

**RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF
KEEDYSVILLE, MARYLAND ADOPTING
A DEBT MANAGEMENT POLICY**

RECITAL

Article 95, Section 22F (d) of the Annotated Code of Maryland, entitled Local Government Investment Guidelines, mandates that each local government (municipality) adopt a Local Investment Policy and Debt Management Policy.

The Mayor and Council of The Town of Keedysville, Maryland have practiced fiscal responsibility and careful debt management in the past in compliance with the provisions of the Constitution of the State of Maryland, Article 23(a) of the Annotated Code of Maryland, Title 9, Article 31 Debt – Public of the Annotated Code of Maryland, and all other applicable Federal, State, and County, Municipal Acts, Ordinances, and Regulations applicable to the Municipality in relation to the incurrence and management of debt and debt service through tax, anticipation borrowing, grants, bond issues, revolving funds, and other financing methods for general and capital improvement projects. Some of these are now in place, and are being managed by the financial manger of the municipality.

The Mayor and Council desire to formulate and memorialize a debt policy to comply with the mandate referred to herein.

Each and every paragraph and sentence of this Recital is included in the Resolution. Each and every paragraph and sentence of the Resolution is incorporated and made a part of this Recital.

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council, as the duly constituted legislative body, that The Town of Keedysville establishes a Debt Management Policy and Fiscal Management Policy as follows:

1. The Town adopts and incorporates by reference the Local Government Investment Guidelines as adopted by the State Treasurer pursuant to Article 95, Section 22F (d) and other sections as may be applicable to the Town.
2. The Town shall follow these Investment and Debt Guidelines and Regulations as indicated in a prudent and fiscal management methodology.
3. The Town has and will continue to comply with all applicable provisions of Article 31 Debt – Public in relation to bond issues and other investments pertaining to Debt Management Programs set forth in said statute.
4. The Town will continue to monitor the bond issues, revolving loans and other grants through its financial manager in order to assure continuous compliance in reference to the current obligation and any future improvement obligations that may be incurred.

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5. The Town will avoid the use of short term tax anticipation or other short term debt for non capital purposes except when necessitated by cash flow or other "emergency" situations as may be determined by the Mayor and Council.
6. Continual roll over of short term debts without principal payment will be avoided and generally not contemplated or utilized.
7. The Town will limit its long term borrowing to capital improvements or projects that cannot be financed on a "pay as you go" basis within a reasonable period of time from current revenues and/or anticipated revenues.
8. The Town will not use long term debt to fund current operating costs.
9. Capital projects financed through the issuance of bonds or other methods shall not be financed for longer then the expected useful life of the project and the Town will make its best effort to keep the average maturity of these bonds and/or any general obligation bonds at or below twenty years.
10. The Town shall continually review outstanding obligations of whatsoever nature or kind for opportunities to achieve debt service savings through refinancing and shall pursue refinancing, grants, or other available funding when economically feasible, and advantageous from a fiscal responsibility stand point.
11. The Town will maintain good communications and relations with bond rating agencies in relation to its financial condition and will follow a policy of full and open disclosure on every financial report, audit report, bond prospects, and any other financial reports applicable to municipal investments any/or debts.
12. In the event that inter fund borrowing is necessitated for short term cash flow needs, same may be made from one fund to the other for no longer then the fiscal year in question, and shall be repaid at that time. All such inter fund transfers and/or loans shall be made pursuant to the provisions of the Charter, and with the approval of the Mayor and Council at a duly constituted meeting.
13. Debt limits are generally defined and shall be those set forth in the State Constitution, the Annotated Code and/or the Charter.
14. Debt issuance practices pertaining to bond issues shall be in accordance with the utilization of competent bond counsel and/or other counsel with expertise in same. Bond issue proposals and other long term financing shall be acquired by a complete analysis of current debt, impact on the Town's debt capacity and debt policies. The analysis shall identify funding sources and assessments, and addresses the ability to repay the obligation, the impact on the current budget and commitments to future budgets, and the impact on the Town's credit rating, if any.

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15. The Town will follow all Federal, State, Statutes, Acts, Administrative Regulations of whatsoever nature or kind pertaining to and relating to bonds, debt refinancing instruments regarding bond provisions, issuance, taxation and disclosure, tax anticipation, borrowing, and any other form of financing for general fund purposes and/or capital improvements.

WITNESS AND ATTEST
AS TO CORPORATE SEAL

MAYOR AND COUNCIL OF THE
TOWN OF KEEDYSVILLE, MARYLAND


Amy Simmons, Town Clerk

By: 
Matthew Hull, Mayor

DATE OF INTRODUCTION: 10/08/09
DATE OF PASSAGE: 10/08/09
EFFECTIVE DATE: 10/28/09

DJH HAGE
Oct 30, 2009 04:11 PM

Record and return to: **NOV 02 2009**

Ms. Amy Simmons
Town Clerk
Town of Keedysville
P. O. Box 359
Keedysville, MD 21740

