

**TOWN COUNCIL OF CENTREVILLE
RESOLUTION 11-2016**

**A RESOLUTION OF THE TOWN COUNCIL OF CENTREVILLE TO AUTHORIZE A
LOAN IN THE AMOUNT OF UP TO EIGHT HUNDRED EIGHTY THOUSAND
DOLLARS (\$880,000) FROM QUEENSTOWN BANK FOR THE PURPOSE OF
PROVIDING FUNDS TO PAY FOR THE ACQUISITION OF 105 NORTH LIBERTY
STREET .**

WHEREAS, Section 520 of the Charter of the Town Council of Centreville (the "Charter") grants the Town the authority to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds, notes or other evidences of indebtedness;

WHEREAS, Section 520 of the Charter provides that the bonds, notes, or other evidences of indebtedness may be issued and sold by private negotiated sale without advertisement or solicitation of competitive bids;

WHEREAS, the Town has obtained a commitment from Queenstown Bank of Maryland to loan the Town up to \$880,000 to be secured by a Certificate of Deposit owned by the Town and currently held by Queenstown Bank of Maryland for a term of 20 years and at an interest rate of one percent (1%) above the current Certificate of Deposit rate, which rate may vary and adjust at three (3) years and then every five (5) years thereafter with a lifetime cap of three and three quarters percent (3.75%);

WHEREAS, the Town Council recently entered into a Public Works Agreement with the Queen Anne's County Board of Commissioners for the Board of Commissioners to build a new Circuit Court House which requires the Board of Commissioners to pay a fee in lieu of providing onsite public parking;

WHEREAS, the Public Works Agreement provides that the Board of Commissioners will pay the Town an annual payment each year for twenty years to be used by the Town towards parking;

WHEREAS, the Town is in the process of acquiring 105 North Liberty Street to be used for parking and intends to use the payments from the Board of Commissioners to pay the debt service on a loan to acquire 105 North Liberty Street;

WHEREAS, the Town Council believes that it is in the best interests of the Town of Centreville to borrow the money for the acquisition of 105 North Liberty Street, specifically up to Eight Hundred Eighty Thousand Dollars (\$880,000) from Queenstown Bank of Maryland at an interest rate of one percent (1%) above the Certificate of Deposit Rate not to exceed three and three quarters percent (3.75%) and for a term not to exceed twenty (20) years and to evidence such borrowing with a Note or other evidence of indebtedness and with the Certificate of Deposit pledged as security for the Note or other evidence of indebtedness.

NOW THEREFORE, the Town Council of Centreville hereby resolves as follows:

Section 1. The recitals set forth above are incorporated herein by reference and made a part of this Resolution;

Section 2. The Town Manager be, and is hereby, authorized to execute a Note, Loan Agreement, Certificate of Deposit pledge agreement, and any other documents necessary to evidence the borrowing by the Town from Queenstown Bank of Maryland of up to Eight Hundred Eighty Thousand Dollars (\$880,000) at an interest rate of one percent (1%) above the Certificate of Deposit Rate not to exceed three and three quarters percent (3.75%) and for a term not to exceed twenty (20) years and to evidence such borrowing with a Note or other evidence of indebtedness and with the Certificate of Deposit pledged as security for the Note or other evidence of indebtedness with the proceeds to be used for the acquisition of 105 North Liberty Street;

Section 3. The Town Manager is hereby authorized to take whatever additional actions are reasonably necessary to effectuate the terms of this Resolution;

Section 4. This borrowing is in conformance with and does not exceed any and all applicable debt limitations under the Charter.

Section 5. This Resolution shall be effective immediately.

READ AND PASSED THIS 1st day of September, 2016.

BY ORDER: We hereby certify that Resolution Number 11-2016 is true and correct and duly adopted by the Town Council of Centreville, Maryland.

ATTEST:

Betty G. Hall / for CAB
Carolyn M. Brinkley, Town Clerk

THE TOWN COUNCIL OF CENTREVILLE
[Signature]
George G. Sigler, President

Opposed
Timothy E. McCluskey, Vice President

[Signature]
Jim A. Beauchamp, Member