

**RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF  
UNIVERSITY PARK, MARYLAND TO ADOPT A DEBT POLICY**

WHEREAS, Article 24, Section 2-101, and Article 95, Section 22F of the Maryland Annotated Code, as enacted by Chapter 693 of the Laws of Maryland of 2009, require political subdivisions in Maryland to adopt and submit to the Maryland Treasurer a local debt policy and that each local government unit submit information regarding indebtedness from variable rate debt instruments, interest rate exchange agreements or swaps, and other derivatives including futures and options to both the State Treasurer and the Department of Legislative Services as of October 1, 2009; and

WHEREAS, the Town Council also believes that the establishment of and adherence to a debt policy for the Town will help ensure that the Town of University Park maintains a sound debt position while protecting the financial stability of the Town and the credit quality of its obligations; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of University Park, Maryland that the following debt policy is adopted:

1. That the Town will incur debt as the Town Council deems reasonable and appropriate from time to time in a manner consistent with, and as may be provided in, the Maryland Constitution, Maryland statutory law, the Town of University Park Charter, the University Park Town Code and other applicable laws; and
2. In furtherance of paragraph 1, the Town Council expressly recognizes and adopts as part of the Town's debt policy the provisions of Sections 614, 615, and 616 of the Town Charter, as

they may be amended from time to time, that address the Town's Tax Anticipation Borrowing, Authorization to Borrow Money, and Payment of Indebtedness; and

3. To the extent feasible and practicable, the Town will endeavor to:

a. Limit the use of long-term debt to the financing of capital acquisitions and improvements.

b. Limit the issuance of bonds for the financing of the acquisition or construction of capital improvements to durations not longer than the estimated useful life of the improvements being financed.

c. Avoid using debt to finance current operating costs, except in the event of severe cash flow or other emergency situations.

4. That the Town will not enter into financial transactions that involve any variable interest rate debt instruments, interest rate exchange agreements or swaps, or other derivatives, including futures and options.

BE IT FURTHER RESOLVED that a copy of this Resolution shall be sent, promptly after its adoption, by certified mail, return receipt requested, to the Maryland Treasurer, together with a report stating that the Town has not incurred indebtedness using variable rate debt instruments, interest rate exchange agreements or swaps, and other derivatives including futures and options.

**ADOPTED** by the Mayor and Council of the Town of University Park, Maryland, on September 21, 2009.

**EFFECTIVE** on September 21, 2009.

**WITNESS:**

**THE TOWN OF UNIVERSITY PARK, MARYLAND**

Amy S. Headley  
Amy S. Headley, Clerk

John Rogard Tabori  
John Rogard Tabori, Mayor

**APPROVED AS TO FORM AND  
SUFFICIENCY:**

Suellen M. Ferguson, Town Attorney