



BALTIMORE COUNTY

MARYLAND

BORROWING REFERENDUM

NOVEMBER 8, 2016

Information Concerning the
2016 Baltimore County Borrowing Referendum

INTRODUCTION

This information about the borrowing ordinance referendum which will appear on the November 8, 2016 ballot was prepared by the Baltimore County Office of Budget and Finance (tel: 410-887-3313).

The Baltimore County Charter requires that borrowing ordinances be approved by the voters. Borrowing referendum questions are placed on the ballot at each general election.

The County borrows funds for capital improvements in the form of municipal bonds. This method of financing is commonly used throughout the United States to pay for the construction of schools, roads, bridges, government buildings, recreational facilities and other publicly owned capital facilities.

This coming November 8th, the following capital project classifications will comprise the borrowing referendum and appear on the ballot:

2016 Borrowing Referendum

Question	Classification	Amount
B	Schools	\$166,000,000
C	Parks Preservation and Greenways	\$4,000,000
D	Public Works	\$63,374,000
E	Community and Economic Improvement	\$1,000,000
F	Operational Buildings	\$22,211,986
G	Refuse Disposal	\$7,626,000
H	Community College	\$15,000,000
I	Agricultural and Rural Land Preservation	\$2,000,000
J	Waterway Improvement Program	\$11,000,000
	Total	\$292,211,986

Financing for the County's capital projects comes primarily from bonds. Other sources of funding are State funds, federal funds, funds from other counties, County general funds (derived from taxes and other sources in the County's operating budget) as well as other sources.

Detailed descriptions and funding plans for the projects anticipated to utilize these bonds are available in the FY2017 Adopted Capital Budget Supporting Detail. This document is available for inspection at all branches of the Baltimore County Public Library and at the Baltimore County Office of Budget and Finance, 400 Washington Avenue, Room 100, Towson, Maryland 21204.

**Information Concerning the 2016
Baltimore County Borrowing Referendum
INTRODUCTION**

(continued)

The County Council passed referendum borrowing ordinances May 26, 2016 and this brochure reflects the projects anticipated under this ordinance.

Bonds are redeemed and interest is paid from annual appropriations in the Baltimore County General Fund Operating Budget. In the current fiscal year (FY2017), the General Fund will receive 47% of its revenue from property taxes and 53% from income taxes and various other sources. A history of the ratio of General Fund revenues to debt service obligations is presented below:

Ratio of Debt Service to Revenues ('000)			
Fiscal Year	General Fund Revenues	Debt Service	Ratio
Actual 2002	\$1,200,670	\$62,596	5.2%
Actual 2003	\$1,228,894	\$65,348	5.3%
Actual 2004	\$1,289,731	\$67,471	5.2%
Actual 2005	\$1,389,453	\$75,876	5.5%
Actual 2006	\$1,504,492	\$77,759	5.2%
Actual 2007	\$1,595,721	\$81,422	5.1%
Actual 2008	\$1,640,051	\$85,020	5.2%
Actual 2009	\$1,635,375	\$86,634	5.3%
Actual 2010	\$1,489,427	\$94,382	6.3%
Actual 2011	\$1,547,926	\$105,594	6.8%
Actual 2012	\$1,630,201	\$111,873	6.9%
Actual 2013	\$1,701,812	\$116,896	6.9%
Actual 2014	\$1,750,110	\$124,712	7.1%
Actual. 2015	\$1,820,656	\$141,190	7.8%
Est. 2016	\$1,883,889	\$150,286	8.0%

The rationale for issuing long term debt for construction of capital improvements is that capital improvements, such as a new road, enhances economic efficiency and benefits citizens over a long period of time. Therefore, the cost should be borne by taxpayers over a period of time roughly equal to the life of the improvement being constructed. Generally, Baltimore County issues bonds that mature serially over a twenty year period. In accordance with the Baltimore County Charter (Section 719), the first serial maturity must occur no later than the second anniversary of the issuance, with portions maturing every year thereafter.

The last series of Baltimore County bonds were issued on July 20, 2016. These bonds, as well as all outstanding Baltimore County bonds, are rated "Aaa" by Moody's Investor Service, Inc., "AAA" by Standard and Poor's Corporation and "AAA" by Fitch Investors Service, Inc. These ratings are the highest available. These firms issue these ratings only after a detailed analysis of all issues that affect or could potentially affect the County's long-term financial well being. Aside from the more obvious factors of revenue structure, the experience and credentials of the financial management team, maintenance of adequate fund balance and size of existing debt burden, the rating agencies also look at the County's economic and employment base, its demographic characteristics, and how the State's financial situation may affect the County. Because Baltimore County has the highest credit rating possible, it is able to borrow at the lowest possible interest rate thereby significantly reducing the cost of capital financing. Baltimore County's bonds are purchased by institutional investors as well as individuals looking for safe, high quality municipal bonds. The County's bonds are traded regularly in the municipal securities market and are available from banks and brokers.

SCHOOLS

This question requests voter approval to borrow up to \$166,000,000 for construction of new schools, additions and/or renovations and capital maintenance at existing schools and sites. The emphasis over the last several years has been on capital maintenance, elimination of overcrowding and installation of air conditioning. This emphasis continues in the 2016 borrowing referendum. As is the case in many school districts across the country, most of the County's schools were built during the late 1950s and 1960s. This causes capital issues to become urgent over a short period of time. Consequently, capital outlay to address these issues must also be concentrated over a relatively short period of time. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget that includes these bonds is approved by the County Council.

The list of projects below was established in the FY 2017 Capital Improvement Budget and Program. In the event unforeseen circumstances are encountered, this list may be changed by the County Executive or County Council. These circumstances may include changes in the economic environment, emergencies, community input or new information or data not available at the time the list of projects was approved. In no event may the total amount of borrowing authority be increased beyond the amount approved at this referendum. Bonds authorized under this referendum can only be used for schools and cannot be transferred to other capital classifications.



School Projects

**Bonds Programmed in Fiscal Year 2018
Under the Fiscal Year 2017 Capital Improvement Budget and Program**

Proj. #	Project Title	Bonds Programmed	Phase
213P004	Fuel Tank Replacement	\$250,000	Construction
213P011	Access For The Disabled	\$750,000	Construction
213P116	Kitchen Equipment Upgrades	\$2,000,000	Construction
213P117	Transportation Improvements	\$2,000,000	Construction
213P203	South West New Construction, Additions and Renovations	\$23,502,250	Engineering/Construction
213P207	North East Area New Construction, Additions and Renovations	\$45,811,000	Engineering/Construction
213P208	South East New Construction, Additions and Renovations	\$18,000,000	Engineering/Construction
213P209	School Air Conditioning Projects	\$38,940,000	Construction
213P665	Major Maintenance	\$10,746,750	Construction
213P666	Alterations/Code Updates/Restoration	\$2,000,000	Construction
213P671	Roof Replacement	\$20,000,000	Construction
213P672	Site Improvements	\$2,000,000	Construction
TOTAL BONDS		\$166,000,000	

PARKS, PRESERVATION AND GREENWAYS

This question requests voter approval to borrow up to \$4,000,000 for acquisition and development of waterfront parks, community and area parks, school recreation centers and stream valley parks as described in the Baltimore County Master Plan. Borrowed funds would also be used to perform capital maintenance on existing facilities and to buy land for development into parks or for preservation in a natural state. The Department of Recreation and Parks administers this portion of the Capital Budget and is currently responsible for approximately 13,302 acres of lands at parks, open spaces, greenways, and leased recreation sites. This land features a wide range of facilities including athletic fields, ball diamonds, indoor facilities (e.g., recreation centers), interpretive centers, picnic pavilions, play grounds, sports courts, dog parks, skate parks, and trail and path systems. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget, which includes these bonds, is approved by the County Council.

The list of projects below was established in the FY 2017 Capital Improvement Budget and Program. In the event unforeseen circumstances are encountered, this list may be changed by the County Executive or County Council. These circumstances may include changes in the economic environment, emergencies, community input or new information or data not available at the time the list of projects was assembled. In no event may the total amount of borrowing authority be increased beyond the amount approved at this referendum. Bonds authorized under this referendum can only be used for parkland and greenway acquisition and development and cannot be transferred to other capital classifications.



Parks, Preservation and Greenway Projects
Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
212P301	Recreation Facility Renovations	\$2,325,000	Construction
212P302	Athletic Field Constr./Renov.	\$800,000	Engineering/Construction
212P307	Community/Neighborhood Park Dev.	\$450,000	Engineering/Construction
212P309	Greenways/Stream Valleys/Trails	\$250,000	Construction
212P601	Park & Recreation Facility Acquisition	\$100,000	Engineering/Construction
212P755	Park & Rec. Center Accessibility	\$75,000	Engineering/Construction
	TOTAL BONDS	\$4,000,000	

PUBLIC WORKS

This question requests voter approval to borrow up to \$63,374,000 for storm drain projects, street and highway and bridge projects. The Department of Public Works administers this portion of the Capital Budget. This authorization would finance routine capital maintenance on, among other things, more than 2,600 miles of County roadway and nearly 1,400 miles of storm drains. These bonds also fund work in progress on phased, large-scale projects for which some stages have already been completed. Other projects will receive new funding which would permit engineering to be undertaken. The County also maintains some 678 bridges. The Department of Public Works inspects and schedules work on these bridges under guidelines of the Federal Highway Administration's National Bridge Inventory and Inspection Program. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

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Public Works Projects

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
204P002	Storm Drain Repairs & Enhance	\$4,000,000	Eng'g/Site Acq./Construction
204P006	Storm Drain Inlet Reconstr. Program	\$1,000,000	Engineering/Construction
204P007	Floodplain Studies, Countywide	\$200,000	Engineering
204P111	Subdivision Storm Drains	\$200,000	Eng'g/Site Acq./Construction
204P329	Acquisition of Flooded Homes	\$250,000	Site Acquisition
205P002	Street Rehabilitation	\$674,000	Construction
205P018	Traffic Calming	\$800,000	Construction
205P111	Streets & Highways - Subdivisions	\$500,000	Engineering/Construction
205P133	Roadway Resurfacing	\$38,000,000	Construction
205P179	Alignment Studies/Site Acquisition	\$150,000	Site Acq./Engineering

Proj. #	Project Title	Bonds Programmed	Phase
205P250	Alley Reconstruction	\$750,000	Construction
205P286	Misc. Intersection Improvement	\$75,000	Eng'g/Site Acq./Construction
205P301	Curbs, Gutters and Sidewalks	\$8,500,000	Eng'g/Site Acq./Construction
205P350	Sidewalk Ramps Program	\$200,000	Construction
205P458	Traffic Signals	\$1,500,000	Construction
207P002	Minor Bridge Repair	\$4,085,000	Eng'g/Site Acq./Construction
207P220	Bridge Inspection Program	\$260,000	Engineering
207P237	Bridge No. 140 – Piney Grove Rd	\$200,000	Eng'g/Site Acq.
207P276	Bridge No. 409 Gunpowder Road	\$300,000	Construction
207P278	Bridge No. 119 – Peninsula Highway	\$1,480,000	Construction
207P281	Bridge No. B-0132 Rossville Boulevard	\$250,000	Construction
	TOTAL BONDS	\$63,374,000	

COMMUNITY AND ECONOMIC IMPROVEMENT

This question requests authority to borrow up to \$1,000,000 for construction of projects to enhance the viability of older commercial districts and town centers. Bonds would finance the construction of pedestrian systems, bus stop shelters, parking lots, landscaping, street sign improvements and other community improvements. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

The project below was established in the FY 2017 Capital Improvement Budget and Program. In the event unforeseen circumstances are encountered, these projects may be changed by the County Executive or County Council. These circumstances may include changes in the economic environment, emergencies, community input or new information or data not available at the time these projects were established. In no event may the total amount of borrowing authority be increased beyond the amount approved at this referendum. Bonds authorized under this referendum can only be used for community and economic improvement projects and cannot be transferred to other capital classifications.



Community and Economic Improvement Projects

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
218P100	Countywide Improvements	\$1,000,000	Construction
	TOTAL BONDS	\$1,000,000	

OPERATIONAL BUILDINGS

This question requests voter approval to borrow up to \$22,211,986 for construction, renovation and capital maintenance of general government buildings, public safety buildings such as police stations, fire stations, and the detention center, libraries, senior centers, recreation buildings, other similar buildings, and parking facilities. Borrowed funds would also be used for direct purchase of land for such buildings, purchase of land already improved with buildings, moveable furniture and equipment associated with and essential to the operation of new and renovated buildings and space within existing buildings, landscaping, fencing, parking lots and other similar capital site maintenance and site improvements associated with County buildings and property. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

The projects below were established in the FY 2017 Capital Improvement Budget and Program. In the event unforeseen circumstances are encountered, these projects may be changed by the County Executive or County Council. These circumstances may include changes in the economic environment, emergencies, community input or new information or data not available at the time these projects were established. In no event may the total amount of borrowing authority be increased beyond the amount approved at this referendum. Bonds authorized under this referendum can only be used for general government multi-use buildings, libraries, police and fire stations and certain other building related projects and cannot be transferred to other capital classifications.



Operational Building Projects

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
210P021	Replace Communication System	\$2,211,986	System Replacement
210P036	New Buildings, Repair, Renovations, Minor Addns	\$17,750,000	Construction
210P055	Access For People with Disabilities	\$100,000	Construction
210P065	Health/Environment Hazard Remediation	\$200,000	Construction
210P601	Library Capital Maint. & Renov.	\$1,950,000	Construction
	TOTAL BONDS	\$22,211,986	

REFUSE DISPOSAL

This question requests voter approval to borrow up to \$7,626,000 for the construction, expansion, acquisition, improvement, alteration, capital repair or modernization of refuse processing, transfer and disposal facilities including landfills. Funds could also be used to close and cap County landfills. The County has one primary operating landfill, known as the Eastern Sanitary Landfill, located in the 11400 block of Pulaski Highway in northeast Baltimore County approximately one mile from the Harford County line. The County also maintains several closed landfills. The County has minimized the use of its landfill by recycling, converting waste into energy and exporting its municipal solid waste to out-of-state facilities. The County also operates three transfer stations where residential and commercial refuse is transferred from small “pucker trucks” into large trailers for transport to other facilities. This portion of the Capital Budget is administered by the Department of Public Works. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

The projects below were established in the FY 2017 Capital Improvement Budget and Program. In the event unforeseen circumstances are encountered, this project may be changed by the County Executive or County Council. These circumstances may include changes in the economic environment, emergencies, community input or new information or data not available at the time these projects were established. In no event may the total amount of borrowing authority be increased beyond the amount approved at this referendum. Bonds authorized under this referendum can only be used for refuse disposal and procession facilities and cannot be transferred to other capital classifications.



Refuse Disposal Project

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
208P005	Hernwood Landfill	\$825,000	Construction
208P006	Parkton Sanitary Landfill	\$775,000	Construction
208P010	Eastern Sanitary Landfill	\$6,026,000	Construction
	TOTALS	\$7,626,000	

COMMUNITY COLLEGE

This question requests voter approval to borrow up to \$15,000,000 for construction of new buildings, capital renovations and maintenance of existing buildings and grounds at the various campuses of the Community College of Baltimore County. State aid and County general funds will supplement bonds. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

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Community College Projects

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
209P007	Roof Repair / Replacement - All	\$350,000	Engineering/Construction
209P098	ADA Alterations	\$25,000	Construction
209P100	Capital Maintenance & Renovations	\$3,000,000	Construction
209P102	Asbestos Abatement	\$50,000	Construction
209P103	Catonsville – Renovations/Additions	\$500,000	Construction
209P104	Essex – Renovations/Additions	\$9,825,000	Construction
209P105	Dundalk – Renovations/Additions	\$550,000	Construction
209P106	Power Plant Modernization - All	\$700,000	Engineering/Construction
	TOTAL BONDS	\$15,000,000	

AGRICULTURAL AND RURAL LAND PRESERVATION

This question requests voter approval to borrow up to \$2,000,000 to be used to purchase development easements under the Maryland Agricultural Land Preservation Program and other County programs. Bonds will be supplemented with the Maryland Agricultural Transfer Tax and the Baltimore County General Fund. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

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Agricultural and Rural Land Preservation Projects

Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
217P001	Agricultural Preservation	\$1,500,000	Acquisition
217P002	Rural Legacy	\$500,000	Acquisition
	TOTAL BONDS	\$2,000,000	

WATERWAY IMPROVEMENT PROGRAM

This question requests voter approval to borrow up to \$11,000,000 for shoreline and streambank stabilization, shore erosion control, wetlands restoration, dredging of tidal waterways, and other activities designed to address stormwater and pollutant load requirements. This program is primarily an effort to restore and enhance the waterways for County residents and to reduce sedimentation and other pollution of the Chesapeake Bay. Within the County’s borders are contained approximately 1,000 miles of streams, creeks and rivers and 178 miles of Chesapeake Bay shoreline. Bonds are also used for urban tree planting and to locate and remedy groundwater pollution. This portion of the Capital Budget is administered by the Department of Environmental Protection and Sustainability. Authority to issue bonds which would be authorized under this referendum would become effective only after the County Executive proposed and the County Council approved such bonds in the Capital Budget. The actual issuance of the bonds can take place any time after the budget which includes these bonds is approved by the County Council.

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Waterway Improvement Projects
Bonds Programmed in Fiscal Year 2018

Under the Fiscal Year 2017 Capital Improvement Budget and Program

Proj. #	Project Title	Bonds Programmed	Phase
221P100	Watershed Restoration	\$375,000	Site Acq./Construction
221P106	Lower Gunpowder Watershed Restoration	\$200,000	Construction
221P110	Patapsco Watershed Restoration	\$150,000	Construction
221P111	Gwynn Falls Watershed Restoration	\$215,000	Construction
221P112	Jones Falls Watershed Restoration	\$350,000	Construction
2210200	Environmental Management	\$610,000	Engineering/Construction
221P400	Stormwater – Restoration and Retrofit	\$8,000,000	Engineering/Construction
221P401	Stormwater – Planning & Monitoring	\$500,000	Construction
221P402	Stormwater - Sustainability	\$500,000	Construction
221P900	Community Conservation Wtrway Impr.	\$100,000	Construction
	TOTALS	\$11,000,000	