

CITY OF HAGERSTOWN, MARYLAND

CHARTER AMENDMENT RESOLUTION NO. CAR-2022-01

A CHARTER AMENDMENT RESOLUTION OF THE COUNCIL OF THE CITY OF HAGERSTOWN (THE "COUNCIL") FOR THE PURPOSE OF REPEALING AND RE-ENACTING, WITH AMENDMENTS, ARTICLE VII, SECTION 717 OF THE CHARTER OF THE CITY OF HAGERSTOWN (THE "CITY") FOR THE PURPOSE OF AUTHORIZING THE CITY 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 (THE "OBLIGATIONS"); SPECIFYING THAT THE COUNCIL SHALL AUTHORIZE BY ORDINANCE (1) THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF ANY SUCH OBLIGATIONS TO BE ISSUED, (2) THE PURPOSE(S) FOR WHICH SUCH OBLIGATIONS SHALL BE EXPENDED, (3) A PLEDGE OF THE SECURITY FOR SUCH OBLIGATIONS AND, IF APPLICABLE, A STATEMENT THAT SUCH OBLIGATIONS SHALL BE PAYABLE IN THE FIRST INSTANCE FROM A SPECIFIED SOURCE OF REVENUE OR PROVISIONS FOR THE MAKING OF SUCH STATEMENT BY RESOLUTION, AND (4) A REQUIREMENT THAT PRIOR TO ISSUING ANY SUCH OBLIGATIONS THE COUNCIL SHALL ADOPT A RESOLUTION REGARDING CERTAIN MATTERS; PROVIDING THAT ANY SUCH RESOLUTION SHALL CONTAIN, DETERMINE, APPROVE OR PROVIDE FOR THE APPROVAL OF VARIOUS DETAILS REGARDING SUCH OBLIGATIONS, INCLUDING (1) THEIR DESIGNATION, ISSUE DATE, DENOMINATION(S), FORM(S) AND TENOR, (2) THEIR RATE(S) OF INTEREST (WHICH MAY BE FIXED OR VARIABLE OR MAY BE DETERMINED BY A METHOD APPROVED OR PROVIDED FOR), (3) THEIR DATE(S) AND AMOUNT(S) OF MATURITY, AND SERIAL AND/OR TERM MATURITIES OR INSTALLMENTS, (4) WHETHER THEY WILL BE SOLD BY PUBLIC OR PRIVATE SALE, (5) THEIR PRICE(S), WHICH MAY BE AT, ABOVE OR BELOW PAR VALUE, (6) ANY DESIRED REDEMPTION OR PUT PROVISIONS, INCLUDING HOW NOTICE OF REDEMPTION OR PUT SHALL BE GIVEN, (7) THE MANNER OF EXECUTING AND SEALING SUCH OBLIGATIONS, (8) ANY DOCUMENTS OR AGREEMENTS PURSUANT TO WHICH SUCH OBLIGATIONS ARE TO BE ISSUED, OFFERED OR SECURED, INCLUDING FOR THE PURPOSE OF ENHANCING THE MARKETABILITY OF OR AS SECURITY FOR SUCH OBLIGATIONS AND FOR SECURING ANY TENDER OPTION, AND (9) SUCH OTHER PROVISIONS AS THE COUNCIL MAY DETERMINE NECESSARY OR DESIRABLE, INCLUDING WHETHER SUCH OBLIGATIONS SHALL BE SOLD FOR CASH OR OTHER VALUABLE

CONSIDERATION OR FURTHER PROVIDING FOR APPLICATION OF PROCEEDS; PROVIDING THAT ANY SUCH RESOLUTION MAY BE INTRODUCED AND ADOPTED AT A SINGLE SESSION; PROVIDING THAT THE COUNCIL MAY BY ORDINANCE DETERMINE, APPROVE OR PROVIDE FOR ANY OF THE MATTERS SPECIFIED AS BEING DETERMINABLE, APPROVED OR PROVIDED FOR BY RESOLUTION; PROVIDING FOR OR AUTHORIZING THE METHODS BY WHICH ANY SUCH OBLIGATIONS MAY BE BID FOR IN CONNECTION WITH THE SALE OF THE SAME BY SOLICITATION OF COMPETITIVE BIDS AT PUBLIC SALE AND THE METHODS BY WHICH ANY NOTICE OF SALE OR SUMMARY THEREOF MAY BE PUBLISHED OR DISSEMINATED; PROVIDING THAT THE POWER SET FORTH IN SUCH CHARTER ARTICLE VII, SECTION 717 IS ADDITIONAL AND SUPPLEMENTAL TO ANY OTHER APPLICABLE GENERAL OBLIGATION BORROWING AUTHORITY; GENERALLY RELATING TO THE ISSUANCE AND TERMS OF SUCH OBLIGATIONS; PROVIDING FOR COMPLIANCE WITH CERTAIN PROVISIONS OF THE ANNOTATED CODE OF MARYLAND REGARDING CHARTER AMENDMENTS; PROVIDING THAT THIS TITLE CONSTITUTES A FAIR SUMMARY OF THIS CHARTER AMENDMENT RESOLUTION; AND GENERALLY RELATING TO SUCH CHARTER AMENDMENT RESOLUTION.

#### RECITALS

**WHEREAS**, pursuant to Article XI-E of the Constitution of Maryland Article of the Annotated Code of Maryland (the "Maryland Constitution") as currently in effect and Section 4-301 *et seq.* of the Local Government Article of the Annotated Code of Maryland (the "Local Government Article") as currently in effect, the Council of the City of Hagerstown (the "Council"), the legislative body of City of Hagerstown, a Maryland municipality (the "City"), has the authority to amend the Charter of the City in accordance with the procedures set forth therein; and

**WHEREAS**, Article VII, Section 717 of the Charter of the City authorizes the City to issue its general obligation bonds, notes, or other certificates of indebtedness in accordance with certain provisions of the Annotated Code of Maryland and such Charter section, but absent an amendment to such Charter section or other applicable Maryland law, the City is required to publish a notice of sale twice in a newspaper of general circulation when selling its general obligation debt by solicitation of competitive bids at public sale; and

**WHEREAS**, potential bidders of debt sold by solicitation of competitive bids at public sale no longer obtain sale information from newspaper publications, but instead obtain sale information from electronically posted information; and

**WHEREAS**, bond counsel to the City has recommended that Article VII, Section 717 of the Charter of the City be amended as permitted by Section 19-301 *et seq.* of the Local Government Article in order to conform the procedures for the sale of general obligation debt by solicitation of

competitive bids at public sale to current (and future) customary practices, to detail the procedures for authorization of general obligation debt, and to give the City greater flexibility regarding the issuance and sale of its general obligation debt; and

**WHEREAS**, the Council deems it to be in the best interests of the City and its residents to so amend Article VII, Section 717 of the Charter of the City; and

**WHEREAS**, a public hearing was held on the proposed amendment to Article VII, Section 717 of the Charter of the City as required by Section 4-304(a)(2) of the Local Government Article before this Charter Amendment Resolution was considered for adoption.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HAGERSTOWN, THAT:

SECTION 1. Pursuant to the authority of Article XI-E of the Maryland Constitution and Section 4-301 *et seq.* of the Local Government Article, each as currently in effect, Article VII, Section 717 of the Charter of the City of Hagerstown, as published in Municipal Charters of Maryland, Volume 7, 2018 Replacement Edition, as amended to date (the "Charter"), is hereby repealed in its entirety and re-enacted, with amendments, to read as follows, with the additions/replacement section being italicized and, as authorized by Section 4-303(e)(2) of the Local Government Article, without setting forth the repealed text because such entire section is being repealed:

Section 717. General Obligation Debt.

*(a) The City shall have the power to borrow money for any proper public purpose and to evidence such borrowing by the issue and sale of its general obligation bonds, notes, or other evidences of indebtedness in the manner prescribed in this Section.*

*(b) Any general obligation bonds, notes or other evidences of indebtedness shall be authorized by an ordinance that shall contain: (1) a statement of the maximum aggregate principal amount of such obligations to be issued; (2) a statement of the purpose or purposes for which the proceeds of such obligations are to be expended; (3) a pledge of the security for such obligations and, if applicable, a statement that such obligations shall be payable in the first instance from a specified source of revenue or provisions for the making of such statement by resolution; and (4) a requirement that, subject to the provisions of subsection (d) below, prior to the issuance of any such obligations, the Council shall adopt a resolution in accordance with the provisions of subsection (c) below.*

*(c) Prior to issuing any such obligations identified in subsection (b) above, the Council shall adopt a resolution containing, determining or providing for the determination of, or approving or providing for the approval of: (1) the designation, date of issue, denomination or denominations, form or forms and tenor of such obligations; (2) the rate or rates of interest payable on such obligations (which may be fixed or variable or may be determined by a method approved or*

*provided for); (3) the date or dates and amount or amounts of maturity, which may be in any denomination and which may be in serial and/or term maturities or otherwise payable in installments; (4) the manner of selling such obligations, which may be by public or private sale, including, without limitation, (A) by solicitation of competitive bids at public sale after publication or dissemination of the notice of sale or a summary thereof, (B) by negotiated underwriting, or (C) by a direct purchase transaction with one or more banks or other lending entities, including, without limitation, any state or federal governmental entity; (5) the price or prices of such obligations, which may be at, above or below par value; (6) any desired provisions relating to the redemption or put of such obligations prior to maturity (which may be at, above or below par value), and the manner of publishing or otherwise giving notice of such redemption or put, including, without limitation, by mail or electronic means; (7) the manner of executing and sealing such obligations, which may be by facsimile or other mechanical or electronic process; (8) any documents or agreements pursuant to which such obligations are to be issued or secured, including, without limitation, agreements with banks, fiduciaries, insurers or others for the purpose of enhancing the marketability of or as security for such obligations and for securing any tender option granted to the holders thereof; and (9) such other provisions regarding the terms, conditions, issuance, sale, delivery and security of and for such obligations as the Council may determine necessary or desirable, including, without limitation, whether such obligations shall be sold for cash or other valuable consideration or further specifying the purposes for which such obligations are to be expended (within the limitations set forth or provided for in the applicable ordinance). By resolution the Council may delegate to a specified official or officials the authority to approve any matters or make any determinations contemplated by this subsection (c). A resolution adopted pursuant to this subsection (c) may be introduced and adopted at a single session of the Council and shall become effective immediately upon adoption or upon the date specified in such resolution.*

*(d) The Council may, at its option, determine or provide for the determination of, or approve or provide for the approval of, any of the matters referenced in subsection (c) above by ordinance instead of by resolution, including, without limitation, delegating by ordinance to a specified official or officials the authority to approve any matters or make any determinations contemplated by such subsection (c).*

*(e) In connection with any sale of general obligation bonds, notes or other evidences of indebtedness by the solicitation of competitive bids at public sale, any such competitive bids may be delivered by electronic and/or facsimile means and/or by any other then-commercially reasonable manner for the public sale of municipal obligations by competitive bid. Any notice of sale may be published in full or in summary form in a newspaper of general circulation in the City and/or a publication having circulation primarily among the investment and financial community, including, without limitation, in The Bond Buyer or any successor publication, or any notice of sale, rather than being published in full or*

*summary form, may be made available solely via the internet or by other electronic means (including, without limitation, by being posted or available on a website commonly accessible to bidders for municipal obligations, including, without limitation, as part of a disclosure document), and/or any notice of sale or a summary thereof may be provided or disseminated by any other then-commercially reasonable manner for the sale of municipal obligations. The matters referred to in this subsection (e) shall be determined, approved or provided for by the Council by resolution or ordinance in accordance with the provisions of subsection (c) or subsection (d) above, as applicable. To the extent a determination is made to publish a notice of sale in full or summary form, any such publication need only be made once at least seven (7) days before the initial date fixed for sale.*

*(f) The power conferred on the City under this Section shall be deemed to be additional and supplemental to any other general obligation borrowing authority granted to the City by Maryland, City or federal law, and the City may authorize, issue and secure any such general obligation debt in conformity with this Section and/or any other applicable law.*

SECTION 2. The amendment to the Charter proposed by this Charter Amendment Resolution shall be and become effective fifty (50) days after adoption of this Charter Amendment Resolution by the Council unless petitioned to referendum in accordance with Sections 4-304(d) and 4-307 of the Local Government Article within forty (40) days following its adoption. A complete and exact copy of this Charter Amendment Resolution shall be posted in the City Hall building or other public place for forty (40) days following its adoption by the Council and a fair summary of the Charter amendment shall be published in a newspaper of general circulation in the City at least four (4) times, at weekly intervals, within the forty (40) days following adoption of this Charter Amendment Resolution.

SECTION 3. Promptly after this Charter Amendment Resolution becomes effective, either as herein provided or following referendum, the Mayor of the City shall send or cause to be sent to the Maryland Department of Legislative Services in accordance with Sections 4-308 and 4-109 of the Local Government Article the following information concerning this Charter Amendment Resolution: (i) the complete text of the Charter amendment; (ii) the date of referendum election, if any, held with respect thereto; (iii) the number of votes cast for and against this Charter Amendment Resolution by the Council or in a referendum; and (iv) the effective date of the Charter amendment.

SECTION 4. The Mayor of the City is hereby authorized and directed to carry out or cause to be carried out the provisions of Sections 2 and 3 of this Charter Amendment Resolution.

SECTION 5. The title of this Charter Amendment Resolution is deemed a fair summary hereof for publication and all other purposes.

[CONTINUED ON FOLLOWING PAGE]

The above Charter amendment was adopted by the foregoing Charter Amendment Resolution, which was passed by a vote of 4 members of the Council voting in the affirmative, 0 members of the Council voting in the negative, and 0 members of the Council abstaining.

INTRODUCED before the Council of City of Hagerstown at a public meeting held on the 26<sup>th</sup> day of April, 2022.

ADOPTED by the Council of City of Hagerstown at a public meeting held on the 24<sup>th</sup> day of May, 2022.

(SEAL)

ATTEST:

CITY OF HAGERSTOWN

  
\_\_\_\_\_  
Donna K. Spickler  
City Clerk

  
\_\_\_\_\_  
Emily N. Keller, Mayor

Votes of the Council on the Resolution:

4 votes in favor of the Resolution

0 votes opposing the Resolution

0 votes abstaining

Effective: July 13, 2022, 2022