

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2012, Legislative Day No. 16

BILL NO. 66-12

Mrs. Vicki Almond, Chairwoman
By Request of the County Executive

By the County Council, September 17, 2012

A BILL
ENTITLED

AN ORDINANCE concerning the issuance, sale and delivery by Baltimore County, Maryland, of its general obligation pension liability funding bonds.

FOR the purpose of authorizing and empowering the issuance, sale and delivery by Baltimore County, Maryland (the "County"), pursuant to Section 32 of Article 31 of the Annotated Code of Maryland (2010 Replacement Volume and 2011 Supplement), of bonds in an aggregate principal amount not to exceed Two Hundred Sixty Million Dollars (\$260,000,000) for the public purpose of funding all or any portion of the unfunded present or contingent liability of the County under the portion of the Employees' Retirement System of Baltimore County (the "System") closed to new membership effective as of July 1, 2007 (the "Pension Plan"); showing compliance with the limitations on the power of the County to incur indebtedness; prescribing the procedure for the issuance and sale of such bonds; empowering the County Executive, or the County Administrative Officer if authorized by the County Executive, subject to certain guides and standards, to determine the time and method for the sale of such bonds, the form or forms thereof and other details with respect thereto and the sale thereof; providing for the levy and collection of all taxes, charges and assessments necessary for the payment of the principal or mandatory sinking fund redemption price of and interest on such pension liability funding bonds when due; pledging the full faith and credit of the County to the payment of the bonds issued hereunder and the interest thereon, when due; generally providing for other matters related to the issuance of such pension liability funding bonds by the County; and declaring this ordinance to be an emergency measure.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter stricken from existing law.

~~Strike out~~ indicates matter stricken from bill.

Underlining indicates amendments to bill.

BE IT ENACTED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY,
MARYLAND:

1 SECTION 1. Section 32 of Article 31 of the Annotated Code of Maryland (2010
2 Replacement Volume and 2011 Supplement) (the “Act”) provides that pension liability
3 funding bonds may be issued by the County thereunder for certain public purposes
4 specified therein, including realizing savings to the County in the aggregate cost of the
5 pension plan being funded, on either a direct comparison or present value basis.
6

7 The County Council of Baltimore County, Maryland (the “County Council”)
8 hereby finds and determines that the issuance of pension liability funding bonds pursuant
9 to the terms and requirements of this Ordinance in order to fund all or a portion of the
10 Unfunded Present or Contingent Liability (defined herein) of the County with respect to
11 the Pension Plan, as herein provided, will effectuate and accomplish the public purpose
12 of realizing savings to the County in the aggregate cost of the Pension Plan, on either a
13 direct comparison or a present value basis, taking into account final debt service of such
14 bonds and anticipated earnings on invested bond proceeds based on earnings assumptions
15 utilized for valuation of the Pension Plan, thereby utilizing favorable market conditions
16 that may exist from time to time to reduce the cost of the Pension Plan to the County or
17 otherwise structuring and providing for pension plan liability funding in a manner
18 consistent with the financial plans of the County.
19

20 As used in this Ordinance, (i) the term “Executive Officer” shall mean the County
21 Executive, unless the County Executive shall authorize the County Administrative
22 Officer to perform the duties delegated to the Executive Officer hereunder, in which case
23 such term shall mean either the County Executive or the County Administrative Officer,
24 and (ii) the term “Unfunded Present or Contingent Liability” shall mean the unfunded
25 benefit payments expected to be made from time to time from the Pension Plan pursuant
26 to Title 1 of Article 5 of the Baltimore County Code (2012 Edition, as amended), based
27 upon appropriate assumptions as to the life expectancies, salaries and benefits of Pension
28 Plan beneficiaries and the annual escalation of Pension Plan benefit levels, all as
29 determined by an independent professional actuarial consultant retained by the County
30 for such purpose.
31

32 SECTION 2. Acting pursuant to the authority of the Act, the issuance and sale of
33 bonds (the “Pension Funding Bonds”) of the County are hereby authorized in an
34 aggregate principal amount not to exceed Two Hundred Sixty Million Dollars
35 (\$260,000,000) for the public purpose of funding all or any portion of the Unfunded
36 Present or Contingent Liability of the County under the Pension Plan. The portion of the
37 Employees’ Retirement System of Baltimore County closed to new membership effective
38 as of July 1, 2007 constitutes a “pension plan” as defined in the Act. Pension Funding
39 Bonds may be issued pursuant to this Ordinance in order to provide funds sufficient (a) to
40 purchase such taxable or tax-exempt securities, obligations or other investments as shall
41 be selected by the Executive Officer or his designee, the principal and interest on which

1 to be used to fund all or a portion of the Unfunded Present or Contingent Liability of the
2 Pension Plan, (b) to fund a debt service reserve fund and any other appropriate reserve
3 funds created in connection with the Pension Funding Bonds and (c) to pay any and all
4 other costs permitted to be paid from the proceeds of such Pension Funding Bonds under
5 the Act, including (without limitation) debt service of such Pension Funding Bonds, the
6 costs of issuance of such Pension Funding Bonds and applicable underwriting fees,
7 consultants fees, actuarial fees, insurance fees and other related fees and expenses.
8

9 The System Board of Trustees shall use the net proceeds of any Pension Funding
10 Bonds hereby authorized to fund all or a portion of the Unfunded Present or Contingent
11 Liability of the County with respect to the Pension Plan and not for any other plan within
12 the System and shall provide an accounting of such usage to the Executive Officer.
13

14 SECTION 3. The Pension Funding Bonds hereby authorized may be sold for a
15 price at, above or below par, plus accrued interest to the date of delivery. The Pension
16 Funding Bonds shall be sold at private (negotiated) sale or through solicitation of
17 competitive bids at public sale, as the Executive Officer determines to be in the best
18 public interest of the County. Such sale shall be done in a manner in accordance with
19 such procedures as the Executive Officer shall deem appropriate; provided, however, that
20 in the event of a public sale, such procedures shall be substantially similar to the
21 procedures for public sale with competitive bidding normally utilized by the County in
22 connection with the sale of its general obligation bonds. Pension Funding Bonds issued
23 hereunder are hereby specifically exempted from the provisions of Sections 10 and 11 of
24 Article 31 of the Annotated Code of Maryland (2010 Replacement Volume and 2011
25 Supplement).
26

27 SECTION 4. Pension Funding Bonds authorized to be issued for the purposes
28 specified above may be issued in one or more series from time to time, as shall be
29 determined by the Executive Officer, each such series to be in an amount that the
30 Executive Officer determines to be required to achieve the purpose for the issuance of the
31 Pension Funding Bonds. Each such series shall identify the public purpose for which it is
32 issued, by the printing on each bond of the words "Baltimore County Pension Funding
33 Bonds, 2012 Series." The Executive Officer may modify such designation or incorporate
34 such additional designations in the name of the series as the Executive Officer deems
35 necessary or convenient to distinguish two or more series issued for the same purpose
36 within the same calendar year.
37

38 SECTION 5. Subject to and in accordance with the provisions of the Act and this
39 Ordinance, the Executive Officer shall determine by order, for each and every Pension
40 Funding Bond or series of Pension Funding Bonds issued pursuant to and in accordance
41 with this Ordinance, all matters relating to the sale, issuance, delivery and payment of
42 such Pension Funding Bonds, including (without limitation) the date or dates of sale of
43 the Pension Funding Bonds; the dated date of the Pension Funding Bonds; the authorized
44 denominations for the Pension Funding Bonds; the redemption provisions, if any,
45 pertaining to the Pension Funding Bonds; the manner of authentication and numbering of
46 any Pension Funding Bonds; the date from which interest on the Pension Funding Bonds
47 shall accrue; the rate or rates of interest borne by the Pension Funding Bonds or the
48 method of determining the same; the interest payment and maturity dates of the Pension

1 Funding Bonds, including provisions for mandatory sinking fund redemption of any term
2 bonds, subject to the further provisions of this Section; whether the Pension Funding
3 Bonds are to be issued in book-entry form and all matters incident to the issuance of
4 Pension Funding Bonds in book-entry form; and the provisions for the registration of
5 Pension Funding Bonds. All Bonds issued hereunder shall be made payable (i) in
6 accordance with an annual principal installment plan by the issuance of serial maturity
7 Pension Funding Bonds or term Pension Funding Bonds having mandatory sinking fund
8 requirements, under which principal installments (by way of serial bond maturities or
9 mandatory term bond redemptions) shall commence not more than three years from the
10 date of issue of such Pension Funding Bonds; and (ii) shall have a final maturity not more
11 than 30 years from the date of issue.
12

13 SECTION 6. For the purpose of paying the principal or mandatory sinking fund
14 redemption price of and the interest on any series of Pension Funding Bonds, the County
15 shall include in the levy in each and every fiscal year that any of the Pension Funding
16 Bonds are outstanding, ad valorem taxes upon all the legally assessable property within
17 the corporate limits of the County in rate and amount sufficient to provide for the
18 payment, when due, of the principal or mandatory sinking fund redemption price of and
19 interest on all of such bonds maturing or subject to mandatory sinking fund redemption in
20 each such fiscal year; and in the event the proceeds from taxes so levied in any such
21 fiscal year shall prove inadequate for the above purposes, additional taxes shall be levied
22 in the succeeding fiscal years to make up such deficiency. The County may apply to the
23 payment of principal or redemption price of and interest on the Pension Funding Bonds
24 any funds received by it from the State of Maryland, the United States of America, any
25 agency or instrumentality thereof, or from any other source, if such funds are granted for
26 the purpose of assisting the County in paying benefits payable under the Pension Plan;
27 and to the extent that any such funds received or receivable in any fiscal year are applied
28 to such purposes as provided herein, the taxes hereby required to be levied shall be
29 reduced proportionately. The full faith and credit and unlimited taxing power of the
30 County are hereby irrevocably pledged to the levy and collection of the taxes hereinabove
31 prescribed as and when such taxes may become necessary in order to provide sufficient
32 funds to meet the debt service requirements of the Pension Funding Bonds. The County
33 hereby solemnly covenants with each of the holders of any of the Pension Funding Bonds
34 to levy and collect the taxes hereinabove prescribed and to take all action as may be
35 appropriate from time to time during the period that any of such bonds remain
36 outstanding and unpaid to provide the funds necessary to make the principal and interest
37 payments on such bonds.
38

39 SECTION 7. It is hereby determined that the outstanding general obligation
40 indebtedness of Baltimore County, Maryland on June 30, 2012, including the maximum
41 aggregate principal amount of Pension Funding Bonds authorized to be issued and sold as
42 provided in this Ordinance (\$260,000,000), was \$1,321,235,000. It is hereby determined
43 that the assessable basis of Baltimore County, Maryland, on June 30, 2012, was
44 \$84,472,824,880. The aggregate principal amount of \$260,000,000 of general obligation
45 Pension Funding Bonds authorized to be issued by this Ordinance will be within every
46 debt and other limitation prescribed by the Constitution and Laws of Maryland, the
47 Charter of Baltimore County, Maryland, and the Public Local Laws of Baltimore County,
48 Maryland.

1
2 SECTION 8. The rate or rates of interest payable on any series of bonds sold
3 pursuant to this Ordinance shall not exceed the maximum interest rate, if any, specified
4 by the County Council by public local law to be payable on obligations of the County.
5 The Executive Officer is hereby authorized to determine the form of any Pension
6 Funding Bonds issued hereunder. The execution and delivery of Pension Funding Bonds
7 as herein provided shall be conclusive evidence of approval of the form of such Pension
8 Funding Bonds on behalf of the County.
9

10 SECTION 9. With respect to each series of bonds sold pursuant to this
11 Ordinance, authority is hereby conferred on the Executive Officer to take the following
12 actions and make the following commitments on behalf of the County:
13

14 (a) in the event that the Executive Officer determines that it is in the
15 best interests of the County to sell any such series of bonds by private (negotiated)
16 sale, to sell any series of bonds issued hereunder upon such terms he deems
17 favorable under the existing market conditions to a bank, investment banking firm
18 or other financial institution as, in his judgment, offers to purchase such series of
19 bonds on terms he deems favorable to the County under the existing market
20 conditions;
21

22 (b) to execute and deliver, as a binding and enforceable obligation of
23 the County, an underwriting or purchase agreement for any series of bonds issued
24 hereunder;
25

26 (c) in the event that the Executive Officer determines that it is in the
27 best interests of the County to sell any such series of bonds by soliciting
28 competitive bids at public sale, to determine the date, time and place when and
29 where proposals for the purchase of any such series of bonds will be received, to
30 publish and otherwise distribute a suitable notice of sale of such bonds and to
31 award any series of bonds for which a legally sufficient proposal has been
32 received to the best bidder therefor;
33

34 (d) after considering any recommendations of the financial advisor to
35 the County and subject to the provisions of this Ordinance, to fix and determine
36 the date of any such series of Pension Funding Bonds, the schedule of annual
37 maturities or mandatory sinking fund redemptions of any such series, the amount
38 of any such series, the amount of the proceeds of any such series to be applied to
39 fund all or a portion of the Unfunded Present or Contingent Liability of the
40 Pension Plan, and the interest rate or rates to be paid by the County with respect
41 to any such series;
42

43 (e) in the event that the County determines not to serve as paying
44 agent or bond registrar, to appoint a bank having trust powers, or a trust company,
45 as paying agent for any such series of bonds, notwithstanding the fact that such
46 bank or trust company may have neither its principal office nor any branch office
47 within the County or the State of Maryland, and, if the Executive Officer deems it
48 appropriate, to appoint a similarly qualified bank or trust company as alternate

1 paying agent, such authority to include the power to agree with respect to the
2 compensation of such paying agent and alternate paying agent for the services to
3 be rendered by them and to appoint one or more of such banks or trust companies
4 as bond registrars;

5
6 (f) to determine the manner of investing the proceeds of such bonds
7 and the manner of selecting the securities, obligations or other investments in
8 which such proceeds shall be invested;

9
10 (g) to determine whether to transfer the proceeds of the sale of the
11 bonds to the System Board of Trustees for investment of such proceeds in
12 accordance with the directions of the Board or to select a trust company or other
13 banking institution as trustee or escrow agent to hold the trust or escrow fund into
14 which the proceeds of the sale of any bonds issued hereunder may be deposited
15 under the Act, to determine the terms of any such trust or escrow fund, including
16 any provisions relating to the payment of costs therefrom, and to deliver as a
17 binding commitment of the County, a trust or escrow agreement pursuant to
18 which such trust or escrow fund is established; and to select and employ or
19 contract with one or more portfolio purchasers to select and purchase or arrange
20 for the purchase of the securities, obligations and other investments in which bond
21 proceeds are to be invested, and one or more investment managers to provide for
22 the continuing investment and reinvestment of such proceeds over time;

23
24 (h) to arrange for the preparation and distribution of an appropriate
25 offering circular, preliminary official statement or official statement with respect
26 to the sale of any series of bonds hereby authorized; and

27
28 (i) after considering any recommendations of the County's financial
29 advisor, to reserve to the County the option to redeem any such series of bonds in
30 whole or in part, at such times and upon payment of such premiums as such
31 financial advisor may recommend. Without limiting the generality of the
32 foregoing, the Executive Officer may, in his discretion, reserve to the County the
33 option to redeem any series of bonds in whole or in part at specified times, with or
34 without premium, upon a determination by the Executive Officer that the
35 proceeds of the portion of bonds to be redeemed are no longer necessary, based
36 upon current actuarial determination, for the purposes for which such series of
37 bonds was issued.

38
39 Subject to and in accordance with the provisions of this Ordinance, the Executive
40 Officer shall determine by order, for each and every series of bonds issued pursuant to
41 and in accordance with this Ordinance, the matters specified in paragraphs (c), (e), (f), (g)
42 and (i) above.

43
44 SECTION 10. The several series of bonds to be issued pursuant to the authority
45 of this Ordinance shall be executed on behalf of the County by the facsimile signature of
46 the County Executive and a facsimile of the seal of the County shall be imprinted
47 thereon, attested by the facsimile signature of the Secretary to the County Executive.
48 Each such bond shall be authenticated by the manual or facsimile signature of the

1 Director of Budget and Finance of the County or his authorized deputy or deputies and by
2 the manual signature of an authorized officer of the Bond Registrar. No bonds issued
3 hereunder shall be valid for any purpose or constitute an obligation of the County unless
4 so authenticated.
5

6 Each series of bonds shall be in the form hereinafter set forth, and bonds issued
7 substantially in compliance with such form, with appropriate insertions as therein
8 indicated, when properly executed and authenticated as described above, shall be deemed
9 to constitute unconditional general obligations of the County, to the payment of which, in
10 accordance with the terms thereof, its full faith and credit are pledged, and all the
11 covenants and conditions contained in such bonds shall be deemed to be binding upon the
12 County in accordance therewith.
13

14 In case any official of the County, whose signature shall appear on any such
15 bonds, shall cease to be such official prior to the delivery of such bonds, or in the case
16 that any such official shall take office subsequent to the date of issue of any such bonds,
17 his signature, in either event, shall nevertheless be valid for the purposes herein intended.
18

19 Authority is hereby conferred on the Executive Officer to fill the blanks in such
20 form with the required information, to insert applicable paragraphs as indicated and to
21 make such additions, deletions and substitutions in such form, not inconsistent herewith,
22 as may be necessary or desirable in the sale of any such series of bonds. Without limiting
23 the generality of the foregoing, the Executive Officer is hereby authorized to make any
24 changes to the following form of bond that may be necessary or appropriate (i) in
25 connection with the issuance of term bonds with mandatory sinking fund redemptions
26 rather than serial maturity bonds, if any Pension Funding Bonds are to be issued
27 hereunder in such form, and (ii) in order to provide for the mandatory or optional
28 redemption of any series of Pension Funding Bonds as determined by the Executive
29 Officer in accordance with the provisions of Section 9(i) of this Ordinance.

1 (Form of Bond)

2
3 [BOND FACE]

4
5 UNITED STATES OF AMERICA
6 STATE OF MARYLAND

7
8
9 No. _____ \$ _____

10
11
12 BALTIMORE COUNTY, MARYLAND
13 BALTIMORE COUNTY PENSION FUNDING BOND, 20__ SERIES

14 Maturity Date Interest Rate Dated Date CUSIP

15
16 Registered Holder:

17
18 Principal Amount: _____ Dollars

19
20 Baltimore County, Maryland, a body politic and corporate of the State of
21 Maryland (the "County"), hereby acknowledges itself indebted for value received, and
22 promises to pay to the Registered Holder shown above or his registered assigns or legal
23 representatives, on the Maturity Date specified above (unless this bond shall be
24 redeemable, shall have been called for prior redemption and payment of the redemption
25 price made or provided for), upon presentation and surrender of this bond at the principal
26 corporate trust office of _____, _____,
27 (the "Bond Registrar"), the Principal Amount shown above in any coin or currency
28 which, at the time of payment, is legal tender for the payment of public and private debts
29 and to pay to the registered owner hereof by check, mailed to such registered owner at his
30 address as it appears on the bond registration books kept by the Bond Registrar, interest
31 on such principal sum at the Interest Rate per annum shown above until payment of such
32 principal amount or until the prior redemption hereof, such interest being payable on
33 _____ and _____ in each year, in like coin or currency, accounting from
34 the most recent date to which interest has been paid or, if no interest has been paid, from
35 the Dated Date shown above. All interest due on this bond shall be payable to the
36 registered owner in whose name this bond is registered on such bond registration books
37 as of the close of business on the Regular Record Date for such interest payment, which
38 shall be _____. Any such interest not so punctually paid or
39 duly provided for shall forthwith cease to be payable to the registered owner on such
40 Regular Record Date, and may be paid to the person in whose name this bond is
41 registered as of the close of business on a Special Record Date for the payment of such
42 defaulted interest to be fixed by the Bond Registrar, notice whereof being given by letter
43 mailed first class, postage prepaid to the holders not less than 30 days prior to such
44 Special Record Date, at the addresses of such holders appearing on the registration books
45 kept by the Bond Registrar, or may be paid at any time in any other lawful manner not

1 inconsistent with the requirements of any securities exchange on which the bonds of this
2 series may be listed and upon such notice as may be required by such exchange

3
4 ADDITIONAL PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE
5 HEREOF AND SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF
6 SET FORTH HEREIN.

7
8 The full faith and credit and unlimited taxing power of Baltimore County,
9 Maryland, are hereby unconditionally pledged to the payment of this bond and of the
10 interest payable hereon according to its terms, and the County does hereby covenant and
11 agree to pay punctually the principal of this bond and the interest hereon on the dates and
12 in the manner mentioned herein, according to the true intent and meaning hereof.

13
14 It is hereby certified and recited that each and every act, condition and thing
15 required to exist, to be done, to have happened, and to be performed precedent to and in
16 the issuance of this bond, does exist, has been done, has happened and has been
17 performed in full and strict compliance with the Constitution and laws of the State of
18 Maryland, the Charter of the County and an ordinance of the County Council adopted on
19 _____, 2012, and that the issue of bonds, of which this bond is one, together with
20 all other indebtedness of the County, is within every debt and other limit prescribed by
21 the Constitution and laws of the State of Maryland and such Charter and that due
22 provision has been made for the levy and collection of an annual ad valorem tax or taxes
23 upon all the legally assessable property within the corporate limits of the County in rate
24 and amount sufficient to provide for the payment, when due, of the principal of and
25 interest on this bond.

26
27 This bond shall not become obligatory for any purpose or be entitled to any
28 benefit under the above-mentioned laws, Charter or ordinance until authenticated by the
29 Director of Budget and Finance of the County in office as of the date hereof or an
30 authorized deputy and until this bond shall have been authenticated by an authorized
31 officer of the Bond Registrar.

1 IN WITNESS WHEREOF, Baltimore County, Maryland, has caused this bond to
2 be signed in its name by the facsimile signature of its County Executive and by its
3 corporate seal imprinted hereon in facsimile, attested by the facsimile signature of the
4 Secretary to the County Executive; it has caused this bond to be authenticated by the
5 manual or facsimile signature of its Director of Budget and Finance or authorized deputy,
6 all as of the __ day of _____, 20__.

7
8 (SEAL)

BALTIMORE COUNTY, MARYLAND

9
10
11 ATTEST:

By: [Facsimile Signature]
County Executive

12
13
14 [Facsimile Signature]
15 Secretary

16
17 This bond is one of the registered bonds of the Baltimore County Pension
18 Funding Bonds, 20__ Series, of Baltimore County, Maryland.

19
20
21 [Facsimile or Manual Signature]
22 Director of Budget and Finance or
23 Authorized Deputy

24
25 [NAME OF BOND REGISTRAR],
26 As Bond Registrar

27
28 Date of
29 Authentication: _____

By: _____
Authorized Officer

30
31

1 [REVERSE SIDE OF BOND]

2
3 This bond is one of a duly authorized issue of general obligation bonds of the
4 County, designated Baltimore County Pension Funding Bonds, 20__ Series, all dated
5 _____, 2012. Such bonds are issued pursuant to the authority of Section 32 of
6 Article 31 of the Annotated Code of Maryland (2010 Replacement Volume and 2011
7 Supplement).

8
9 Such bonds mature and are payable on _____ and _____ in each of the years
10 _____ to _____, inclusive, in the following amounts, and bear interest at the following
11 rates per annum:
12

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>

13
14 Insert the Following Redemption Provisions, If Applicable:

15
16 [The bonds of this issue maturing _____, _____, and thereafter are subject to
17 redemption prior to their respective maturities, at the option of the County, as a whole or
18 in part at any time, on or after _____, _____, at the following redemption prices
19 expressed as percentages of the principal amount of bonds to be redeemed plus accrued
20 interest thereon to the date fixed for redemption:
21

<u>Period During Which Redeemed</u>	<u>Redemption</u>
<u>(both dates inclusive)</u>	<u>Prices</u>
_____ to _____	_____ %
_____ and thereafter	_____ %

22
23 Bonds maturing on _____ and _____ are subject to
24 redemption prior to maturity at a redemption price equal to the principal amount thereof
25 plus accrued interest thereon to the date set for redemption from mandatory sinking fund
26 installments on _____ of the following years in the following amounts:
27

28 \$_____ Term Bonds Due _____
29

<u>Year</u>	<u>Sinking Fund</u>	<u>Year</u>	<u>Sinking Fund</u>
	<u>Installment</u>		<u>Installment</u>

30
31 If less than all of the bonds of any one maturity shall be called for redemption, the
32 particular bonds or portions of bonds to be redeemed shall be selected by lot by the Bond
33 Registrar. When less than all of a bond in a denomination in excess of \$5,000 shall be so
34 redeemed, then, upon the surrender of such bond, there shall be issued to the registered
35 owner thereof, without charge, for the unredeemed balance of the principal amount of
36 such bond, at the option of such owner, bonds in any of the authorized denominations, the

1 aggregate face amount of such bonds not to exceed the unredeemed balance of the bond
2 so surrendered, and to bear the same interest rate and to mature on the same date as such
3 unredeemed balance.]
4

5 [The bonds are subject to optional redemption prior to maturity as a whole or in
6 part, at any time, in any order of maturities, at the option of the County, at the Make-
7 Whole Redemption Price. The "Make-Whole Redemption Price" is equal to the greater
8 of (i) 100 percent of the principal amount of the bonds to be redeemed or (ii) the sum of
9 the present values of the remaining scheduled payments of principal of and interest on the
10 bonds to be redeemed, not including any portion of those payments of interest accrued
11 and unpaid as of the date on which the bonds are to be redeemed, discounted to the date
12 on which the bonds are to be redeemed on a semi-annual basis, assuming a 360-day year
13 consisting of twelve 30-day months, at the Treasury Rate, plus ___ basis points; plus, in
14 each case, accrued interest on the bonds to be redeemed to the redemption date.

15 "Treasury Rate" means, with respect to any redemption date for a
16 particular bond, the yield to maturity as of such redemption date of United States
17 Treasury securities with a constant maturity (as compiled and published in the
18 Federal Reserve Statistical Release H.15 (519) that has become publicly available
19 at least two Business Days, but not more than 45 calendar days, prior to the
20 redemption date (excluding inflation indexed securities) (or, if such Statistical
21 Release is no longer published, any publicly available source of similar market
22 data)) most nearly equal to the period from the redemption date to the maturity date
23 of the bond to be redeemed; provided, however, that if the period from the
24 redemption date to such maturity date is less than one year, the weekly average
25 yield on actually traded United States Treasury securities adjusted to a constant
26 maturity of one year will be used.

27 *Selection of Bonds for Redemption*

28

29 The particular maturities of the bonds of this issue to be redeemed at the option of
30 the County will be determined by the County in its sole discretion.
31

32 If the bonds are not registered in book-entry only form, any redemption of less
33 than all of a maturity of such bonds shall be allocated among the registered owners of
34 such bonds as nearly as practicable in proportion to the principal amounts of such bonds
35 owned by each registered owner, subject to the authorized denominations applicable to
36 such bonds. This will be calculated based on the following formula:
37

$$38 \frac{(\text{principal to be redeemed}) \times (\text{principal amount owned by owner})}{39 (\text{principal amount outstanding})}$$

40

41 If the bonds are registered in book-entry only form and so long as DTC or a
42 successor securities depository is the sole registered owner of such bonds, partial
43 redemptions of a maturity will be done in accordance with DTC rules and procedures as a
44 Pro Rata Pass-Through Distribution of Principal. The County intends that redemption
45 allocations made by DTC, the DTC Participants or such other intermediaries that may
46 exist between DTC and the beneficial owners be made on a Pro Rata Pass-Through

1 Distribution of Principal basis. If the DTC operational arrangements do not allow for the
2 redemption of the bonds on a Pro Rata Pass-Through Distribution of Principal basis as
3 discussed above, then the bonds will be selected for redemption in accordance with DTC
4 procedures by lot.]
5

6 If, in accordance with the foregoing option, the County elects to redeem all
7 outstanding bonds, or less than all, it will give a redemption notice by letter mailed first
8 class, postage prepaid, to the holders of such bonds at least thirty (30) days prior to the
9 redemption date, at the addresses of such holders appearing on the registration books kept
10 by the Bond Registrar; provided, however, that the failure to mail such notice or any
11 defect in the notice so mailed or in the mailing thereof shall not affect the validity of the
12 redemption proceedings relating to any other bonds. Such notice shall state whether such
13 bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the
14 bonds called, shall state that the interest on the bonds so called shall cease to accrue on
15 the date fixed for redemption, shall state the redemption date and the redemption price,
16 and shall require that the bonds redeemed be then presented for redemption and payment
17 at the principal office of the Bond Registrar. From and after the date fixed for
18 redemption, if notice has been given as herein provided, and the funds sufficient for
19 payment of the redemption price and accrued interest shall be available therefor on such
20 date, the bonds so designated for redemption shall cease to bear interest. Upon
21 presentation and surrender in compliance with such notice, the bonds so called for
22 redemption shall be paid by the Bond Registrar at the redemption price. If not so paid on
23 presentation thereof, such bonds so called shall continue to bear interest at the rates
24 expressed therein until paid.
25

26 [END OF REDEMPTION PROVISIONS]
27

28 The County has appointed _____, _____, _____ as Bond
29 Registrar to open books for the registration and for the transfer of bonds. This bond will
30 be transferable only upon such registration books kept at the principal corporate trust
31 office of the Bond Registrar, by the registered owner hereof in person, or by his attorney
32 duly authorized in writing, upon surrender hereof together with a written instrument of
33 transfer in the form attached hereto and satisfactory to the Bond Registrar and duly
34 executed by the registered owner or his duly authorized attorney.
35

36 This bond may be transferred or exchanged at the principal corporate trust office
37 of the Bond Registrar. Upon any such transfer or exchange, the County shall issue a new
38 registered bond or bonds of any of the authorized denominations in an aggregate
39 principal amount equal to the principal amount of the bond exchanged or transferred, and
40 maturing on the same date and bearing interest at the same rate. In each case, the Bond
41 Registrar may require payment by the holders of this bond requesting exchange or
42 transfer hereof of any tax, fee, or other governmental charge, shipping charges, and
43 insurance that may be required to be paid with respect to such exchange or transfer, but
44 otherwise no charge shall be made to the holder hereof for such exchange or transfer.
45 The Bond Registrar shall not be required to transfer or exchange this bond after the
46 mailing of notice calling this bond or portion hereof for redemption as hereinabove
47 described; provided, however, that the foregoing limitation shall not apply to that portion
48 of a bond in excess of \$5,000 which is not being called for redemption.

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

The within bond and all rights thereunder and does hereby constitute and appoint _____ attorney to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

<p>Notice: Signatures must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.</p>	<p>Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.</p>
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[END OF FORM OF BOND]

1
2 SECTION 11. Based upon the recommendations and computations of consultants
3 or advisors to be retained by the County for such purpose, the Executive Officer shall
4 execute, on the date of issuance of any Pension Funding Bonds hereunder, a certificate
5 (a) setting forth the total Unfunded Present or Contingent Liability of the County under
6 the Pension Plan on such date and stating that the aggregate principal amount of Pension
7 Funding Bonds to be issued is the amount expected to be required to pay all or a portion
8 of such Unfunded Present or Contingent Liability and all other related costs permitted to
9 be paid from Pension Funding Bond proceeds by the terms of the Act and this Ordinance
10 and (b) stating that the issuance of Pension Funding Bonds will result in realizing savings
11 to the County in the aggregate cost of the Pension Plan, on either a direct comparison or a
12 present value basis, taking into account final debt service of such bonds, anticipated
13 earnings on invested bond proceeds based on earnings assumptions and other
14 assumptions used by an independent actuary in connection with the valuation of the
15 Pension Plan. Such certificate, when executed by the Executive Officer in accordance
16 herewith, shall be deemed to constitute findings by the legislative or other governing
17 body of the County for purposes of the Act.

18
19 SECTION 12. If any one or more of the provisions of this Ordinance, including
20 any covenants or agreements provided herein on the part of the County to be performed,
21 should be contrary to law, then such provision or provisions shall be null and void and
22 shall in no way affect the validity of the other provisions of this Ordinance or of the
23 bonds.

24
25 SECTION 13. Not more than thirty (30) and not less than fifteen (15) days prior
26 to the date established by the Executive Officer, for the sale of any series of Pension
27 Funding Bonds, the Executive Officer shall give to members of the County Council at
28 their offices in the County Court House written notice of the date established for the sale
29 of such bonds, the date of such bonds, the approximate aggregate principal amount of
30 such bonds, the purposes for which such bonds are being issued, the dates on which such
31 bonds mature or are subject to mandatory sinking fund redemption and the approximate
32 amount maturing or subject to such redemption on each such date, the dates on which
33 interest payments on such bonds are payable and any applicable redemption provisions
34 pertaining to such bonds. The foregoing requirement is directory and not mandatory.
35 The failure of the Executive officer to give such notice, or any defect in such notice, shall
36 not affect the validity of the sale of the Pension Funding Bonds or any proceeding
37 relating thereto.

38
39 SECTION 14. The authority to issue Pension Funding Bonds pursuant to this,
40 Ordinance shall expire on August 31, 2013. The expiration of the authority to issue
41 Pension Funding Bonds pursuant to this Ordinance shall not affect the authority of the
42 County to issue bonds and incur indebtedness pursuant to any other ordinances validly
43 enacted by the County, or the validity of any Pension Funding Bonds issued prior to such
44 expiration date and outstanding on or after such expiration date.

45
46 SECTION 15. This Ordinance is hereby declared to be an emergency measure
47 affecting the public health, safety or welfare and, having been passed by the affirmative

1 vote of five members of the County Council, this Ordinance shall take effect from the
2 date of its enactment.

1 READ AND PASSED this __ day of _____, 2012.

2
3 By Order:

4
5
6 Thomas Peddicord, Jr.
7 Secretary

8
9
10 PRESENTED to the County Executive for his approval this ____ day of _____, 2012.

11
12
13
14 Thomas Peddicord, Jr.
15 Secretary

16
17
18 APPROVED AND ENACTED: _____, 2012.

19
20
21
22 Kevin Kamenetz,
23 County Executive

24
25
26 I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF BILL NO.
27 __-12, AND TOOK EFFECT ON _____. THE ORIGINAL OF
28 WHICH IS RETAINED IN THE FILES OF THE COUNTY COUNCIL.

29
30
31
32 Vicki Almond
33 Chairwoman, County Council
34
35