



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
October 11, 2012
7:00 PM**

- I. PLEDGE OF ALLEGIANCE**
- II. ROLL CALL**
- III. APPROVE AGENDA**
- IV. APPROVAL OF MINUTES**
 - 1) Minutes from the September 13, 2012 Town Council Meeting
- V. SCHEDULED APPOINTMENTS**
 - A. Grace Mary Brady from the Bayside History Museum
 - B. Baltimore Gas and Electric – Smart Meter presentation
- 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**
 - A. Update on Neighborhood Watch Program from Jane Hagen
- X. BUSINESS ITEMS**
 - 1) Summary of Bids for Land Acquisition
 - 2) Bayside History Museum Flooring and Remodel Bids
 - 3) Letter to BGE to change street lights from Mercury Vapor to High Pressure Sodium

Mark R. Frazer, Mayor

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



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XI. ORDINANCES AND RESOLUTIONS

- 1) Ordinance: 12-12: Bond for Boys and Girls Club Refinancing - Introduction
- 2) Resolution: 12-05: Bond for Land Acquisition - Voting

XII. MAYOR AND COUNCIL REPORTS

XIII. PUBLIC COMMENT

XIV. CLOSED SESSION MEETING IF NEEDED

XV. ADJOURNMENT

Upcoming Meetings and Events

All Meeting held at the Town Hall

- 1) Monday, October 15, 2012 at 7:00 p.m. – Public Safety Committee Meeting
- 2) Monday, October 15, 2012 at 7:00 p.m. – Historic Preservation Commission Meeting
- 3) Thursday, October 25, 2012 at 7:00 p.m. – Planning Commission Meeting
- 4) Saturday, October 27, 2012 at 2:00 p.m. – BOO BASH on the boardwalk
- 5) Saturday, October 27, 2012 at dusk – Drive-In Movie "The Birds"
- 6) Thursday, November 1, 2012 at 7:00 p.m. – Work Session

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Minutes from the September 13, 2012 Town Council Meeting

X___ Mayor Frazer	X___ Joanne Hunt	X___ 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. Bowen
X___ Mr. Hummel	X___ Richard Ball	
___ Ms. Schiada	X___ Mr. Wilcox	

APPROVAL OF AGENDA AND MINUTES

- a) MOTION made by Greg McNeil to approve the agenda as presented. Seconded by Ken Wilcox. All in favor. Motion carries.
- b) MOTION made by Ken Wilcox to approve the Town Council Minutes from the August 9, 2012 Meeting. Seconded by Greg McNeil. All in favor. Motion carries.
- c) MOTION made by Ken Wilcox to approve the minutes from the August 9, 2012 Executive Session. Seconded by Greg McNeil. Motion carries.
- d) MOTION made by Ken Wilcox to approve the minutes from the August 20, 2012 Executive Session. Seconded by Greg McNeil. All in favor. Motion carries.
- e) MOTION made by Randy Hummel to approve the minutes from the September 6, 2012 Work Session. Seconded by Greg McNeil. All in favor. Motion carries.

NOTE: Under the Maryland Opens Meeting Law the Mayor and Town Council voted to enter into Executive Session to discuss a real estate acquisition.

PUBLIC SAFETY REPORT

- a) Calvert County Sheriffs Report for August 2012. In August the Sheriff's Department responded to 235 calls for service in North Beach. This is down from 281 calls in July 2012.

Mark R. Frazer, Mayor

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TREASURER'S REPORT

Treasurers Report: Reporting Period: 8/1//12 – 8/31/12: Beginning Balance \$89,781.49; Total Debits: \$347,566.54; Total Credits: \$226,972.08; Ending Balance: \$210,375.95. MOTION made by Greg McNeil to accept the report. Seconded by Ken Wilcox. Motion carries.

REPORTS

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

BUSINESS ITEMS:

- 1) Ratification of Land Acquisition Contracts:
 - a) Land Contract for the purchase of 9123 & 9125 Chesapeake Avenue with RAR Associates: MOTION made by Greg Dotson to authorize the Mayor to sign the contract in the amount of \$394,000.00 with the addition of some technical language the Town attorney would like to incorporate into the contract. Seconded by Greg McNeil. All in favor. Motion carries.
 - b) Land Contract for the purchase Parcel 1 (3rd and Bay Avenue) - \$1,200,000.00 and Parcel 2 (north side of 5th and Bay Avenue) - \$1,000,000.00 from North Beach Resort Condominiums, LLC. MOTION made by Randy Hummel to authorize the Mayor to sign for this purchase after the feasibility period and a title search has been conducted. Seconded by Greg McNeil. All in favor. Motion carries.

ORDINANCES AND RESOLUTIONS

- 1) Emergency Ordinance No: 12-11 – Bond for land acquisition. MOTION made by Randy Hummel to vote on the Ordinance as an Emergency. Seconded by Greg McNeil. All in favor. Motion carries. MOTION made by Randy Hummel to pass Emergency Ordinance No: 12-11. Seconded by Greg Dotson. All in favor. Motion carries.

Mark R. Frazer, Mayor

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



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Meeting closed at 8:40 p.m. on a motion made by Randy Hummel. Seconded by Mike Benton.
All in favor.

Submitted:

Mark R. Frazer, Mayor

Stacy L. Wilkerson, Town Clerk

Mark R. Frazer, Mayor

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

Memo



CALVERT COUNTY SHERIFF'S OFFICE TWIN BEACHES PATROL

Date: October 2, 2012
To: Stacy Wilkerson
From: First Sergeant Craig Bowen
Re: Sheriff's Office Report-North Beach

In September, the Sheriff's Office handled 226 calls for service in North Beach. This is down from 235 calls in August.

Call Breakdown for September:

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

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

Of the 226 calls, we handled:

- 2 Assaults (both closed)
- 0 Robbery
- 5 CDS Violations
- 3 Thefts (all under investigation)
 - *Theft from vehicle*
 - *Theft of a purse*
 - *Theft of a bike*
- 2 Burglary (both closed)
- 4 Destruction of Property (1 closed and 3 under investigation)
- 2 DWI

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

Breakdown of Dispatched/Self Initiated Calls

Abandoned vehicle - 1	Domestic - 6	Protective order - 2
Accident - 2	DWI - 2	Special assignment - 1
Alarm - 3	Escort - 2	Summons service - 2
Assault - 2	False Report - 1	Suspicious person - 3
Assist motorist - 2	Fight - 1	Suspicious vehicle - 6
Assist other department - 6	Fireworks complaint - 1	Tampering motor veh.. - 1
Assist sick/injured - 2	Follow up - 15	Telephone misuse - 1
Attempt to locate - 13	Fraud - 1	Theft - 5
Burglary - 2	Harassment - 1	Traffic assignment - 3
CDS Violation - 6	Intoxicated person - 1	Traffic complaint - 5
Check welfare - 8	Loud party/music - 5	Trespassing - 4
Conservator - 3	Missing person - 1	Unknown problem - 1
Destruction of Property - 5	Noise complaint - 1	Warrant service - 3
Death investigation - 1	Parking complaint - 3	
Disorderly - 4	Patrol check - 88	

****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 09/01/12- 09/30/12

PNC Bank:

Beginning Balance 09/01/12	\$ 210,375.95	
Total Debits (+)	\$ 521,385.17	
Total Credits (-)	\$ 323,609.60	
Ending Balance 09/30/12	\$ 408,151.52	Last Year: \$ 111,482.91
Investments (MLGIP/General Fund)	\$ 802,314.84	Last Year: \$ 941,885.40
(MLGIP/Sewer Capital)	\$ 383,852.64	Last Year: \$ 383,407.66
(MLGIP/Water Capital)	<u>\$ 137,382.94</u>	<u>Last Year: \$ 137,223.68</u>
Total Cash	\$ 1,731,701.94	Last Year: \$ 1,573,999.65

CASH RECEIPTS OVER \$7,500.00

\$ 100,000.00- MLGIP Transfer
\$ 210,869.09- Calvert County Tax Payment/Aug. 2012
\$ 82,984.51- Calvert County Excise Reimbursement/Overlook Park
\$ 9,302.67- Water Bills/Deposit Audit #4043

CASH DISBURSEMENTS OVER \$7,500.00

\$ 32,508.97- Payroll W/E 9/1/2012
\$ 29,674.05- Payroll W/E 9/15/2012
\$ 29,282.46- Suntrust Obligation #34 & 83
\$ 23,409.76- Southern Maryland Recycling/ Trash Contract
\$ 12,000.00- Weil, Akman, Baylin/Accounting Services
\$ 10,000.00- BBD LLP Accounting Services
\$ 32,242.31- Town of Chesapeake Beach- WWTP (July & Aug 2012)
\$ 14,893.33- LGIT/Insurance
\$ 50,000.00- North Beach Resort Condominiums/Deposit
\$ 8,616.91- BGE (Multiple Accounts/Street Lights)

To: Mayor Frazer and Town Council Members

From: Don Bowen

Date: 10-10-12

Subject: Monthly Report

The following is a list of items the Public Works department has been working on in addition to routine task for the report period.

- 1) Repaired water main on Greenwood Ave between first and second street. Had to remove a valve that was installed as part of the system in 1990 and replace with a 4' section of new water line.
- 2) Performed routine cleaning on two of the sewer pumping stations as part of preventive maintenance program for the sewage collection system.
- 3) Working with Utility Services, our maintenance contractor for the Town water tower, on repainting of the interior of the tower. Installed new controls to allow our well pump to run at variable speeds to meet demand as required. Installed new monitor at the water station to now allow staff to monitor station remotely online. Working on fine tuning system to keep system pressure normal and minimize wasting of water while tower is off line.
- 4) Held a preconstruction meeting on the sidewalk project for Frederick Ave. north of 8th street. Work scheduled to begin in the next few days. Myself and Mr. Hoffman also met with president of Burnt Oaks homeowners association to address any concerns.
- 5) Have been monitoring day to day operations of the contractor that is working on the wave barrier project. Contractor is working on driving vertical pilings, and work is proceeding as planned.
- 6) Held the first quarter MML Public Works Officials meeting at the new DPW shop. There were about 25 members in attendance, all of whom were impressed with the building and the Nature Park area. They were also very interested with the concept of how the Town did the project. All thought it

was great that the Mayor and Town Council were on board with this approach. Tom Reynolds would like to make this a possible topic for the MML conference

- 7) Helped with the set up and take down for Bay Harvest Fest.

October 11, 2012

Town Council Meeting

To: Mayor Frazer and Town Council members

From September 13, 2012 through October 11, 2012 20 new Civicall tickets have been written by Code enforcement.

Worked the Bay Harvest Fest on Sat. on Oct.6

There were 5 business inspections and 5 business licenses issued.

1 Tow Away sticker placed on inoperable vehicle on 3rd St. on 10/9

2 yard maintenance including grass tickets have been written and warning letters sent. The vast majority of the citizens of the Town of North Beach do a great job in keeping their yards looking nice. So I'd like to take a moment to thank all of those people. They know who they are and deserve kudos for their extra efforts at making the Town look nice. I'd like to assure them that all efforts are being made to nudge those not included in that category to help out ,so that they don't stick out like a sore thumb so to speak.

Three dead trees are in the administrative process to be taken down as soon as possible.

There have been 4 various miscellaneous permits applied for and/or issued. 3 were for tree removal and separate from those mentioned above.

There is an approaching timeline for an abandoned structure on Erie Ave.. The structure is structurally unsound and in my professional opinion needs to be demolished. It sits on the same property of a rented house with tenants that have children. So it's a safety concern. The same property is also in violation of not being properly licensed by the town as a rental property and its interior has never been inspected. 2 other properties owned by the same individual are also in violation of the latter. A citation was issued and am waiting on instructions from the Town Attorney for next step if compliance not met by timeline.

2 abandoned properties (Annapolis Ave./7th St.) that were initially to be demolished will now be renovated to code if outstanding monies owed to Town are satisfied ,though demolition is still an option if not.

There were 5 citizen complaints addressed immediately.2 are closed , 1 out of the Town's jurisdiction , and 2 still pending. (dead trees , parking issues, pet waste , gravel on sidewalk). I've been getting more calls than usual regarding people letting their dogs out without a leash to do their business wherever they want.

The biggest issues of concern that I have been directed to address at this time are still dead trees ,exterior maintenance of the building envelope ,and building/property abandonment.

I've been trying to talk more to people face to face, on the phone , or by email in an effort to be more personable when I'm able to, which I prefer . But time doesn't always permit me to do so and correspondence through the mail is my only other effective option.

Respectfully Submitted,

Buddy Jenkins

Code Enforcement Officer

MEMORANDUM

TO: Mayor & Town Council
FROM: John A. Hofmann, P.E. Town Engineer & Zoning Administrator
RE: Monthly Report
DATE: October, 2012

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

Timber Wave Barrier Project

Work is progressing at the site with pile driving. Next step is to start framing before the Contractor drives sheeting.

Corps of Engineers Wetland Revitalization Project

The Town is in the process of submitting the letter of intent that the U.S. Army Corps of Engineers requires for the transition to Section 510.

Boat Slip Dredge

We are pursuing permits and working with DNR on funding.

9th Street Flood Mitigation Project

Engineering Drawings showing limits of easement acquisitions and permit requirements will be completed the week of October 15th.

New Fishing Platform for Town Pier.

The application for State and Federal permits has been submitted. We are waiting for a site visit by the permit reviewer at MDE. We are developing detailed structural engineering drawings for the project.

Wetland Trail

The Town has applied for Federal & State permits for Phase 1 which includes a connection from the Overlook pier to the parcel at the north end of Frederick Ave

DNR Parcels

The Board of Public Works approved the parcels for disposition in September. Next step is for the Board to approve disposition to the Town in November.

Sidewalk Projects

The Contractor is scheduled to mobilize for Sidewalk construction in Frederick Ave north of 8th Street starting the week of October 15th.

Block 4 Parking Lot

The design of the parking lot for the site being acquired from RAR is under way. The design includes a walkway from the parking lot to Bay Ave.

Town of North Beach, Maryland
Summary of Bids - Tax Exempt Bond

Bid Overview	PNC Bank	BB&T	SunTrust Bank	The Columbia Bank
Interest Rate	1.950%	2.08%	2.16%	2.22% - 2.48% - 2.84%
Fixed Rate Duration	Duration of Loan	10 Years	Duration of Loan	5Yrs - 7Yrs - 10 Yrs
Bank Fees	1,500	1,450	1,800	4,500
Prepayment Provisions	In Whole or Part on Payment Date	In Whole on Payment Date	Anytime in Whole or Part	Not Specified
Prepayment Premium	0.00%	1.00%	0.00%	1.00%
Summary Statistics				
Total Debt Service	2,060,907	2,081,736	2,094,394	2,208,380
COI	44,275	44,225	44,592	47,296
All-in TIC	2.28%	2.41%	2.49%	3.20%

Town of North Beach, Maryland
Summary of Bids - Taxable Bond

Bid Overview	PNC Bank	BB&T	SunTrust Bank	The Columbia Bank
Interest Rate	2.650%	3.03%	3.31%	2.77% - 3.10% - 3.55%
Fixed Rate Duration	Duration of Loan	10 Years	Duration of Loan	5 Yrs - 7 Yrs - 10 Yrs
Bank Fees	1,500	1,450	1,000	1,875
Prepayment Provisions	In Whole or Part on Payment Date	In Whole on Payment Date	Anytime in Whole or Part	Not Specified
Prepayment Premium	0.00%	1.00%	0.00%	1.00%
Summary Statistics				
Total Debt Service	885,600	911,005	928,668	946,512
COI	18,925	18,875	18,408	19,274
All-in TIC	3.00%	3.39%	3.66%	3.92%

Memo

To: Mayor and Town Council
From: Donnie Bowen
CC: Stacy Wilkerson & Joanne Hunt
Date: 10/11/2012
Re: Bayside History Museum Bids

The Town of North Beach solicited bids for the installation of flooring along with some interior remodeling in the Bayside History Museum. Bids were due October 1, 2012.

The following bids were received:

Floor Specifications

- | | | |
|----|---------------------|-------------|
| 1) | Michaels Flooring | \$32,062.50 |
| 2) | PT & S Construction | \$26,900.00 |

Interior Remodel

- | | | |
|----|-------------------------------|-------------|
| 1) | Stalling National Enterprises | \$18,509.00 |
| 2) | PT & S Construction | \$16,350.00 |

Stacy and I have tried on several occasions to contact the owner of PT&S Construction in regards to his bids. We have requested references along with a job estimate sheet for the flooring. As of today's date nothing has been provided to the Town. It is my recommendation the contracts be awarded to Michaels Flooring in the amount of \$32,062.50 and Stallings Construction in the amount of \$18,509.00. Both of these companies are local contractors with a good work reputation.



October 9, 2012

Ms. Joanne Hunt, Treasurer
Town of North Beach, Maryland
8916 Chesapeake Ave.
Town of North Beach, Maryland 20714

RE: Extension of Expiration Date for Term Note
Loan #:603300865-32653068
Amount: \$177,091.62

Dear Ms. Hunt,

We are pleased to inform you that your Business Loan Agreement as identified above has been temporarily extended pending further review and approval. The Expiration Date, as set forth in the Promissory Note dated May 9, 2012, as amended and any loan agreement or letter agreement related thereto, if applicable (the "Agreement"), has been extended from October 9, 2012 to January 9, 2013, effective October 9, 2012. Prepayment penalty as stated in the Promissory Note is waived. All other terms and conditions of the Promissory Note and Agreement remain in full force and effect.

It has been a pleasure working with you and I look forward to continued successful relationship. Thank you again for your business.

Sincerely,

E. Marie Rector
Vice President, Government Banking

Town of North Beach
8916 Chesapeake Avenue
PO Box 99
North Beach, MD 20714

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE TOWN OF NORTH BEACH TO authorize and empower The Town of North Beach (the “Town”) to issue and sell from time to time, upon its full faith and credit, general obligation bonds in one or more series in an aggregate principal amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) (the “Original Refunding Bonds”) pursuant to the authority of Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland, Section 24 of Article 31 of the Annotated Code of Maryland, and Sections 19-719(A) and 19-720 of the Charter of the Town of North Beach, the proceeds of the sale thereof to be used and applied for the public purpose of refunding or advance refunding in whole or in part certain indebtedness of the Town to PNC Bank, National Association identified herein as the Existing Note, which indebtedness was applied to finance or reimburse in part costs of construction of a facility and improvements located at 9021 Dayton Avenue, North Beach, Maryland 20714 and related costs, paying costs of issuance of the Original Refunding Bonds and, to the extent determined by the Council by resolution, paying interest on the Original Refunding Bonds; determining that the Original Refunding Bonds of each series be sold on a negotiated basis without solicitation of bids, unless by resolution the Council provides for the public sale after publication or dissemination of the notice of sale of any series of the Original Refunding Bonds; authorizing the adoption of a resolution or resolutions of the Council to determine, approve or provide for various matters relating to the authorization, sale, security, issuance,

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delivery, payment, prepayment or redemption of and for each series of the Original Refunding Bonds; authorizing and empowering the issuance and sale by the Town from time to time of one or more series of general obligation bonds to refund or advance refund any of the Original Refunding Bonds issued pursuant to the authority of this Ordinance (including paying related costs of issuance and interest on such refunding bonds) (the “Subsequent Refunding Bonds”), provided that, the aggregate principal amount of any such series of Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Original Refunding Bonds refunded therefrom; providing that any such series of Subsequent Refunding Bonds shall be sold on a negotiated basis without solicitation of bids, unless otherwise determined by the Council by resolution, and authorizing the Council to determine other matters relating to any such Subsequent Refunding Bonds by resolution; providing for the levy and collection of ad valorem taxes sufficient for, and pledging the full faith and credit and unlimited taxing power of the Town to, the prompt payment of the principal of and interest on each series of the Original Refunding Bonds and the Subsequent Refunding Bonds (each, a series of the “Obligations”); providing that the principal of and interest on each series of the Obligations also may be paid from any other sources of revenue lawfully available to the Town for such purpose; authorizing and directing officials and employees of the Town to take any and all action necessary to complete and close the sale, issuance and delivery of the Obligations authorized hereby; providing that by resolution the Council may arrange for certain actions to be taken in the event of a reissuance of any of the Obligations authorized hereby; providing that any of the Obligations authorized hereby may be consolidated with any bonds

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and/or refunding bonds authorized by the Council and issued as a single series of bonds and/or refunding bonds; authorizing officials to take certain actions in connection with the issuance, sale and delivery of each series of the Obligations and authorizing the Mayor to take certain actions in connection with the refunding or advance refunding, in whole or in part, of the Existing Note; providing that this title shall be deemed a fair summary of this Ordinance for all purposes; and otherwise generally relating to the issuance, sale, delivery and payment of and for the Obligations authorized hereby.

RECITALS

1. The Town of North Beach, a municipal corporation of the State of Maryland (the “Town”), is authorized and empowered by Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended) (the “Enabling Act”), and Sections 19-719(A) and 19-720 of the Charter of the Town of North Beach, as published in Municipal Charters of Maryland, Volume 6, 2008 Replacement Edition, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds.

2. Pursuant to Section 24 of Article 31 of the Annotated Code of Maryland (West 2002, as replaced, supplemented or amended) (the “Refunding Act”), the Town is further authorized to issue bonds for the purpose of refunding or advance refunding any of its bonds or other evidences of obligation by whatever name known or source of funds secured then outstanding for the public purpose of realizing debt service savings or debt restructuring. Pursuant to the Refunding Act, the procedures for the issuance of refunding bonds shall be the same as those applicable to the bonds being refunded, except that refunding bonds may be sold on a negotiated basis without

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solicitation of bids if the Town determines in a public meeting that such procedure is in the public interest.

3. On April 9, 2007, the Town executed and delivered to Mercantile Southern Maryland Bank (“Mercantile Southern”) a Promissory Note dated April 9, 2007 in the original principal amount of \$200,000.00 (the “2007 Note”) in order to finance or refinance a portion of the costs of constructing a new facility and improvements to house the Bayside Unit of Boys & Girls Clubs of Southern Maryland, Inc. (the “Facility”) on property owned by the Town, related costs and closing costs related to the 2007 Note. The 2007 Note, as originally issued, matured by its terms on April 9, 2012, bore interest at the rate of 5.48% (calculated on an actual/360 day basis), and monthly payments of \$1,235.48 were due on the 9th of each month, commencing May 9, 2007, with a final balloon payment of the unpaid principal balance and interest due on April 9, 2012. In connection with the delivery of the 2007 Note, the Town, in order to secure its obligations with respect to the 2007 Note, (i) entered into a Commercial Loan Agreement dated April 9, 2007 (the “2007 Loan Agreement”) with Mercantile Southern and (ii) executed and delivered a Deed of Trust dated April 9, 2007 (the “Deed of Trust”) relating to certain property described therein and identified as 9021 Dayton Avenue, North Beach, Maryland 20714 and any improvements therein (collectively, the “Property”), on which Property the Facility was constructed. The Deed of Trust was recorded on April 11, 2007 in the Calvert County Recorder of Deeds office in Book 02970, Page 612.

4. In 2012, PNC Bank, National Association, the successor to Mercantile Southern (“PNC Bank”), extended the maturity date of the 2007 Note so that the Town and PNC could negotiate a modification of the 2007 Note. On May 9, 2012, the Town executed and delivered to

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PNC Bank a Promissory Note dated May 9, 2012 in the original principal amount of \$179,116.55 (the “2012 Note”) in order to amend, restate and modify the 2007 Note. The 2012 Note provides that it does not constitute a novation and shall in no way extinguish the Town’s obligation to repay all indebtedness evidenced by the 2007 Note.

5. The 2012 Note, as originally issued, matured by its terms on October 9, 2012, bore interest at the rate of 5.48% (calculated based on a year of 360 days), subject to change upon a default, and monthly payments of \$1,235.48 were due in five installments, with a final balloon payment of the unpaid principal balance plus accrued interest due at maturity on October 9, 2012 (such final payment was estimated in the 2012 Note to be \$177,900.34). In connection with the delivery of the 2012 Note, the Town entered into a Business Loan Agreement dated May 9, 2012 (the “2012 Loan Agreement”) with PNC Bank. The 2012 Note expressly provides that it is secured by the Deed of Trust. As of the date of introduction of this Ordinance, the Property is leased by the Town to Boys & Girls Clubs of Southern Maryland, Inc. (“BGC”), and the Town, BGC and County Commissioners of Calvert County have entered into a Memorandum of Understanding with respect to the shared use of the Property.

6. The 2012 Note provides that upon prepayment thereof prior to maturity, the Town shall, upon demand by PNC Bank, pay the Bank an amount equal to the Cost of Prepayment (as such term is defined in the 2012 Note).

7. PNC Bank has agreed to extend the maturity date of the 2012 Note for approximately ninety (90) days. In connection with such extension, PNC Bank may require a modification, amendment, restatement and/or renewal of some or all of the terms of the 2007 Note, the 2007 Loan Agreement, the Deed of Trust, the 2012 Note, the 2012 Loan Agreement

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and any other documents, certificates or instruments executed and delivered in connection with the 2007 Note, the 2007 Loan Agreement, the Deed of Trust, the 2012 Note or the 2012 Loan Agreement, or PNC Bank may require the Town to execute and deliver any new documents, certificates or instruments (any of the same, as so modified, amended, restated, renewed or entered into from time to time, the “Existing Obligations”). The 2007 Note, as amended and restated by the 2012 Note, and as the same may be further modified, amended, restated or renewed and any other promissory note or similar obligation delivered by the Town from time to time in replacement therefor or in extension thereof, is referred to herein as the “Existing Note”.

8. The Town has determined to authorize the issuance of one or more series of its general obligation bonds from time to time in order to (i) refund or advance refund all or a portion of the then-outstanding and unpaid principal amount of the Existing Note and, in connection therewith, to pay any applicable prepayment premium on such refunded Existing Note and to pay interest accrued or to accrue to the dates of maturity or prepayment of such refunded Existing Note, for the public purpose of (X) realizing savings in the aggregate cost of debt service on a direct comparison or present value basis, or (Y) debt restructuring that in the aggregate effects such a reduction in the cost of debt service or is determined by the Council of the Town (the “Council”) to be in the best interests of the Town, to be consistent with the Town’s long-term financial plan, and to realize a financial objective of the Town, as contemplated in the Refunding Act and as to be determined by resolution of the Council, (ii) to pay all or a portion of the related costs of issuance of such refunding bonds, and (iii) to the extent determined by the Council by resolution, to pay interest on such refunding bonds.

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9. The Town has determined that, as authorized by the Refunding Act, each series of such original refunding bonds shall be sold on a negotiated basis without solicitation of bids, unless, following the recommendation of the financial advisor to the Town, the Council by resolution provides for the solicitation of competitive bids at public sale for any series of such original refunding bonds.

10. Subsequent to the issuance of any original refunding bonds to refund or advance refund the Existing Note as authorized by this Ordinance, the Town may desire to refund or advance refund all or a portion of such original refunding bonds through the issuance from time to time of one or more series of its general obligation refunding bonds pursuant to the authority of the Enabling Act, the Refunding Act and the Charter.

11. The Town has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on the original refunding bonds and the subsequent refunding bonds authorized hereby.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF NORTH BEACH:

SECTION 1. (a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance that are not otherwise defined herein shall have the meanings given to such terms in the Recitals to this Ordinance.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected,

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appointed or designated to fill such position in an acting capacity under the Charter or other applicable law, and/or (iii) to the extent an identified official commonly uses another title not provided for in the Charter or the Town Code, the official, however known, who is charged under the Charter, the Town Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION 2. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town hereby determines to borrow money and incur indebtedness for the public purpose of (i) refunding or advance refunding all or a portion of the then-outstanding and unpaid principal amount of the Existing Note and, in connection therewith, to pay all or a portion of any applicable prepayment premium on such refunded Existing Note and to pay all or a portion of interest accrued or to accrue to the dates of maturity or prepayment of such refunded Existing Note, in order to realize an objective authorized by the Refunding Act, as determined in the Resolution (as defined in Section 6 hereof), (ii) paying or reimbursing all or a portion of related costs of issuance of such refunding bonds, including, without limitation, legal and financial costs and costs of any credit or liquidity enhancement, and (iii) to the extent determined by the Council by resolution, paying interest on such refunding bonds (collectively, the “Refunding Project”). The total cost of the portion of the Refunding Project to be financed from proceeds of the Original Refunding Bonds authorized by Section 3 of this Ordinance will not exceed Two Hundred Thousand Dollars (\$200,000.00).

SECTION 3. To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the Town, acting pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its

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full faith and credit, its general obligation bonds in an aggregate principal amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) (collectively, the “Original Refunding Bonds”). Any series of the Original Refunding Bonds may be issued as one or more general obligation installment bonds.

SECTION 4. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town hereby determines that it is in the public interest of the Town to sell each series of the Original Refunding Bonds on a negotiated basis without solicitation of bids due to the ability to time the market, negotiate terms and thereby achieve a beneficial interest rate or rates and other beneficial terms, and the lower costs of issuance typically associated with a negotiated sale, unless based on the recommendation of the financial advisor to the Town, the Council determines pursuant to the Resolution to sell a series of the Original Refunding Bonds at public sale after publication or dissemination of the notice of sale.

SECTION 5. The proceeds of the Original Refunding Bonds shall be used and applied by the Town exclusively and solely for the public purposes described in Section 2 of this Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Refunding Act, the Charter or other applicable law.

SECTION 6. Pursuant to the authority of the Charter and this Ordinance, the Council, prior to the issuance, sale and delivery of each series of the Original Refunding Bonds, shall adopt a resolution or resolutions (in each such case and, collectively, the “Resolution”) specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the complete forms of the Original Refunding Bonds of such series and the form of bond

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purchase agreement or any similar agreement with the purchaser or purchasers of such series of the Original Refunding Bonds, if deemed necessary or desirable or, if such series of Original Refunding Bonds are to be sold by public sale at competitive bid, the form of any notice of sale for such series of the Original Refunding Bonds), documents or procedures as may be required by the Enabling Act, the Refunding Act, the Charter or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Original Refunding Bonds. The Resolution shall set forth, determine or provide for the determination of, or approve or provide for the approval of, among other things, as applicable, the designation of such series of the Original Refunding Bonds; the aggregate principal amount of such series of the Original Refunding Bonds; the date of issue of such series of the Original Refunding Bonds; the denominations of such series of the Original Refunding Bonds; the aggregate principal amount of such series of the Original Refunding Bonds; the maturity or maturities of such series of the Original Refunding Bonds; the principal installment or installments payable on such series of the Original Refunding Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest payable on such series of the Original Refunding Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties in appropriate circumstances; the purchase price for such series of the Original Refunding Bonds; provisions relating to the prepayment or redemption of such series of the Original Refunding Bonds at the Town's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Original Refunding Bonds to put or cause the prepayment or redemption of the same at their option; the procedures for the sale of the Original Refunding Bonds of such series on a negotiated basis without solicitation of bids, unless the Resolution shall provide

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for the sale of such series of the Original Refunding Bonds by public sale at competitive bid after publication or dissemination of the notice of sale, in which case the Resolution shall set forth the procedures for the sale of the Original Refunding Bonds of such series at public sale (including any advertising or bidding requirements) and the award of such series of the Original Refunding Bonds to the successful bidder, if appropriate; provisions for the appropriation, disposal and investment of proceeds of such series of the Original Refunding Bonds; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Original Refunding Bonds, which may include, without limitation, on expenditures and costs related to the refunding or debt service payable on such series of the Original Refunding Bonds; whether proceeds of the Original Refunding Bonds of such series shall be applied to refund or advance refund the Existing Note in whole or in part, and all matters related thereto; the purposes of the Refunding Act to be achieved by the issuance of such series of the Original Refunding Bonds; and all other terms and conditions pursuant to which such series of the Original Refunding Bonds will be issued, sold and delivered, including, without limitation, any determinations to be made or provided for by resolution as contemplated by Section 19-719(A)(c) of the Charter to the extent not determined or provided for in this Ordinance. Among other matters, the Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i) any commitment fee or similar fee and other costs payable in connection with any series of the Original Refunding Bonds and any compensation payable to the purchaser or purchasers of such series of the Original Refunding Bonds in the event the Town fails to deliver such series of the Original Refunding Bonds, (ii) the obtaining of credit or liquidity enhancement for any series of the Original Refunding Bonds (and the execution and delivery of any agreements, documents or instruments relating

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thereto), and (iii) any other agreements, documents, instruments or determinations necessary to enhance the marketability of or as security for any series of the Original Refunding Bonds, including (without limitation) any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. Any Resolution may determine the matters identified in this Section 6 for more than one series of the Original Refunding Bonds.

SECTION 7. Pursuant to the authority of the Enabling Act, the Refunding Act and the Charter, the Town is hereby authorized and empowered to issue and sell from time to time one or more series of its general obligation bonds (collectively, the “Subsequent Refunding Bonds”) for the purpose of refunding or advance refunding any of the Original Refunding Bonds authorized hereby then outstanding, including paying any prepayment or redemption premium and any interest accrued or to accrue to the dates of prepayment, redemption, purchase or maturity of the Original Refunding Bonds to be refunded, paying or reimbursing costs and expenses in connection with the issuance, sale and delivery of such Subsequent Refunding Bonds, and, to the extent determined by the Council by resolution, paying interest on such Subsequent Refunding Bonds, for the public purpose of realizing savings to the Town in the aggregate cost of debt service on either a direct comparison or present value basis or in order to accomplish any debt restructuring that is permitted by applicable law; provided that, the aggregate principal amount of any such series of the Subsequent Refunding Bonds shall not exceed one hundred thirty percent (130%) of the outstanding aggregate principal amount of the Original Refunding Bonds refunded therefrom. Any such series of the Subsequent Refunding Bonds may consist of one or more bonds and any such bond may be issued in installment form. Prior to the issuance, sale and

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delivery of each series of the Subsequent Refunding Bonds, the Council shall adopt a resolution or resolutions authorizing such series of the Subsequent Refunding Bonds and specifying, describing, determining, or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Subsequent Refunding Bonds, the same types of matters, details, forms, documents, procedures or determinations specified to be made or addressed in Section 6 hereof with respect to each series of the Original Refunding Bonds, to the extent also applicable to such series of the Subsequent Refunding Bonds, and as otherwise may be authorized or required by applicable law. Unless the Council determines otherwise in a resolution providing for any series of the Subsequent Refunding Bonds, pursuant to the authority of the Refunding Act, each series of the Subsequent Refunding Bonds shall be sold on a negotiated basis without solicitation of bids, due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms by undertaking a private (negotiated) sale, and the lower costs of issuance typically incurred with a negotiated sale.

SECTION 8. (a) The Town shall levy or cause to be levied, for each and every fiscal year during which each series of the Original Refunding Bonds or the Subsequent Refunding Bonds (individually or collectively, the “Obligations”) may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the payment, when due, of the principal of and interest on such series of the Obligations payable in each such fiscal year; provided that, the Council, by resolution (which, with respect to any series of the Original Refunding Bonds, may be the Resolution), may provide that all or any portion of the debt service payable on any series

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of the Obligations shall be payable in the first instance from a specified source of revenue and, to the extent of any funds received or receivable as described in such resolution in any fiscal year, the taxes hereby required to be levied may be reduced proportionately. In the event the proceeds from the collection of the taxes so levied may prove inadequate for such purposes in any fiscal year, additional taxes shall be levied in the subsequent fiscal year to make up any deficiency.

(b) The full faith and credit and unlimited taxing power of the Town are hereby irrevocably pledged to the prompt payment of the principal of and interest on each series of the Obligations as and when the same are payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. The Town hereby covenants with the registered owner of each Obligation to take any action that may be lawfully appropriate from time to time during the period that such Obligation remains outstanding and unpaid to provide the funds necessary to pay promptly the principal and interest due thereon.

(c) The foregoing provisions shall not be construed so as to prohibit the Town from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the Town (including, without limitation, with respect to any Original Refunding Bonds, from proceeds of any Subsequent Refunding Bonds) or from any other funds legally available for that purpose. Subject to any limitations of applicable federal or Maryland law, the Town may apply to the payment of the principal of or interest on each series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if the funds are granted or paid to the Town for the purpose of assisting the Town in accomplishing the type of project or projects

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which such series of the Obligations are issued to finance or refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION 9. By resolution, the Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the Town's behalf) in the event the right of any registered owner of any Obligation to put or cause the prepayment or redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification of an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 10. By resolution, the Council may determine that any of the Original Refunding Bonds or the Subsequent Refunding Bonds authorized hereby may be consolidated with any bonds and/or refunding bonds authorized by the Council and issued as a single series of bonds and/or refunding bonds.

SECTION 11. The Mayor of the Town (the "Mayor"), the Town Treasurer, the Clerk of the Town (the "Clerk") and all other appropriate officials and employees of the Town are hereby authorized and directed to take any and all action necessary to complete and close the issuance, sale and delivery of any series of the Obligations authorized hereby and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith. In addition, in connection with the issuance of any series of the Original Refunding Bonds to refund or advance refund the Existing Note in whole or in part, the Mayor is hereby authorized to negotiate, approve, execute and deliver any agreements, documents, certificates or

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instruments deemed necessary or desirable in order to effectuate the release of the Deed of Trust and the extinguishment or release of any of the Existing Obligations in whole or in part, as applicable.

SECTION 12. The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

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SECTION 13. This Ordinance shall become effective at the expiration of twenty calendar days following approval by the Mayor or passage by the Council over the Mayor's veto, subject to the provisions of Section 19-313 of the Charter.

THE TOWN OF NORTH BEACH

Gregg Dotson, Vice President and Council member

Michael Benton, Councilmember

Randy Hummel, Councilmember

Gregory McNeill, Councilmember

Gwen Schiada, Councilmember

Kenneth Wilcox, Councilmember

Attest:

Stacy L. Wilkerson, Clerk

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Introduced: _____, 2012

Passed: _____ as introduced _____ as amended _____ on an emergency basis [CHECK
APPLICABLE LINE(S)] _____, 2012

Approved by the Mayor this _____ day of _____, 2012:

Mark R. Frazer, Mayor

Effective: _____, 2012

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