in this instance).
- Section 17: The Mayor, the Town Treasurer, the Clerk and all other appropriate officials and employees are authorized to take such action as is necessary in connection with the matters contemplated by the Ordinance.
- Section 18: Title of the Ordinance is deemed to be a fair summary of the same for publication and all other purposes.
- Section 19: The Ordinance shall become effective at the expiration of 20 calendar days after approval by the Mayor or passage by the Council over the Mayor's veto.

Notes:

1. Even though we do not anticipate the Town needing to incur interim financing, we include such authority "just in case". Currently it is anticipated that the Town will close on the MWQFA loan(s) by June 30, 2013.
2. Refunding bond authority is included in the Ordinance so that if the Town has an opportunity to refund any bond(s) issued under authority of the Ordinance at a later date, it can fix all the details regarding the refunding bonds by resolution rather than having to authorize the refunding bonds by a separate, new ordinance. This will allow the Town to move more quickly if a refunding opportunity presents itself in the future. The aggregate principal amount of any refunding bonds is limited to not-to-exceed 130% of the

principal amount of the bonds refunded therefrom because proceeds of refunding bonds are typically applied to pay (i) principal of the bonds refunded, (ii) accrued interest on the bonds refunded, (iii) any prepayment premium due on the bonds refunded and (iv) costs of issuance of the refunding bonds.

Regards, Lindsey

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