

RESOLUTION NO. CA-8-16

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF GAITHERSBURG
TO AMEND SECTION 55 OF THE CITY CHARTER ENTITLED
“BORROWING POWER OF CITY GENERALLY; BOND AUTHORIZATION
ORDINANCES; PROCEDURE FOR BORROWING; PLEDGING OF FAITH AND
CREDIT OF CITY; TAX LEVY FOR PAYMENT OF INDEBTEDNESS” SO AS TO
REVISE LANGUAGE FOR FUTURE USE BY RESOLUTION

WHEREAS, Section 55 of the Charter of the City of Gaithersburg provides for the borrowing of money and the authorization of bonds; and

WHEREAS, the Mayor and City Council has determined that it is in the best interest of the City to amend language for the sale of bonds in accordance with the City’s debt policy; and

WHEREAS, the amendment of Section 55 of the Charter of the City of Gaithersburg was duly considered by the Mayor and City Council at a public hearing held on May 2, 2016.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Gaithersburg, in public meeting assembled, that Section 55 of the City Charter is hereby amended as follows:

Section 1 – That Section 55 of the Charter of the City of Gaithersburg be, and the same is, amended to read as follows:

Sec. 55. - Borrowing power of city generally; bond authorization ordinances; procedure for borrowing; pledging of faith and credit of city; tax levy for payment of indebtedness.

In addition to any other borrowing power which the city may presently have, from whatever source derived, and notwithstanding any other provision or limitation of public general or public local law:

| | |
|--|--|
| Boldface | <i>Heading or defined term.</i> |
| <u>Underlining</u> | <i>Added to existing law by original bill.</i> |
| Single strikethrough | <i>Deleted from existing law by original bill.</i> |
| <u>Double underlining</u> | <i>Added by Amendment.</i> |
| Double boldface strikethrough | <i>Deleted from existing law or the bill by amendment.</i> |
| *** | <i>Existing law unaffected by bill.</i> |

- ~~(a) The the city may borrow money and incur indebtedness, from time to time, for any public purpose, and evidence that borrowing or indebtedness by the issue and sale of its general obligation bonds, notes issued in anticipation thereof, or other evidences of indebtedness (hereinafter collectively referred to as "bonds").~~
- ~~(b) All bonds shall be authorized by ordinance, which ordinance shall not be subject to the referendum provisions of section 12 of this Charter and shall be fully effective upon its final passage. The council shall have the power to determine by such ordinance the form and terms and all other matters concerning the issuance and sale of the bonds. The sale of bonds shall be in accordance with the city's debt policy, adopted by resolution by the council, including, without limitation:~~
- ~~(1) The manner of sale of such bonds, which may be by private negotiation without notice of sale or solicitation of competitive bids;~~
 - ~~(2) The purchase price for such bonds, which may be at, above or below the par value thereof;~~
 - ~~(3) The medium of payment therefor, which may be cash or other consideration;~~
 - ~~(4) The rate or rates of interest payable on such bonds, which may vary from time to time; such bonds may be non-interest bearing; and~~
 - ~~(5) The date or dates of maturity of such bonds.~~
- ~~(c) The city may pay the maturing principal of and interest on bonds, to the extent practicable, from the revenues, if any, of the particular project or improvement for which the bonds were issued, notwithstanding any limitation contained in any other law.~~
- ~~(d) In addition to any other sources of payment for the principal of and interest on the bonds, the city may also pay the maturing principal of and interest on such bonds, in whole or in part, from the proceeds of such capital contribution charges, connection charges (including area connection charges related to the cost of base plant construction as well as the actual cost of connection), ready to serve charges, service charges, charges for upkeep, and any other charges or impositions as the city may levy, impose and collect from time to time during the life of such bonds, the power and authority so to do being hereby specifically granted, notwithstanding any limitation contained in any other law.~~
- ~~(e) In addition to any other sources of payment for the principal of and interest on such bonds, the city may also pay the maturing principal of and interest on such bonds, in whole or in part, from the proceeds of such benefit assessments as the city may levy, impose and collect from time to time during the life of such bonds, the power and~~

~~authority so to do being hereby specifically granted, notwithstanding any limitation contained in any other law.~~

- ~~(f) If the bonds issued pursuant to this section are in the form of bond anticipation notes, the principal of and interest on such notes shall be payable to the bearer or registered holder thereof out of the first proceeds of sale of the bonds in anticipation of which such notes were issued, or from tax or other revenues which shall have been previously determined and applied to the payment of the notes and the interest thereon.~~
- ~~(g) The issuance of such bonds shall constitute a pledge of the full faith and credit of the city to the payment of the principal of and interest on such obligations when due; the prompt payment of the principal of and interest on such bonds shall be made from unlimited ad valorem taxation and other revenues lawfully available for the purpose described in the authorizing ordinance or ordinances. In any event, the city shall annually levy upon all property subject to taxation within its corporate limits ad valorem taxes sufficient to provide, together with any other funds lawfully available for the purpose, for the payment of the maturing principal of and interest on such bonds, without limitation as to rate or amount.~~
- ~~(h) Nothing contained in this section shall be deemed or construed to impair the terms or conditions of any bonds of the city issued prior to the effective date of this section.~~

Section 2 – BE IT FURTHER RESOLVED that the date of the adoption of this resolution is June 6, 2016, and that the amendment to the Charter of the City of Gaithersburg, as herein adopted, shall be and become effective on July 26, 2016, unless on or before said date a proper petition for referendum of this resolution shall be filed as permitted by law.

Section 3 – BE IT FURTHER RESOLVED that a complete and exact copy of this resolution shall be posted at City Hall, 31 South Summit Avenue, Gaithersburg, Maryland 20877, until July 16, 2016, and a fair summary of the proposed Charter amendment contained in this resolution shall be published in a newspaper of general circulation in the City of Gaithersburg not fewer than four (4) times at weekly intervals before July 16, 2016.

Section 4 – AND BE IT FURTHER RESOLVED that as soon as the Charter amendment hereby enacted shall become effective, either as herein provided or following a referendum, the City shall send or cause to be sent to the Department of Legislative Reference the following information concerning this Charter resolution: (1) the complete text of this resolution; (2) the date of enactment of the Charter amendment; (3) the date of the referendum election, if any; (4) the number of votes cast for or against this resolution whether by the City Council or in a referendum; and (5) the effective date of the Charter amendment contained herein.

ADOPTED by the City Council this 6th day of June, 2016.



JUD ASHMAN, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing Resolution was adopted by the City Council, in a public meeting assembled on the 6th day of June, 2016. This Resolution will become effective on the 26th day of July, 2016.



Tony Tomasello, City Manager