

THE CITY OF TAKOMA PARK, MARYLAND

Regular Meeting of the Mayor and Council  
and  
Public Hearing on Budget Amendment No. 2  
December 9, 1985 - 8:00 P.M.

AGENDA

CALL TO ORDER: Mayor Del Giudice  
Councilmember Bradley  
Councilmember d'Eustachio  
Councilmember Haney  
Councilmember Iddings  
Councilmember Levy  
Councilmember Sharp  
Councilmember Williams

PLEDGE

MAYOR DEL GIUDICE'S COMMENTS AND PRESENTATIONS

1. Presentation of new Cable TV Board Members
2. Resolution commemorating City Clerk Sibyl Pusti

READING AND APPROVAL OF THE MINUTES OF NOVEMBER 18 AND NOVEMBER 25, 1985

ADDITIONAL AGENDA ITEMS

GENERAL CITIZENS' REMARKS (those not directed at items for Council action)

ITEMS FOR COUNCIL CONSIDERATION: City Administrator Wilson

1. Public Hearing on and second reading of ordinance pertaining to Budget Amendment No. 2  
Citizens' comments  
Council action
2. Special Exception S-1166, continued use of an existing apartment as an accessory apartment, 7209 Holly Avenue (Board of Appeals Hearing: 1:30 PM, 12-19-85)  
Citizens' comments  
Council action
3. Second reading of Takoma Avenue parking ordinance  
Citizens' comments  
Council action

ADJOURNMENT

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The Regular Council Meeting will be followed by a Council Worksession

THE CITY OF TAKOMA PARK, MARYLAND

Regular Meeting of the Mayor and Council  
and  
Public Hearing on Budget Amendment No. 2

December 9, 1985

CITY OFFICIALS PRESENT:

Mayor Del Giudice	City Administrator Wilson
Councilmember Bradley	Asst. City Administrator Habada
Councilmember d'Eustachio	Asst. Housing Director Austin
Councilmember Haney	Recreation Director Ziegler
Councilmember Iddings	Corporation Counsel Gagliardo
Councilmember Levy	Asst. Corporation Counsel DeNovo
Councilmember Sharp	
Councilmember Williams	

The Mayor and Council met on December 9, 1985, at 8:05 P.M., in the Council Chamber, 7500 Maple Avenue, Takoma Park, Maryland.

Following the pledge, Mayor Del Giudice read and moved a resolution of condolence commemorating City Clerk M. Sibyl Pusti, who recently passed away. He commented that while he had not known Ms. Pusti long nor well, the word that would best describe her in his mind was "stately;" he said she was kind, considerate, approachable and exemplified those qualities a public servant should possess, including dedication to her work, he extended personal condolences to the family on their great loss. Councilmember Iddings referred to the great void left by Ms. Pusti's passing and noted it would be very difficult to fill; he commented on her expertise in all areas, but particularly in conducting the City's elections with impeccable integrity and a lack of bias or favoritism toward any candidate(s). He remarked he was pleased that the resolution also addressed Sibyl's many outside interests and said he would personally miss her very much. Councilmember Bradley expressed sorrow at the loss of a friend and asked that a moment of silence be observed in memory of Sibyl following passage of the resolution. The question was called; the resolution was passed unanimously; a brief period of silent prayer was observed.

RESOLUTION #1985-38  
(attached)

Bruce Moyer, Chairman of the Takoma Park Cable TV Board, extended congratulations on their election to Mayor Del Giudice and Councilmembers; said on behalf of the Board, that members look forward to serving the City and working with the new Mayor and Council during their tenure. Councilmember Iddings thanked Mr. Moyer, the Board, and Cable Coordinator Herb Wilson for the excellent and comprehensive election coverage provided. Mr. Moyer introduced the four individuals elected by ballot box votes cast during the recent City election to serve on the City's Cable TV Board. He noted that under City ordinance, four of the eleven seats on the Board are filled by selection by qualified City voters; he commented that over 600 voters participated in selection of the four board members during the recent election, and introduced the winners as follows: **Jim Seaton, George Ray, Virginia Field, and Anne Williams**. He commented that all four possess outstanding qualifications, all work in the field of television, either broadcasting or cable-related. He additionally recognized other Cable Board members present, as well as Margaret Anderson, who represents the City on the Montgomery County Cable Communications Advisory Committee, Adele Bunoski, who serves on a similar type of oversight committee created by the County Council, and Herb Wilson, the City's Cable Coordinator.

Mayor Del Giudice spoke briefly concerning a process currently being utilized by Council on a trial basis which appeared to have generated some confusion for citizens. He explained that the intent of Pre-Agenda was to facilitate City officials informing one another of topics to be raised, pieces of legislation for presentation, prior to Council officially addressing the items. He emphasized that items on that particular agenda would not be addressed at regular council or worksessions until some later point in the process - the pre-agenda is

primarily informative of anticipated future items for discussion and/or Council action, as well as providing Councilmembers grounds for making requests of staff for pertinent background information on specific items/issues. He stated that once an item appears on the pre-agenda, any Councilmember is free to ask staff to provide required information. He commented it additionally provides a rolling agenda, enabling more accurate projection of how time will be allocated and the types of matters to be addressed. He emphasized that opportunity will always be provided for citizen input and participation in items before the Council - at the appropriate point in the process.

The Minutes of November 18 and 25, 1985 were presented for approval; Councilmember Iddings offered an amendment to those of November 18 as follows: page 7, 2nd paragraph, "Larry Joseph" should read Larry Dzieza. He moved approval of the Minutes, as amended, duly seconded by Councilmember Haney; carried unanimously.

#### ADDITIONAL AGENDA ITEMS

Public notice of two COLTA cases (Wilson)

#### GENERAL CITIZENS' REMARKS: (not directed at items for Council action)

Timothy Lee, 16 Cleveland Avenue: commented concerning the ongoing problems at 7411 Baltimore Avenue; related that he had been issued a warning ticket for performing more than minor repairs (filling rust holes) on his truck on the street in front of his residence; he noted he was working there because his residence lacked a driveway and he recognized he would be in violation of the law if he pulled onto the lawn; said he would have no complaint if enforcement of laws were done in a uniform manner, however, pointed out that the aforementioned Baltimore Avenue property remains status quo, without any abatement of violations - wondered what was occurring in that situation and what the City was going to do.

Mayor Del Giudice stated that the Baltimore Avenue matter had been discussed at the last worksession and City officials given authorization to move forward on several fronts aimed at alleviating the situation; he noted that pertinent Montgomery County authorities have also been contacted. It was noted that the police department had been asked to enforce the particular regulations in question both stringently and uniformly, and appeared to be doing as instructed. Mr. Lee commented on his vehicle tires having been cut, which he had not yet reported to the police; he was advised to do so immediately upon leaving the meeting. Councilmember Bradley suggested it would be helpful if such terms as "minor repairs" were defined by the police department, perhaps in a Newsletter article, and advice offered as to how people could effect vehicle repairs without being cited. Corporation Counsel Gagliardo noted that, concerning the case against Mr. Jaczenko of 7411 Baltimore Avenue, there are two affidavits yet to be signed, and the case material is voluminous. He said the police department had issued warnings, as well as six municipal infraction citations, at 7411 Baltimore on November 30. On December 2, the property was again inspected - 2 additional days were given for corrections to be made due to bad weather and the Thanksgiving holiday. A couple of days later, the property was reinspected; one of the violations had been corrected, leaving five still existing. He opined that the outcome would be either a trial date or the fines being paid.

Wayne Upton, 7600 Maple Avenue: disseminated copies of two newspaper articles (one from The Washington Post concerning racism in southwest Philadelphia, the other from the Montgomery Journal and concerning Mayor Del Giudice), and copies of a resolution recognizing the achievements of Congressman Parren J. Mitchell, who has announced that he will retire at the end of his current term which expires in January 1987. Following brief discussion, consensus of Council was that the resolution be addressed at the current meeting; Councilmember Levy moved passage, duly seconded by Councilmember Williams. Following reading of the resolution by Mr. Upton, Councilmember Iddings questioned how Mayor and Council would recognize Congressman Mitchell's accomplishments during Black History Month (as stated in the last resolve of the document); Mr. Upton suggested there would be several possible options for according that recognition, e.g., have speakers familiar with those accomplishments speak at the City's observance, invite Congressman Mitchell to speak, and/or disseminate available

literature about his accomplishments. At the request of Mr. Upton, the resolution was adopted by roll call vote which was recorded as follows: AYE: Councilmembers Bradley, d'Eustachio, Haney, Iddings, Levy, Sharp and Williams; NAY: None; ABSTAINED: None.

RESOLUTION #1985-39  
(attached)

Ralph McGee, 7203 Holly Avenue: questioned how many copies of the Council Meeting agenda are mailed out. A very rough estimate was given by staff, which fell short of the actual number (200+). Mr. Wilson noted they are mailed to associations, media, and citizens who have so requested. Mr. McGee raised questions concerning the previously unfunded leave balance(s) accrued by City employees and whether the problem had been addressed, to which Mr. Wilson responded in the affirmative and explained by what means. Mr. McGee additionally voiced questions concerning the outstanding balance owed by the City and its employees to the Maryland State Retirement System and how that would be addressed; Mr. Wilson responded and commented that unrealistic projections are often the basis of such problems (or lack of projection, in the case of the unfunded employee leave balance). He remarked on the extended period of time required to find a viable solution to the accrued leave problem which would not crucify either the employees or the taxpayers; in the end, a process was adopted that would spread satisfaction of the debt over a five-year period. Mr. McGee questioned the City's plans to purchase the Sister City Lot at Carroll and Ethan Allen Avenues; Asst. City Administrator Habada explained that the current plan is to purchase the lot from SHA for \$49,000 (appraised value: \$85,000-\$96,000), using Project Open Space Funds from the state. She pointed out the City has an allocation of approximately half a million dollars in those funds (through Montgomery County) which have not been expended, and, additionally recently purchased properties at Eastridge and Jackson/Boyd using the aforementioned POS funds. Mr. McGee stated he had been unaware of the purchases and would request that a copy of all proposed legislation be published in the Newsletter prior to any final action being taken by the Council. Mayor Del Giudice noted there had been comments by others that items slated for action by the Council should be given advance publicity in the Newsletter and, while there is a current column summarizing accomplished Council business, perhaps the next Newsletter editor would wish to address the question of advance notification. Concerning the Sister City Lot, Councilmember Iddings noted that planning for the Takoma Junction area had extended over a three-year period; the proposed park on that lot has always been a part of the revitalization planning and was recommended for park use in the original Master Plan; a number of public hearings have been held in relation to the Takoma Junction Revitalization Plan and a great deal of Newsletter coverage has been given. Councilmember Bradley commented that an open space survey was done in the City and many have advocated that a specific plan be undertaken to preserve such remaining space; in addition to properties already acquired, a systematic plan will be devised for purchasing others using the Project Open Space funding available to the City and pertinent information will be published in the Newsletter. Councilmember d'Eustachio commented that it is hoped at a later point in time that agenda items and proposed legislation will be publicized on the City's cable TV channel.

ITEMS FOR COUNCIL CONSIDERATION:

1. Announcement re upcoming COLTA hearings.

City Administrator Wilson announced two COLTA cases scheduled for hearing on December 11, 1985, both pertaining to rent increases: 1) #LA-23 (27 apartments at 8308 Flower Avenue), and 2) #LA-24 (29 apartments at 7611 Maple Avenue).

2. Second reading of Takoma Avenue parking ordinance.

Councilmember d'Eustachio moved adoption, with an amendment which would add a Section 7 containing language to the effect that permit fees would be charged under the ordinance and those fees would be consistent with all other fees charged for similar permits within the City of Takoma Park; the motion was duly seconded by Councilmember Haney.

Daphne White, 512 Ethan Allen Avenue: expressed thanks to the Council for proceeding with second reading of the legislation, whether it were adopted or not, and to Councilmembers and other officials for their cooperation and willingness to listen.

The question was called on the amendment and it carried by unanimous vote. Councilmember d'Eustachio urged support for the ordinance, as amended; he commented it addresses a longtime personal goal, i.e., to encourage and facilitate the use of public transportation by all citizens. He pointed out that residents of the Prince George's section of the City have long been underserved in terms of access to public transportation in that Ride-On service (provided by Montgomery County) is not available in their area of the City; he commented that what is proposed under the ordinance is experimental and may later be modified. Councilmember Iddings commented he would vote in opposition to the ordinance; said arguments used by Mr. d'Eustachio were identical to those used in 1976-77 by proponents of the originally-proposed parking garage (which the City opposed); he said he felt the reasons for opposing the parking garage were equally valid for the present proposal. Councilmember Bradley commented she understood the Traffic Committee had discussed the proposal and gave it their approval; she remarked the ordinance could be viewed as a modest attempt to provide accessibility to all residents regardless of their county of residence.

Jim Douglas, 212 Tulip Avenue: said he could understand the public transportation problems the Prince George's residents have endured; however, supported statements made by Mr. Iddings; felt adoption of the ordinance would set a dangerous precedent, eventually causing neighborhoods adjacent to Metro to be inundated by commuter parking. He opined that the responsibility for assuring access to Metro was WMATA's, and not the City's; said it should be made very clear that the ordinance was not intended as an initial step toward opening up residential streets for commuter parking. Councilmember Sharp pointed out that the ordinance regulates the use of already-existing parking spaces, would be helpful to Prince George's residents of the city; stated he would support the ordinance. Councilmember Levy noted that the parking spaces in question are not actually within a residential area (are across the street along the Metro tracks), they are currently used by Montgomery College students; residents of the neighborhood were agreeable to the arrangement set forth by the ordinance; did not think adoption of the ordinance would be precedent-setting.

Susan Bray, 61 Walnut Avenue: said the opportunity for residents to park in the spaces in question already exists on a first come, first served basis; expressed a preference that those parking spaces be left status quo and their use not limited; however, if it were decided to issue permits for the spaces, she asked that it be done on a thirty-day trial basis.

Wayne Upton spoke in favor of the ordinance; said perhaps it would convey a message to Prince George's County regarding unification, in that if the city were unified, Prince George's residents would have better services now available only to Montgomery County residents of the city.

Alan Abrams, 7316 Willow Avenue: said the denial of parking spaces on residential streets for Old Town business people and employees set a precedent for denying the parking privileges currently being requested for Prince George's residents to access Metro; said the preservation of neighborhoods should be a priority.

Councilmember Williams expressed support for the ordinance. It was noted that the permits issued under the ordinance would be renewable annually, in conformance with other City permit parking provisions. The question was called, the ordinance was adopted by roll call vote as follows: AYE: Councilmembers Bradley, d'Eustachio, Haney, Levy, Sharp and Williams; NAY: Councilmember Iddings; ABSTAINED: None.

ORDINANCE #1985-68  
(attached)

3. Public Hearing on and second reading of ordinance pertaining to Budget Amendment No. 2.

Following brief explanatory comments by Mr. Wilson, Councilmember Haney moved adoption, duly seconded by Councilmember Sharp. The ordinance was adopted by roll call vote as follows: AYE: Councilmembers Bradley, d'Eustachio, Haney, Iddings, Levy, Sharp and Williams; NAY: None; ABSTAINED: None. (Councilmember Iddings was temporarily absent during the vote, however, upon return asked that his vote be recorded in the affirmative.)

ORDINANCE #1985-69  
(attached)

4. Special Exception S-1166, continued use of an existing apartment as an accessory apartment, 7209 Holly Avenue.

Asst. Housing Director Austin summarized facts of the case, said a neighborhood survey was done and the results indicated 1 individual in opposition, 23 no responses. He commented that an inspection was performed in November 1985 and no code violations were detected; said the current owner(s) have resided on the premises since November 1984. He recommended, based on the excellent condition of the property and the cooperative relationship of the owner(s) with the City, that the City voice no objection to granting of the Special Exception. In response to query, he stated that the county's inspection report had not been received to date. One of the owners, Mr. Larry Dzieza furnished a copy of the county report he had received which indicated that the only lack they had noted was a separate thermostat control for the accessory apartment, which would be installed. Councilmember Bradley moved that the City convey a position of no objection, duly seconded.

Larry Dzieza, 7209 Holly Avenue, owner: said during his period of ownership, tremendous improvements have been made to the property; thanked the Mayor and Council for their consideration.

The question was called, the motion carried unanimously.

Upon motion, duly seconded, the meeting adjourned at 9:30 P.M., to reconvene in regular session at 8:00 P.M., January 13, 1986.

ORDINANCE #1985-68

WHEREAS, certain residents of the City living outside the Metro station area and without reasonable access to public transportation, have petitioned the Mayor and Council for parking space adjacent to Parking Permit Area #1 in North Takoma.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND

SECTION 1. THAT parking on the southwest side of Takoma Avenue, between Baltimore Avenue and Buffalo Avenue be reserved for residents of the City living (at least) more than .75 miles from the Takoma Park Metro station (and for whom no public transportation is available) and more than 5 blocks from any public bus route that terminates at the Takoma Park Metro station; AND

SECTION 2. THAT the City Administrator shall create and make accessible to the public in the City offices a map so designating the areas of the City outlined in SECTION 1.; AND

SECTION 3. THAT appropriate signing shall be posted at the area identified above and distinctive identification stickers or placards be provided to persons meeting the requirements of SECTION 1., (on a first-come, first-served basis); AND

SECTION 4. THAT 25 such stickers or placards as provided for in SECTION 3. shall be issued on a first-come, first-served basis to all persons meeting the requirements of SECTION 1., and who present a request in writing, either in person or by U.S. Mail to a designated City employee on or after 9:00 a.m., February 3, 1986; AND

SECTION 5. THAT the Police and Public Works Departments shall coordinate the posting of appropriate signs and the issuance of stickers or placards; AND

SECTION 6. THAT cars without the appropriate stickers or placards using the above parking area between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday, legal holidays excepted, shall be subject to the penalty prescribed in Sec. 1-17(a) of the Code of Takoma Park, Md., as amended.

SECTION 7. THAT fees charged for the aforementioned stickers or placards shall be in accordance with Section V., B., 1., of the Permit Parking Guidelines adopted by the Mayor and Council 4/26/76; said fees shall be consistent with those levied for other similar parking permits in the City.

# Underlined type indicates added material

# (Parenthesized type) indicates deleted material

Introduced by: Mayor Del Giudice

RESOLUTION OF CONDOLENCE

#1985- 38

WHEREAS, it was with great sorrow that the Mayor and City Council learned of the passing on December 2, 1985, of M. Sibyl Pusti, in her sixty-fourth year; AND

WHEREAS, Sibyl devotedly served Takoma Park in the capacity of City Clerk for the past decade, quietly performing her extensive duties in a dependable, organized and efficient manner; AND

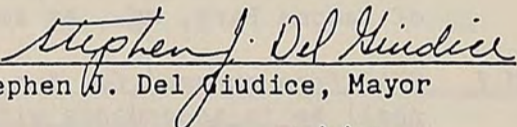
WHEREAS, to those persons with whom she worked closely, she exemplified qualities many of us would wish to emulate -- composure under stress, patience, compassion for others' pain and empathy with their problems; AND

WHEREAS, many will want to remember Sibyl for the happy things she enjoyed -- the bluegrass festivals she liked to attend, her love of babies, small children and animals, her fondness for plants and flowers and her enviable green thumb, her enthusiasm for football in recent years.

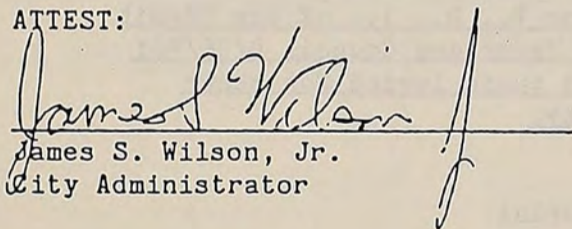
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council, on behalf of the employees and officials of the City of Takoma Park, Maryland, as well as the citizens of the community, that we hereby extend to the members of M. Sibyl Pusti's family this expression of heartfelt sympathy in the great loss that they have suffered, and which we all share.

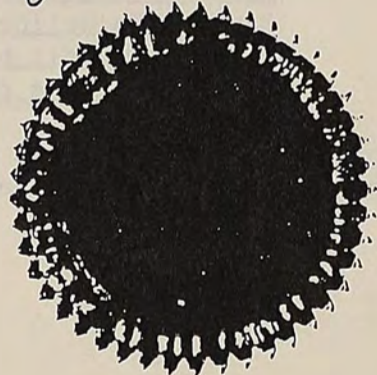
BE IT FURTHER RESOLVED THAT this resolution be spread upon the permanent records of the City of Takoma Park, and that an appropriate copy be prepared for the family of M. Sibyl Pusti.

DECEMBER 9, 1985.

  
Stephen J. Del Giudice, Mayor

ATTEST:

  
James S. Wilson, Jr.  
City Administrator





RESOLUTION 1985- 39

- WHEREAS, since January 3, 1971 the people of the 7th Congressional District of Maryland have been represented by Parren J. Mitchell. He became Maryland's First Black Congressman; AND
- WHEREAS, in the November 1970 General election Congressman Mitchell defeated a white Republican by obtaining 59% of the vote in a district which was then 2/3rds white. He received about 33% of the white vote; AND
- WHEREAS, last September Congressman Mitchell announced that he is going to retire from Congress at the end of his present term which is January 3, 1987; AND
- WHEREAS, since January 1981 Congressman Mitchell has been chairman of the Small Business Committee. He has used this position to fight against unfair cuts proposed by the Reagan administration and to help victims of racism, sexism and other forms of discrimination; AND
- WHEREAS, in 1977 Congressman Mitchell attached an amendment to a Public Works bill requiring that state county and municipal governments seeking federal grants set aside 10% of each grant to retain minority firms as contractors, subcontractors or suppliers. The amendment was enacted into law. The Mitchell Amendment was upheld as constitutional by the U.S. Supreme Court in July 1980; AND
- WHEREAS, in 1978 Congressman Mitchell introduced legislation which became Public Law 95-507 requiring proposals from contractors to spell out goals for awarding contracts to minority subcontractors; AND
- WHEREAS, since January 3, 1985 Congressman Mitchell has been the Dean of the Maryland House Delegation because he has the most seniority of the Maryland Congressmen. He has proven ability in communicating to the other seven Representatives; AND
- WHEREAS, Congressman Mitchell also serves on the House Banking, Finance and Urban Affairs Committee and the Joint Economic Committee. He has used these two positions to speak out against economic policies which have a negative impact on poor people and on Black people; AND
- WHEREAS, Congressman Mitchell is concerned about racism beyond the borders of this country. In December 1984 Congressman Mitchell went to the South African embassy to demonstrate against apartheid. He went to the embassy door to be arrested; AND
- WHEREAS, Congressman Mitchell has worked closely with the two Congressmen Michael Barnes and Steny Hoyer who represent Takoma Park in the U.S. House of Representatives. It is a relationship which has benefited the peoples of the 5th, 7th and 8th Congressional Districts of Maryland; AND
- NOW, THEREFORE, BE IT RESOLVED THAT the Mayor and Council of the City of Takoma Park recognize the many achievements of Congressman Mitchell with the assistance of his staff, Committee Staff, Clarence M. Mitchell, Jr., Juanita Jackson Mitchell, other relatives and friends.
- AND, BE IT FURTHER RESOLVED that during Black History Month of February 1986 the Mayor and Council of Takoma Park recognize the many accomplishments of Parren J. Mitchell since he has represented the 7th Congressional District of Maryland.

ORDINANCE 1985-69  
Budget Amendment No. 2

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND

SECTION 1. THAT at the time of adoption of the Fiscal Year 1986 City Budget, City Council voted to provide employees with a bonus in recognition of performance of valued service to the City; AND

SECTION 2. THAT the above-referenced bonuses are to be distributed as follows:

- (a) Each regular/permanent full-time employee shall receive a bonus of \$500 on or before December 31, 1985.
- (b) Each regular/permanent part-time employee shall receive a pro rata share of a \$500 bonus equal to the ratio percentage between such employee's regularly scheduled hours in a week and forty (40) hours in a week.
- (c) Such bonuses are to be paid once and only once. Such bonuses are awarded solely in recognition of valued past performance and service to the City.
- (d) Only regular/permanent full-time and regular/permanent part-time employees who are actually employed and on the payroll of the City of Takoma Park as of July 1, 1985 shall be entitled to such bonuses.
- (e) Seasonal and temporary employees, ~~contractors and~~ contract employees are excluded from the provision of this section and are not entitled to any such bonus.

SECTION 3. THAT the City Administrator is to provide a listing to the Council defining regular/permanent part-time, temporary part-time, seasonal and contract employees in the context of the bonus situation, and how excess monies are to be spent, should there be any, due to the pro-rating of the bonus for part-time employees.

SECTION 4. THAT this ordinance supercedes Council action at the regular session of June 24, 1985 and to the extent this ordinance and Council action of June 24, 1985 are inconsistent or contrary to one another, the provisions of this ordinance shall prevail.

SECTION 5. THAT the Fiscal Year 1986 City Budget be amended as follows:

- A. Transfer \$3,250 from General Contingency, budget account number 991, to Salaries-City Administrator and Staff, budget account number 510.
- B. Transfer \$1,938 from General Contingency, budget account number 991, to Salaries, budget account number 540.
- C. Transfer \$500 from General Contingency, budget account number (BAN) 991, to Salaries, BAN 580.
- D. Transfer \$650 from General Contingency, BAN 991, to Salaries, BAN 590.
- E. Transfer \$17,000 from General Contingency, BAN 991, to Salaries, BAN 600.
- F. Transfer \$1,250 from General Contingency, BAN 991, to Salaries-Crossing Guards, BAN 650.
- G. Transfer \$2,500 from General Contingency, BAN 991, to Salaries, BAN 700.
- H. Transfer \$1,000 from General Contingency, BAN 991, to Salaries, BAN 800.
- I. Transfer \$500 from General Contingency, BAN 991, to Salaries, BAN 830.
- J. Transfer \$2,000 from General Contingency, BAN 991, to Salaries, BAN 850.
- K. Transfer \$1,500 from General Contingency, BAN 991, to Salaries, BAN 865.
- L. Transfer \$8,000 from General Contingency, BAN 991, to Salaries, BAN 875.
- M. Transfer \$3,500 from General Contingency, BAN 991, to Salaries, BAN 885.
- N. Transfer \$2,430 from General Contingency, BAN 991, to Salaries, BAN 900.
- O. Transfer \$3,753 from General Contingency, BAN 991, to Salaries, BAN 930.
- P. Transfer \$3,580 from General Contingency, BAN 991, to the appropriate departmental fringe benefit accounts to cover the City's contribution on bonus fringe benefits.

Special Meeting of the Mayor and Council  
Monday, December 16, 1985 - 8:00 P.M.

AGENDA

CALL TO ORDER: Mayor Del Giudice  
Councilmember Bradley  
Councilmember d'Eustachio  
Councilmember Haney  
Councilmember Iddings  
Councilmember Levy  
Councilmember Sharp  
Councilmember Williams

PLEDGE

MAYOR DEL GIUDICE'S COMMENTS AND PRESENTATIONS

ITEMS FOR COUNCIL CONSIDERATION: City Administrator Wilson

1. Washington Adventist Hospital Bond Resolution

ADJOURNMENT

-----  
The Regular Council Meeting will be followed by a Council Worksession

THE CITY OF TAKOMA PARK, MARYLAND

Special Meeting of the Mayor and Council

December 16, 1985

CITY OFFICIALS PRESENT:

Mayor Del Giudice	City Administrator Wilson
Councilmember Bradley	Econ. & Community Dev. Coord. Neal
Councilmember d'Eustachio	Corporation Counsel Gagliardo
Councilmember Haney	
Councilmember Iddings	
Councilmember Levy	
Councilmember Sharp	
Councilmember Williams	

The Mayor and Council met at 8:15 P.M. on Monday, December 16, 1985, in the Council Chamber, 7500 Maple Avenue, Takoma Park, Maryland, for the purpose of conducting a Special Meeting relative to a proposed Washington Adventist Hospital bond issue and a resolution pertaining thereto.

Following the pledge, a moment of silence was observed commemorating city resident Christopher Thornton, who was among those killed in the recent chartered airliner crash in Gander, Newfoundland.

Mayor Del Giudice noted that the scheduled worksession discussion concerning creation of a committee relative to the Siegler property would be deferred until the January 6, 1986 worksession.

Washington Adventist Hospital Bond Resolution

Mr. Gerald Northam, Vice President for Finance of Washington Adventist Hospital, spoke concerning the rationale for, and intent of, the proposed bond issue. He referred to the bonds issued in the 1970's which were refunded in 1981, again refunded in 1983, and which it is hoped can again be refunded due to the fact that interest rates have dropped. He referred to pending federal legislation which could affect accomplishment of the refunding in relation to its tax-exempt status, thus the hospital is hoping to refund the bonds (through a crossover refunding) prior to that legislation possibly going into effect. The crossover process does not totally refund at the date of issue of the new bonds, but rather at a time subsequent to the issue, to coincide with the call date of the original bonds. He noted that the call date of the 1983 bond issue was 1993, at which time a decision as to disposition would be made. In the interim, the proceeds from the 1985 bond issue would be invested until 1993. He pointed out that the 1985 issue would not incur any new debt for the hospital, nor would it put any faith of the City of Takoma Park behind it; it would stand on its own, and during the first 8 years would be fully backed by federal government certificates as collateral. He commented that in 1993, there would be several options open to the hospital, and went on to explain those options and the benefit(s) of each. He stated that the option chosen would depend primarily on the interest market in 1993.

The next speaker was Mr. Terry H. Saxon of Harold Green & Associates, Inc., financial advisers to WAH and Adventist Health Systems, Eastern Middle America (the holding company). In response to questions posed, he stated that since no legislation had yet been passed, any subsequent cap imposed would not affect the current proposed bond issue -- the bill pending, if passed, would be retroactive to 1/1/86; he stated that the State of Maryland did not impose a cap on the amount of a bond issue that a municipality could be involved in.

Councilmember d'Eustachio questioned what the effect would be on the City should the hospital default on the bonds, particularly in the event the City should subsequently wish to float a bond issue itself. Mr. Saxon stated that there could not be an actual default of payment on this particular bond issue series because the sole security for the issue is the escrow fund established and funded with government securities. In 1993, at the end of the eight years, the bonds would then be backed by the general security of the hospital (a default would be possible after the escrow period). He stated he was only aware of about four hospital bond issues that had ever gone into default, and one in Nebraska with which he was familiar and in which the city had

issued the bonds had no adverse impact on that city whatsoever, including their ability to issue bonds on their own behalf. Councilmember d'Eustachio commented on a city bond issue for housing bonds in New York State in which a default occurred and negatively impacted the city which was the issuer. Mr. Saxon commented that a default on housing bonds would be more likely to reflect on the credit or economic environment of a municipality. In response to query from Councilmember Iddings, he explained the cash savings to the hospital over the eight year period, which would effectively reduce the rate of increase in health care costs to patients of the hospital. He noted that Washington Adventist is the lowest cost hospital in Montgomery County, Kaiser has contracted with them to provide care, the bond issue should enable them to keep their competitive advantage.

In response to query from Councilmember Bradley, Mr. Saxon stated that a portion of the bond issue by the Town of Riverdale was used to refinance the hospital's indebtedness, as well as providing \$8,000,000 to complete the hospital's most recent expansion program. He stated that Riverdale received approximately the same amount as that being offered Takoma Park (1/4 of 1%, amounting to approximately \$65,000-\$70,000). He stated that the payment to Riverdale was the first time Adventist Health Care Systems had ever paid a municipality for issuing bonds -- Gaithersburg will be floating bonds later in December for Shady Grove Adventist Hospital and there will be no fee involved, however, a voluntary contribution will be made to that city to cover costs incurred. He did opine that a change is taking place and that more municipalities would probably be charging one-time fees for issuing hospital bonds. Ms. Bradley referred to concerns of residents living near the hospital relative to whether the bond issue would finance additional expansion or construction, which Mr. Saxon assured it would not. She said people feel pressured and leery due to the short time frame involved; Mr. Saxon reiterated that if action were not taken prior to January 1, refinancing in the form of advance refunding would be eliminated if the pending legislation were passed.

Councilmember Iddings moved passage of the resolution, duly seconded by Councilmember Bradley.

Corporation Counsel Gagliardo explained that the draft resolution was prepared by an Omaha, Nebraska law firm and he had prepared amendments thereto following a meeting between Mayor Del Giudice, City Administrator Wilson, Asst. City Administrator Habada, Mr. Saxon, himself, and further consultation with the first-mentioned law firm. He summarized briefly the intent of each of the "Whereas" clauses of the document; he noted the Master Indenture Note referred to in the 6th "Whereas" clause was under revision to further ensure that liability is expressly limited to the hospital and would in no way be incurred by the City. He stated that, if the resolution were passed at the current meeting, the resolution authorizes the Mayor and City Administrator to further adjust the agreement, such as the Indenture Trust, the Escrow Trust Agreement, the Loan Agreement, etc. He continued, summarizing the resolve clauses, with the first proposed amendment being the addition of language to be contained in an added Section 1., J.; the amendment was moved by Councilmember Bradley, duly seconded by Councilmember Haney, carried unanimously. The next amendment proposed was to delete in Sections 5., 6., 7., and 8. all references to "President of the City Council and City Clerk;" so moved by Councilmember Sharp, duly seconded by Councilmember Haney, carried unanimously following discussion. Councilmember Iddings moved amendment number 3, which would, in Sections 5., 6., 7., and 8. insert required language to delegate authority to the Mayor or City Administrator, duly seconded by Councilmember Haney. Mayor Del Giudice commented he felt it reasonable under the circumstances to have the City Administrator working with him, and in his stead in particular situations, particularly on such things as technical changes where there is extensive documentation to examine; the Mayor will review changes prior to signing documentation; he supported the amendment. The motion to amend carried unanimously. Mr. Gagliardo's 4th amendment adding language to the end of Section 7. was moved by Councilmember Bradley, duly seconded by Councilmember Haney, carried unanimously. The 5th amendment proposed by Mr. Gagliardo involved the addition of language to Section 9., at the end of the first sentence; so moved by Councilmember Sharp, duly seconded by Councilmember Iddings, car-

ried unanimously. In response to query from Councilmember Iddings, Mr. Saxon affirmed that Section 9. actually sets up the crossover. Mr. Gagliardo summarized and explained the intent of Sections 10., 11., 12., 13., and 15., and noted that references to President of the City Council and/or City Clerk should be deleted in those sections where they appear. Mayor Del Giudice pointed out that Section 10. appeared slightly different from the others mentioned, in that it deals with appointment of a Co-Trustee; suggested that one be dealt with separately, and that the authority stated therein remain either with the Mayor or the Mayor and City Council. Councilmember Iddings suggested that in Section 10., the phrase "or President of the City Council" be deleted, leaving the Mayor with the specific authority stated therein; he so moved, duly seconded by Councilmember Bradley. Following brief discussion, the question was called, the motion carried unanimously. It was suggested Section 11. be amended by striking references to "President of the City Council;" in the first such reference, the language to read The Mayor and City Administrator.... in the second such reference, the language to read the Mayor or City Administrator... That amendment was moved by Councilmember d'Eustachio, duly seconded, carried unanimously. Councilmember Iddings moved deletion of the phrase "or President of the City Council" in Section 12., insertion after "...the Mayor..." of or City Administrator; duly seconded by Councilmember Haney, carried unanimously. Councilmember Bradley moved deletion of two instances in Section 13. of the wording "or President of the City Council," insertion after "The Mayor" of and City Administrator, and deletion of reference to the City Clerk; duly seconded, carried unanimously. Section 15., Councilmember Bradley moved deletion of "or President of the City Council and City Clerk or..." insertion after "The Mayor..." of and City Administrator; duly seconded by Councilmember Haney, carried unanimously. Mr. Gagliardo read suggested language for a new Section 18. (deletion of the current section so numbered); so moved, duly seconded by Councilmember Bradley. In response to query, Mr. Gagliardo stated that the new section verifies that the indebtedness shall never be the City's; Mr. d'Eustachio commented that it specifically states that the hospital has expressly warranted to the City and the City is acting in reliance of that warranty. The question was called, the motion carried unanimously. Mr. Gagliardo read suggested language for a new Section 19.; that amendment was moved by Councilmember Iddings, duly seconded by Councilmember Haney, carried unanimously. Mr. Gagliardo read proposed language for a new Section 20. concerning the fee agreement; the amendment was moved by Councilmember Bradley, duly seconded, carried unanimously. Mr. Gagliardo read proposed language for a new Section 21., which was moved, duly seconded by Councilmember Sharp, carried unanimously. The Mayor pointed out that the old Section 19. should be renumbered to Section 22. and suggested that be done as an editorial amendment which was accepted. All amendments having been accomplished, the floor was opened to citizens' comments.

Ellery Dennison, 7207 - 13th Place: expressed confusion and requested clarification on several points of the resolution, to which Mayor Del Giudice responded, briefly explaining the process and responsibilities contained in the resolution. Councilmembers Iddings and d'Eustachio added explanatory comments and opinions, reiterating earlier statements about the backing for the bond issue and any possible impact on the City should the hospital default on the bonds. Mr. Dennison commented that the issue appeared very complicated, particularly in that it involved issuing bonds on bonds. He inquired why the City was assuming the obligation rather than the hospital handling it on its own. Mr. Saxon responded that the hospital would take the position that the City is assuming no obligation, is not at any financial risk. He stated that the hospital's and the City's financial responsibilities in relation to bond issues are separate and apart and would in no way be co-mingled. Mr. Gagliardo pointed out that there are certain state and federal tax benefits related to the City's issuance of the bonds which would not accrue to the investor if the hospital issued the bonds directly, thus the hospital could offer a lesser interest rate, making it less expensive for them. He concurred that there is some cost to federal taxpayers (spread among all of them), which is why there is currently debate going on in Congress on the subject.

Jim Douglas, 212 Tulip Avenue: expressed support for the resolution;

felt the City would benefit by the income received from the bond issue, as well as providing opportunity for a good working relationship between the City and the hospital which he hoped would extend to other issues over the coming years.

Dennis Fruitt, 706 Devonshire Road: spoke in support of passage of the resolution, thought it would benefit all concerned and cited reasons; he particularly expressed approval that the working relationship between the City and the hospital appeared to be improving.

Dennis Seekins, 8217 Roanoke Avenue: expressed support for the resolution; hoped that when expending the funds the City attains from the bond issue, they would keep the "Between the Creeks" neighborhood in mind.

Gail Dalmat, 7003 Poplar Avenue: was pleased to see the present Council according serious attention to financial matters, as had prior Councils; expressed support for the municipal bond issue which would benefit both the hospital and the City.

Roland Halstead, 7116 Maple Avenue: commented he was both a resident of the City and a member of the Board of the hospital; as a resident, stated he thought issuance of the bonds by the City would be in the best interest of all the citizens of Takoma Park, referred to the revenue the City would receive from the transaction.

In response to query from Councilmember Sharp, Mr. Gagliardo explained that the intent of Section 4. of the resolution is that the principal, premium, and interest is secured as provided in various specified documentation. Following additional discussion and explanation of the language employed in that section, Mr. Sharp pointed out that the City is being reimbursed by the hospital for administrative costs incurred by the bond issue.

Councilmember Bradley commented that the potential closing date for the bond issue, December 24, would be the anniversary of the date on which the Sanitarium building was demolished at the hospital; she said the relationship between the hospital and the City had come a long way since that time and expressed hope that the improvement would continue; she emphasized the importance to the neighborhood of how day to day issues are dealt with.

The question was called on passage of the resolution, as amended; the motion carried unanimously.

RESOLUTION #1985-40  
(attached)

Upon motion, duly seconded, the meeting adjourned at 10:00 P.M., to reconvene in regular session on January 13, 1985, at 8:00 P.M.



RESOLUTION #1985-40

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$27,000,000 OF CITY OF TAKOMA PARK, MARYLAND TENDER OPTION HOSPITAL REFUNDING REVENUE BONDS (WASHINGTON ADVENTIST HOSPITAL, INCORPORATED PROJECT) SERIES 1985 TO PROVIDE FUNDS TO REFUND CERTAIN OUTSTANDING BONDS OF THE MAYOR AND COMMON COUNCIL OF RIVERDALE, MARYLAND ISSUED IN CONNECTION WITH THE HOSPITAL FACILITIES OF WASHINGTON ADVENTIST HOSPITAL, INCORPORATED; AUTHORIZING THE EXECUTION AND DELIVERY OF THE INDENTURE OF TRUST SECURING SUCH BONDS AND THE LOAN AGREEMENT PROVIDING FOR THE LOAN OF THE PROCEEDS OF SUCH BONDS TO WASHINGTON ADVENTIST HOSPITAL, INCORPORATED FOR SUCH PURPOSE; AUTHORIZING THE EXECUTION AND DELIVERY OF THE ESCROW TRUST FUND AGREEMENT; AUTHORIZING A PRIVATE NEGOTIATED SALE OF SUCH BONDS; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Mayor and City Council of the City of Takoma Park, Maryland (the "Issuer") is a body corporate and a municipal corporation organized and existing under the Constitution and laws of the State of Maryland and is authorized and empowered under the Maryland Economic Development Revenue Bond Act, Sections 266-A through 266-I, inclusive, of Article 41 of the Annotated Code of Maryland, as amended (the "Act"), to issue revenue bonds for the purpose of financing or refinancing any costs of the acquisition of one or more facilities for one or more facility users or for refunding outstanding bonds and thereby furthering the public purposes of the Act by helping to relieve conditions of unemployment in the State of Maryland (the "State"), encouraging an increase of industry and a balanced economy in the State, promoting economic development and promoting the health, welfare and safety of the residents of the Issuer; and

WHEREAS, the Issuer has heard testimony from representatives of Washington Adventist Hospital, Incorporated, a Maryland not-for-profit corporation (the "Hospital"), regarding certain cost savings to be achieved by virtue of a crossover refunding of certain Hospital Facilities Revenue Refunding Bonds (Washington Adventist Hospital, Incorporated Project) Series 1983 of the Mayor and Common Council of Riverdale, Maryland (the "Series 1983 Bonds") issued in the original principal amount of \$27,605,000, which Series 1983 Bonds were issued in connection with various capital improvements to and a refinancing program in respect of the 310-bed acute care hospital facility of the Hospital located in the City of Takoma Park, Maryland (the "Hospital Facility"); and

WHEREAS, the Issuer is duly authorized and empowered by the laws of the State of Maryland, including particularly the Act, to issue and sell its refunding revenue bonds for the purpose of refunding a prior issue of bonds used to finance or refinance the cost of any facilities by a facility user within the meaning of the Act; and

WHEREAS, the Issuer has determined that it is appropriate for the Issuer to issue its refunding revenue bonds and to loan the proceeds thereof to the Hospital for the purpose of providing funds for the crossover refunding of the Series 1983 Bonds, all pursuant to a Loan Agreement in which the Hospital will agree to make or provide for payments in amounts sufficient to pay the principal of, premium, if any, and interest on such revenue bonds and the fees, costs, and expenses of the Issuer in connection with the issuance of such refunding revenue bonds; and

WHEREAS, the Issuer has determined to undertake the crossover refunding of the Series 1983 Bonds by the issuance of its Tender Option Hospital Refunding Revenue Bonds (Washington Adventist Hospital, Incorporated Project) Series 1985 (the "Bonds") in an aggregate principal amount presently anticipated to be \$25,195,000 but in any event not to exceed \$27,000,000 and to enter into the Indenture of Trust, the Loan Agreement and the Escrow Trust Fund Agreement as hereinafter described, to reflect the crossover refunding of the Series 1983 Bonds and the issuance of the Bonds; and

WHEREAS, the Hospital's obligations with respect to the Bonds initially will constitute "Non-Recourse Indebtedness" as defined in the Master Trust Indenture hereinafter described and will be payable solely from the proceeds of certain "Escrow Securities" held under and pursuant to the Escrow Trust Fund Agreement hereinafter described to May 15, 1993 and thereafter will be payable solely from payments to be made by the Hospital pursuant to the Loan Agreement and the Master Indenture Note to be issued by the Hospital pursuant to the Master Indenture, all as hereinafter described;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the City Council of the City of Takoma Park, Maryland as follows:

SECTION 1. Findings. It is hereby ascertained, determined and declared as follows:

A. The Issuer is authorized and empowered by the Act to issue its refunding revenue bonds for the purposes of refunding a prior issue of bonds issued to finance or

refinance the cost of any facilities by a facility user in order to relieve conditions of unemployment in the State, encouraging an increase of industry and a balanced economy in the State, promoting economic development and promoting the health, welfare and safety of the residents of the Issuer.

B. The Hospital is a "facility applicant" and a "facility user" within the meaning of the Act; the Mayor of the Issuer is the "chief executive officer" of the Issuer within the meaning of the Act; and the Hospital Facility constitutes a "facility" within the meaning of the Act.

C. It is desirable and will further the public purposes of the Act by helping to relieve conditions of unemployment in the State, and promoting the health, welfare and safety of the residents of the Issuer, for the Issuer to issue the Bonds and loan the proceeds of said Bonds to the Hospital for the purpose of providing funds to refund the Series 1983 Bonds.

D. Pursuant to the Act, the refinancing of the costs of the acquisition of one or more facilities, and the issuance of revenue bonds therefor, may be authorized by a resolution of the governing body of the Issuer.

E. The Bonds shall contain a recital that they are issued pursuant to the Act and do not constitute an indebtedness to which the faith and credit of the Issuer are pledged.

F. The Hospital is financially responsible and fully capable and willing to fulfill its obligations under the Loan Agreement and Escrow Trust Fund Agreement hereinafter described, including the required payments sufficient to pay the principal of, premium, if any, and interest on the Bonds, to operate, maintain and repair the Hospital Facility and other facilities of the Hospital (collectively, the "Facilities") at its own expense and to serve the purposes of the Act and to meet the other responsibilities to be imposed under the Loan Agreement hereinafter described.

G. Adequate provision is made under the Loan Agreement hereinafter described, for the operation, repair and maintenance of the Facilities of the Hospital at the expense of the Hospital and for the payment of the principal of, premium, if any, and interest on the Bonds when and as the same become due and payable, and for the payment by the Hospital of all other costs incurred in connection with the refunding of the Series 1983 Bonds, which are not paid out of the proceeds from the sale of the Bonds or otherwise.

H. The cost to be paid from the proceeds of the Bonds shall be costs of a "facility" within the meaning of the Act.

I. A negotiated sale of the Bonds, rather than a sale after public bidding, is in the best interests of the Issuer, since (a) the Bonds will be special and limited obligations of the Issuer payable solely out of the revenues derived by the Issuer from the Loan Agreement hereinafter described and backed solely by the Escrow Securities on deposit under the Escrow Trust Fund Agreement as hereinafter described and thereafter by the general credit of the Hospital, (b) the Hospital will be required to pay all costs in connection with the Bonds, which are not paid out of bond proceeds or otherwise and to operate and maintain the Facilities at the Hospital's own expense, (c) the costs of issuance of the Bonds, which must be borne directly or indirectly by the Hospital, most likely would be greater if the Bonds are sold by public bidding rather than by private negotiated sale, (d) hospital refunding revenue bonds of the nature of the Bonds typically are sold by private negotiated sale rather than by public bidding, (e) the Hospital has conducted negotiations relating to the principal amount, term and interest rate on the Bonds and has indicated its desire to Proceed with the sale of the Bonds on a private negotiated basis rather than by public bidding, and (f) authorization of a private negotiated sale of the Bonds is necessary in order to serve the purposes of the Act.

J. Neither the Bonds nor the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of any public body within the meaning of any constitutional or charter provision or statutory limitation and neither shall ever constitute or give rise to any pecuniary liability of the City of Takoma Park, Maryland, or its officers, employees, attorneys or agents. Neither the Bonds nor the interest thereon constitute an indebtedness to which the faith and credit of the City of Takoma Park, Maryland is pledged.

SECTION 2. Authorization of the Refunding. The crossover refunding of the Series 1983 Bonds by the Hospital as provided in the Loan Agreement, the Escrow Trust Fund Agreement and the Indenture of Trust, all as hereinafter described, is hereby authorized.

SECTION 3. Authorization of the Bonds. To provide for the refunding of the Series 1983 Bonds, the issuance by the Issuer of Tender Option Hospital Refunding Revenue Bonds (Washington Adventist Hospital, Incorporated Project) Series 1985 in an aggregate Principal amount presently anticipated

to be \$25,195,000 but in any event not to exceed \$27,000,000, is hereby authorized. The Bonds shall be initially issued as fully registered term bonds in the principal denomination of \$5,000 or any integral multiple thereof, maturing on May 15, 2012 (or such other date as may be provided in the hereinafter-described Indenture of Trust) and bearing interest payable on May 15 and November 15 of each year, commencing on May 15, 1986 (computed on the basis of a 360-day year of twelve 30-day months). The Bonds shall bear interest at the Initial Rate (presently anticipated to be 8.50% but in any event not to exceed 9.50%, as may be hereafter provided in the Indenture of Trust), plus the Supplemental Rate of .25% under the circumstances described in the Indenture of Trust to, but not including, the Initial Remarketing Date (as defined in the Indenture of Trust) and shall thereafter bear interest to the final maturity date at a rate equal to the Minimum Adjusted Yield (as defined in the Indenture of Trust) or such other interest rate as may be determined pursuant to the Indenture of Trust; provided, that the interest rate on the Bonds shall not exceed the maximum interest rate permitted by law at the time such interest rate is established pursuant to the Indenture of Trust.

The Bonds shall be subject to tender for purchase by the owners thereof and shall be remarketed on any Remarketing Date in the manner and to the extent provided in the Indenture of Trust. The Bonds shall also be subject to optional, mandatory and extraordinary redemption as provided in the Indenture of Trust.

SECTION 4. Repayment of the Bonds; Limited Obligations. The principal of, premium, if any, and interest on the Bonds shall be secured to the extent provided in the Indenture of Trust hereinafter described, and shall be Payable solely from the revenues and proceeds to be derived by the Issuer pursuant to the Loan Agreement hereinafter described, or otherwise from the operation of Facilities (except to the extent payable from the proceeds of the Bonds, income from the temporary investment thereof, and, under certain circumstances, the proceeds of insurance and condemnation awards). The Bonds shall not be deemed to be an indebtedness or charge against the general credit or taxing powers of the Issuer within the meaning of any constitutional or charter provision or statutory limitation and neither shall ever constitute or give rise to any pecuniary liability of the Issuer, but shall be the limited obligations of the Issuer payable solely as described hereinabove.

SECTION 5. Authorization of Execution and Delivery of Indenture. The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute and deliver, simultaneously with the execution and delivery of the Bonds, the Indenture of Trust (the "Indenture"), in substantially the form attached hereto as Exhibit A, with such changes, insertions and omissions as may be approved by the Mayor or City Administrator of the Issuer, his execution thereof being conclusive evidence of such approval.

SECTION 6. Authorization of Execution and Delivery of Loan Agreement. The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute and deliver, simultaneously with the execution and delivery of the Bonds, the Loan Agreement (the "Loan Agreement"), in substantially the form attached hereto as Exhibit B, with such changes, insertions and omissions as may be approved by the Mayor or City Administrator of the Issuer, his execution thereof being conclusive evidence of such approval. The loan of the proceeds of the Bonds by the Issuer to the Hospital for the purposes described in the Indenture and the Loan Agreement is hereby authorized and shall be governed by the provisions of the Indenture and the Loan Agreement.

SECTION 7. Authorization of Execution and Delivery of Escrow Trust Fund Agreement. The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute and deliver, simultaneously with the execution and delivery of the Bonds, the Escrow Trust Fund Agreement (the "Escrow Agreement"), in substantially the form attached hereto as Exhibit C, with such changes, insertions and omissions as may be approved by the Mayor or City Administrator of the Issuer, his execution thereof being conclusive of such approval. The Payment of the interest on the Bonds solely from certain United States government obligations (the "Escrow Securities") held under and pursuant to the Escrow Agreement to May 15, 1993 is hereby authorized and approved; and in the event the Bonds are not remarketed, the payment of principal of the Bonds from such funds is hereby authorized and approved.

SECTION 8. Approval of Remarketing Agreement. The Issuer hereby approves the execution and delivery by the Hospital of the Remarketing Agreement (the "Remarketing Agreement"), in substantially the form attached hereto as Exhibit D, with such changes, insertions and omissions as may be approved by the Mayor or City Administrator of the Issuer, his execution of the Indenture and the Agreement being conclusive evidence of such approval. The appointment of

Miller & Schroeder Financial, Inc. and E. F. Hutton & Company Inc. as Remarketing Agent under the Remarketing Agreement is hereby approved.

SECTION 9. Approval of Master Trust Indenture. The Issuer hereby acknowledges that the Hospital's obligations under the Loan Agreement with respect to payment of the principal of, premium, if any, and interest on the Bonds shall initially constitute "Non-Recourse Indebtedness" of the Hospital pursuant to the Master Trust Indenture (the "Master Trust Indenture") dated as of August 1, 1983 in connection with the issuance of the Series 1983 Bonds; such liability is that of the Escrow Trust Fund as provided in Section 7 above, but in no event shall it be the liability of the Issuer. Pursuant to the Loan Agreement, the Hospital has agreed that, prior to the remarketing of the Bonds on the Initial Remarketing Date (as defined in the Indenture), the Hospital will issue its Note under the Master Trust Indenture to secure the Bonds. The Issuer hereby approves the loan of the proceeds of the Bonds to the Hospital as "Non-Recourse Indebtedness" under the Master Trust Indenture to May 15, 1993 and approves the execution and delivery by the Hospital thereafter of the Note under the Master Trust Indenture in order to constitute the Bonds as "Related Bonds," as defined in the Master Trust Indenture.

SECTION 10. Approval of Trustee. The Issuer hereby approves the appointment of First Trust Company, Inc., Minneapolis, Minnesota, as Trustee under the Indenture. Prior to the execution and delivery of the Bonds and upon the request of the Hospital, the Mayor of the Issuer may approve the appointment of any other financial institution meeting the requirements of the Indenture to act as Co-Trustee, his execution of the Indenture to constitute conclusive evidence of such approval.

SECTION 11. Privately Negotiated Sale of Bonds. A Privately negotiated sale of the Bonds to Miller & Schroeder Municipals, Inc., E. F. Hutton & Company Inc. and such other underwriters as may be approved by the Hospital (the "Underwriters"), rather than a sale by public bidding, is hereby authorized. The sale of the Bonds by the Issuer to the Underwriters shall be made pursuant to the Bond Purchase Agreement, in substantially the form attached as Exhibit E, upon the payment by the Underwriters to the Trustee for the account of the Issuer of the purchase price therefor specified in such Bond Purchase Agreement. The Mayor and the City Administrator of the Issuer are hereby authorized to execute and deliver the Bond Purchase Agreement to the Underwriters, with such changes, insertions and omissions as

may be approved by the Mayor or the City Administrator of the Issuer, his execution thereof being conclusive evidence of such approval.

SECTION 12. Approval and Authorization of Official Statement. The form, terms and provisions of the Preliminary Official Statement, in substantially the form thereof attached hereto as Exhibit F, are hereby approved, and the Underwriters are hereby authorized to use the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer hereby authorizes the execution and delivery of a final Official Statement, substantially in the form of the Preliminary Official Statement now before the Issuer, with such changes, insertions and omissions as may be approved by the Mayor or the City Administrator of the Issuer (who are hereby authorized to execute and deliver such final Official Statement), his execution thereof being conclusive evidence of such approval.

SECTION 13. Authorization of Execution and Delivery of the Bonds. The Mayor and City Administrator of the Issuer are hereby authorized and directed to execute and deliver the Bonds in the manner provided in the Indenture, and the Trustee is hereby requested to thereupon authenticate the Bonds and deliver the same, upon payment by the Underwriters of the Purchase price therefor hereinabove described, to the Underwriters. The signature of the Mayor and City Administrator may be by facsimile and the corporate seal of the Issuer may be in facsimile.

SECTION 14. No Personal Liability. No covenant, obligation or agreement herein contained or contained in the Indenture, the Loan Agreement or the Escrow Agreement shall be deemed to be a covenant, obligation or agreement of any officer, member, agent or employee of the Issuer in his individual capacity, and no such officer, member, agent or employee of the Issuer shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

SECTION 15. Authorization of Execution of Other Documents. The Mayor and City Administrator of the Issuer are hereby further authorized, empowered and directed, either jointly or individually, to do all such acts and things and to execute all such documents and certificates on behalf of the Issuer as may be necessary to conclude and close the issuance, sale and delivery of the Bonds.

SECTION 16. Severability of Invalid Provisions. If any one or more of the covenants, agreement or provisions herein



contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be deemed null and void and shall be deemed separable from the remaining covenants, agreements and provisions hereof and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 17. Repeal of Conflicting Resolutions. All resolutions or ordinances or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 18. Issuer's Limited Obligation. This Resolution is being enacted in reliance on the Hospital's express warranty that (a) neither the Bonds nor the interest thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of any public body within the meaning of any constitutional or charter provision or statutory limitation and neither shall ever constitute or give rise to any pecuniary liability of the City of Takoma Park, Maryland, or its officers, employees, attorneys or agents. Neither the Bonds nor the interest thereon constitute an indebtedness to which the faith and credit of the City of Takoma Park, Maryland is pledged; and (b) the Bonds and the interest thereon shall be paid only as expressly provided in documents provided to the Issuer under cover of a letter from Haynes and Miller, dated December 13, 1985, including but not limited to the Trust Indenture, Escrow Trust Fund Agreement and Loan Agreement.

Section 19. Indemnification. This Resolution is being enacted in further reliance on the Hospital's promise and warranty to hold the Issuer and its officers, employees, attorneys and agents harmless and to indemnify the Issuer from any and all claims, suits and actions of whatever nature and character which may result from any act or omission of or attributable to the Issuer, Hospital, Trustee or any other person or entity involved in any transaction, including but not limited to any default, referred to in this Resolution or the documents referred to by this Resolution; and to pay any costs, including attorneys' fees, incurred by the Issuer to defend or protect itself against any such claims, suits or actions.

Section 20. Fees. This Resolution is being enacted in further reliance on the promise of the Hospital that it will (a) pay to the Issuer at the Bond Closing a fee of 1/4 of 1%

(one-fourth of one percent) of the aggregate principal amount of the Bonds, but not less than \$62,500 (Sixty-two Thousand Five Hundred Dollars) plus \$12,500 (Twelve Thousand Five Hundred Dollars) in consideration for the Issuer's anticipated administrative, legal and other costs; and (b) to execute a fee agreement and such documents as are necessary to evidence such promise.

Section 21. Closing Documents. The Issuer reserves the right to refuse to close if in its sole discretion the terms of this Resolution, the Trust Indenture, the Escrow Trust Fund Agreement, the Loan Agreement or any other document referred to in any of these has not at the time of Closing been complied with.

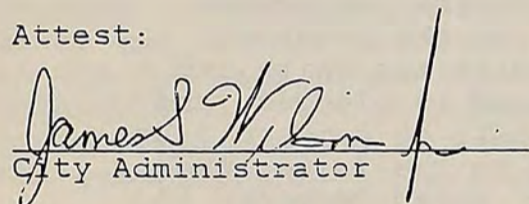
SECTION 22. Effective Date. This Resolution shall take effect immediately upon its adoption.

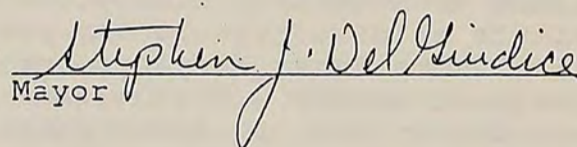
Adopted this 16th day of December, 1985.

CITY OF TAKOMA PARK, MARYLAND

[SEAL]

Attest:

  
City Administrator

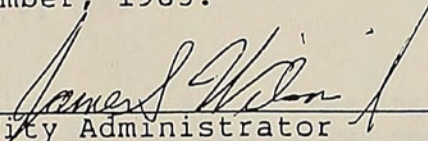
By   
Mayor

CERTIFICATION

I, JAMES S. WILSON, JR., City Administrator of the City of Takoma Park, Maryland, DO HEREBY CERTIFY that the foregoing Bond Resolution of the City of Takoma Park, Maryland pertaining to its Tender Option Hospital Refunding Revenue Bonds (Washington Adventist Hospital, Incorporated Project) Series 1985 in principal amount anticipated to be \$25,195,000 but in any event not to exceed \$27,000,000 constitutes a true and correct copy of the Bond Resolution unanimously adopted on December 16, 1985 by the Mayor and the members of the City Council of the City of Takoma Park, Maryland in a meeting duly called and assembled and open to the public at which a quorum was present and acting throughout, and the original of said Bond Resolution appears of record in the Minute Book of the City of Takoma Park, Maryland which is in my custody and control.

THE CITY OF TAKOMA PARK, MARYLAND

Given under my hand and seal of the City of Takoma Park,  
Maryland, this 16th day of December, 1985.

  
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City Administrator  
City of Takoma Park, Maryland

[SEAL]

THE CITY OF TAKOMA PARK, MARYLAND

Special Session of the Mayor and Council

December 16, 1985

During the worksession immediately following the Regular Meeting of the Mayor and Council on December 16, 1985, a Special Session was convened at approximately 11:15 P.M., moved by Councilmember Bradley, duly seconded by Councilmember Haney, carried unanimously. The Special Session was for the purpose of addressing the Montgomery County Down County Task Force's report with respect to relocation of the Takoma Park Volunteer Fire Department station. Consensus was that the City's opposition to that proposal be stated in resolution form (moved by Councilmember Bradley, duly seconded by Councilmember Sharp, carried unanimously). Additionally, City Administrator Wilson was directed to confirm the report given by Mr. Kneesi that the Montgomery County Truck Company Task Force had recommended that the hook and ladder truck be removed from the Takoma Park Fire Station; confirmation was to be accomplished by acquisition of a transcript of the report given and/or other appropriate documents, through Captain Stutz, Chairman of the aforesaid Task Force. Mr. Wilson was authorized to instruct City Attorney Gagliardo to research the legal validity of the county's removal of the hook and ladder truck, to identify ownership of the truck, and to examine the default clause between the Takoma Park Volunteer Fire Department and the City of Takoma Park with respect to capacity to deliver the services originally specified in the said contract. Mr. Gagliardo is to procure a copy of legislation from the county designated as #15-16-79 for review purposes and to ascertain that the City did not relinquish its right of ownership to the fire department equipment at some point in time. The motion to authorize the aforesaid actions, including procurement of pertinent documentation by Mr. Wilson and legal research of the issue by Mr. Gagliardo, was made by Councilmember Iddings, duly seconded by Councilmember Williams, carried unanimously. Upon motion by Councilmember d'Eustachio, duly seconded by Councilmember Sharp, the Special Session adjourned at 11:25 P.M.