

THE EFFECTIVE DATE OF THIS RESOLUTION IS JUNE 30, 2020

RESOLUTION NO. 20-18

RE: Charter Amendment – Borrowing Limitations

The Frederick County Charter, Section 701, provides that the Charter may be amended by the procedures provided in Article XI-A of the Maryland Constitution.

Article XI-A, §5 of the Maryland Constitution provides, in relevant part, that amendments to any charter adopted by any County may be proposed by a Resolution of the County Council.

Article XI-A, §5 of the Maryland Constitution provides that a Charter Amendment shall be published by the President of the County Council once a week for five successive weeks prior to the election in at least one newspaper published in the County.

Article XI-A, §5 of the Maryland Constitution provides that an amendment so proposed shall be submitted to the voters of the County at the next general or congressional election occurring after the passage of the resolution.

Article XI-A, §5 of the Maryland Constitution provides that if at the election the majority of the votes cast for and against the amendment shall be in favor thereof, the amendment shall be adopted and become a part of the charter of the County from and after the thirtieth day after the election.

The Frederick County Charter currently permits the County to pledge up to 5% of the assessable basis of real property and up to 15% of the assessable basis of personal property and operating real property at any one time for the purpose of borrowing funds.

Specifically, Subsection 508(a) states:

508. Borrowing Limitations

(a) Except as otherwise provided by State law, the aggregate amount of bonds and other evidences of indebtedness outstanding at any one time that pledge the full faith and credit of the County may not exceed a total of five percent of the assessable basis of real property of the County and fifteen percent of the County's assessable basis of personal property and operating real property described in § 8-109(c) of the Tax – Property Article.

The County is currently able to borrow an amount of funds that could endanger its financial condition as well as impair credit ratings. A reduction of those limits will encourage the County to continue to be fiscally responsible, manage its debt well, and assist with maintaining its high bond rating as well as maintaining the flexibility for financial emergencies.

The County Council, therefore, adopts this Resolution to amend Subsection 508(a) of the County Charter to read:

**508. Borrowing Limitations**

(a) Except as otherwise provided by State law, the aggregate amount of bonds and other evidences of indebtedness outstanding at any one time that pledge the full faith and credit of the County may not exceed a total of [five] three percent of the assessable basis of real property of the County and [fifteen] nine percent of the County's assessable basis of personal property and operating real property described in § 8-109(c) of the Tax – Property Article.

The County Council held a duly advertised public hearing on this proposed Resolution on June 16, 2020. The public had an opportunity to comment on the proposed Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the County Council of Frederick County that the following amendment to the Frederick County Charter shall be submitted to the

voters of the County at the next general or congressional election in accordance with Section 701 of the Frederick County Charter and Article XI-A, §5 of the Maryland Constitution:

**508. Borrowing Limitations**

(a) Except as otherwise provided by State law, the aggregate amount of bonds and other evidences of indebtedness outstanding at any one time that pledge the full faith and credit of the County may not exceed a total of [five] three percent of the assessable basis of real property of the County and [fifteen] nine percent of the County's assessable basis of personal property and operating real property described in § 8-109(c) of the Tax – Property Article.

AND BE IT HEREBY FURTHER RESOLVED by the County Council of Frederick County, that pursuant to Section 701 of the Frederick County Charter and Article XI-A, §5 of the Maryland Constitution, the amendments shall be published by the President of the County Council once a week for five successive weeks prior to the election in at least one newspaper published in said County;

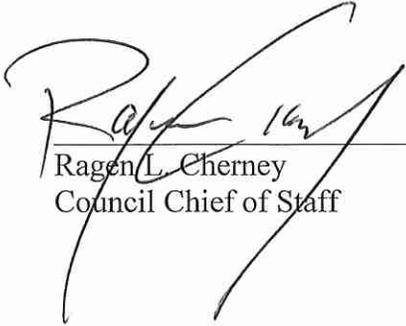
AND BE IT HEREBY FURTHER RESOLVED by the County Council of Frederick County, that pursuant to Section 701 of the Frederick County Charter and Article XI-A, §5 of the Maryland Constitution, this proposed Charter Amendment shall be submitted to the voters of the County at the next general or congressional election occurring after the passage of this Resolution.

The undersigned hereby certifies that this Resolution was approved and adopted on the

28<sup>th</sup> day of July, 2020.

ATTEST:

COUNTY COUNCIL OF  
FREDERICK COUNTY, MARYLAND

  
\_\_\_\_\_  
Ragen L. Cherney  
Council Chief of Staff

By:   
\_\_\_\_\_  
M.C. Keegan-Ayer, President CK