

COUNCIL OF THE CITY OF SEAT PLEASANT, MARYLAND

RESOLUTION NO. 10-08

Introduced By City Council

Date Introduced September 14, 2009

Date Adopted **September 14, 2009**

Date Effective September 14, 2009

A RESOLUTION concerning

CITY DEBT POLICY

FOR the purpose of establishing a debt policy for the City of Seat Pleasant; and matters generally related thereto.

EXPLANATORY STATEMENT: Article 24, Section 2-101, of the Maryland Annotated Code, as enacted by Chapter 693 of the Laws of Maryland of 2009, requires political subdivisions in Maryland to adopt and submit to the Maryland Treasurer a local debt policy. The City Council also believes that the establishment of and adherence to a debt policy for the City will help ensure that the City of Seat Pleasant maintains a sound debt position while protecting the financial stability of the City and the credit quality of its obligations.

NOW, THEREFORE,

SECTION I: BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that it hereby adopts the following as the debt policy for the City of Seat Pleasant:

1. The City will incur debt as the City Council deems reasonable and appropriate from time to time in a manner consistent with, and as may be provided in, the Maryland Constitution, Maryland statutory law, the City of Seat Pleasant Charter, the Code of the City of Seat Pleasant and other applicable laws.

2. In furtherance of paragraph 1, the City Council expressly recognizes and adopts as part of the City's debt policy the provisions of Sections C-815, C-816, C-817 and C-818 of the City Charter, as they may be amended from time to time, that generally address tax anticipation borrowing, the borrowing of money evidenced by the issuance of bonds, notes and other certificates of indebtedness, and the payment of indebtedness.

3 To the extent feasible and practicable, the City will endeavor to:

45 a. Limit the use of long-term debt to the financing of capital acquisitions and
46 improvements.

47 b. Limit the issuance of bonds for the financing of the acquisition or
48 construction of capital improvements to durations not longer than the estimated useful life of the
49 improvements being financed.

50 c. Avoid using debt to finance current operating costs, except in the event of
51 severe cash flow or other emergency situations.

52 **SECTION II. BE IT FURTHER RESOLVED THAT** a copy of this Resolution shall be sent,
53 promptly after its adoption, by certified mail, return receipt requested, to the Maryland Treasurer.

54 **SECTION III. BE IT FURTHER RESOLVED THAT** this Resolution shall take effect
55 immediately upon its adoption.

56 ATTEST:

57 
58 Dashaun N. Lanham,
59 City Clerk

60 COUNCIL OF THE CITY OF
61 SEAT PLEASANT

62 
63 Brian K. Shivers,
64 Council President