

**COUNCIL OF THE TOWN OF LA PLATA**  
**Resolution 10-6**

---

<b>Introduced By:</b>	<b>Mayor Roy G. Hale</b>
<b>Date Introduce</b>	<b>March 23, 2010</b>
<b>Date Adopted:</b>	<b>March 23, 2010</b>
<b>Date Effective:</b>	<b>March 23, 2010</b>

---

1 A RESOLUTION concerning  
2

3 **Financing the Acquisition of new Enterprise Resource Planning/Integrated Business**  
4 **Management, Time & Attendance Systems and Related Hardware, Software and Services**  
5

6 **FOR** the purpose of authorizing the Town Manager to obtain short-term General Obligation  
7 Financing for the Acquisition of new Enterprise Resource Planning/Integrated Business  
8 Management and Time & Attendance Systems and Related Hardware, Software and  
9 Services.

10 \* \* \* \* \*

11  
12 **WHEREAS**, it is the Town's desire to acquire new Enterprise Resource  
13 Planning/Integrated Business Management and Time & Attendance systems and related  
14 hardware, software and services, to enhance the quality of services the Town provides its  
15 residents and increase the efficiency and effectiveness of the Town's operations; and  
16

17 **WHEREAS**, the total acquisition cost of the new systems, hardware, software & services  
18 is estimated to be approximately \$191,000; and  
19

20 **WHEREAS**, the current economic environment (i.e. low interest rates on loans, reduced  
21 revenues for the Town, desire to minimize cash outlays, etc.) makes financing the acquisition of  
22 the new systems a reasonable and fiscally prudent alternative; and  
23

24 **WHEREAS**, §C8-24 of the Town's Charter provides for the issuance of short-term  
25 general obligation bonds to provide for the payment of any obligations of the Town; and  
26

27 **WHEREAS**, the Town Treasurer, recommends that the Town issue one hundred and  
28 seventy five thousand dollars (\$175,000) of short-term general obligation debt, in the form of a  
29 Note, to finance the acquisition costs of the new systems; and  
30

31 **WHEREAS**, the Town solicited quotes for said financing from thirteen banks and  
32 financing companies; and  
33

34 WHEREAS, the Town Treasurer has analyzed and compared all the quotes received; and  
35

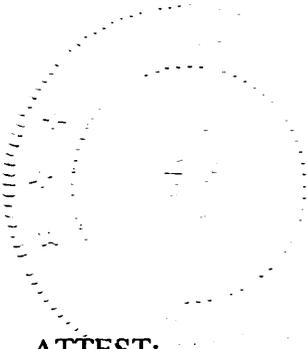
36 WHEREAS, the Town Treasurer, based on his analysis of the quotes received,  
37 recommends that the Town obtain financing from PNC Bank. as per the attached proposal.  
38

39 NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN  
40 OF LA PLATA that Daniel J. Mears, the Town Manager, is hereby authorized to issue short-  
41 term (three year) general obligation debt to obtain one hundred and seventy five thousand dollars  
42 (\$175,000) in financing from PNC Bank to fund the acquisition of the new systems and related  
43 hardware, software and services.  
44

45  
46 ADOPTED AND APPROVED by the Council of the Town of La Plata on  
47 This 23day of March, 2010.

SEAL:

COUNCIL OF THE TOWN OF LA PLATA



Roy G. Hale  
Roy G. Hale, Mayor

R. Wayne Winkler  
R. Wayne Winkler, Councilman

C. Keith Back  
C. Keith Back, Councilman

Paretta D. Mudd  
Paretta D. Mudd, Councilwoman

Joseph W. Norris  
Joseph W. Norris, Councilman

ATTEST:

Danielle Mandley  
Danielle Mandley, Town Clerk  
Date: 3/23/10



March 15, 2010

Mr. Robert Oliphant, Treasurer  
Town of La Plata  
305 Queen Anne Street  
La Plata, MD 20646

RE: Financing Proposal

Dear Mr. Oliphant:

Pursuant to your inquiry concerning financing a loan for the Town of La Plata, outlined below are proposed terms of the loan, which are subject to the receipt of a loan application from Town of La Plata and formal credit approval by PNC Bank.

Based on our review of the financial reports you have provided, we would be able to offer a loan of \$175,000. Based on the current interest rates and repayment terms that PNC Bank is offering and assuming this loan is a tax-free transaction for the bank, we would be able to offer the following rates and terms:

3.10% annual percentage rate fixed and fully amortized for a term of three years

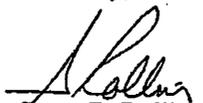
3.45% annual percentage rate fixed and fully amortized for a term of four years

PNC Bank will require a legal opinion as to the tax-exempt status of the proposed loan. The rates and terms are subject to change.

Thank you for giving PNC Bank the opportunity to assess your financing request. Again, this is not a commitment from the bank; rather, my intent is to outline the interest rates and repayment terms that the bank may provide, subject to the submission of a loan application by the Town of La Plata and formal credit approval by the bank.

I am pleased to be able to extend this proposal to you. Please contact me with any questions you may have at 301-392-5129

Sincerely,

  
Susan R. Rollins  
Business Banker

Member of The PNC Financial Services Group

PO Box 655 Leonardtown Maryland 20650

Compound Period ..... : Quarterly

Nominal Annual Rate .... : 3.065 %

Effective Annual Rate ... : 3.100 %

## CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	03/31/2010	175,000.00	1		
2 Payment	03/31/2010	15,203.26	12	Quarterly	12/31/2012

## AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 03/31/2010				175,000.00
1 03/31/2010	15,203.26	0.00	15,203.26	159,796.74
2 06/30/2010	15,203.26	1,224.28	13,978.98	145,817.76
2010 Totals	30,406.52	1,224.28	29,182.24	
3 09/30/2010	15,203.26	1,117.18	14,086.08	131,731.68
4 12/31/2010	15,203.26	1,009.26	14,194.00	117,537.68
5 03/31/2011	15,203.26	900.52	14,302.74	103,234.94
6 06/30/2011	15,203.26	790.93	14,412.33	88,822.61
2011 Totals	60,813.04	3,817.89	56,995.15	
7 09/30/2011	15,203.26	680.51	14,522.75	74,299.86
8 12/31/2011	15,203.26	569.25	14,634.01	59,665.85
9 03/31/2012	15,203.26	457.13	14,746.13	44,919.72
10 06/30/2012	15,203.26	344.15	14,859.11	30,060.61
2012 Totals	60,813.04	2,051.04	58,762.00	
11 09/30/2012	15,203.26	230.31	14,972.95	15,087.66
12 12/31/2012	15,203.26	115.60	15,087.66	0.00
2013 Totals	30,406.52	345.91	30,060.61	
Grand Totals	182,439.12	7,439.12	175,000.00	