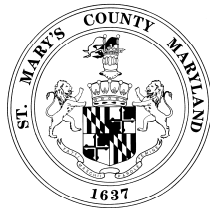


ST. MARY'S COUNTY GOVERNMENT
DEPARTMENT OF FINANCE
L. Jeannett Cudmore, Chief Financial Officer



Commissioners of St. Mary's County
James R. Guy, President
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Todd B. Morgan, Commissioner
John E. O'Connor, Commissioner

ADVANCED MEMORANDUM

DATE: March 1, 2021

SUBJECT: Senate Bill 861 – St. Mary's County – Public Facility Bonds

Hello leadership and members of the Appropriations Sub-Committee, on behalf of the Commissioners of St. Mary's County it is our privilege to provide written testimony on the request for County's Bond Authorization for its on-going Capital Improvement Program.

You have the Fiscal and Policy Note, which breaks down the request. The County asks for Bond Authority based on proposed budget needs during the Budget process and listing of projects provided details the basis for the request. Significant projects are Airport Improvements (\$4.0 million), Roadway & Safety Improvements (\$4.5 million), Snow Hill Park (\$2.3 million), and Public School's Safety & Security (\$3.0 million). The County has always requested the Bond Authority prior to Budgeting for Bonds as a revenue source. The Commissioners want to make sure they have Bond Authority in place for any Bonds that are budgeted, because once the Budget is approved and the beginning of the fiscal year begins, the County would like to move immediately into implementing these Capital Projects on behalf of its citizens.

The County only sells Bonds based on Cash Flow needs, and expenditures on approved capital projects are closely monitored monthly to ensure the Finance Department has an accurate and timely assessment of its obligations. When expenditures on bond-funded CIP projects reach \$10 million, the County needs to start the process of selling bonds. It takes about 6 months from start of updating the Public Offering Statement to closing the Bonds.

Bond Authority requested - \$143.9 M since 2013 –

The Bond Authority for 2013 has been completely used and the remaining balances are:

2017 \$11,524,310
2018 \$24,600,000
2019 \$30,000,000
2020 \$33,000,000

Total current Bond Authority: **\$99,124,310** - obligated to CIP FY2021 and prior budget years: **\$85,769,572**.

The estimated annual expense after the sale of the Bonds will be approximately \$2.0 million, based on the current interest rate, with estimated sale date in FY2024, based on term of 20 years.

The County is currently planning for a \$30,000,000 Bond Sale with closing date of May 25, 2021 and will use the remaining 2017 Bond Authority and \$18,475,690 of the 2018 Authority. This will leave a balance of \$69.1 million in authority.

Ending June 30, 2020 debt for the County was **\$113,588,015** and Metropolitan Commission was **\$96,709,875** for a combined **\$210,297,890**, 1.64% of assessable base. The County's Debt Service as a percentage of revenues was 5.52% at June 30, 2020. We are well within Debt Affordability on both ratios and continues through FY2027.

Should you have any further questions, please let me know.

Jeannett Cudmore, Chief Financial Officer, St. Mary's County Government