

**TOWN OF NORTH BRENTWOOD**

**CHARTER AMENDMENT RESOLUTION NO. 01-2021**

**Introduced by:** Councilmember \_\_\_\_\_  
**Seconded by:** Councilmember \_\_\_\_\_  
**Date of Introduction & Adoption:** February 1, 2021

**A CHARTER AMENDMENT RESOLUTION OF THE COUNCIL OF THE TOWN OF NORTH BRENTWOOD AMENDING SECTION 810 (LAPSE OF APPROPRIATIONS), OF THE CHARTER OF THE TOWN OF NORTH BRENTWOOD, MARYLAND THEREBY AUTHORIZING THE CREATION OF A RESERVE OR RESERVE FUNDS TO BE MADE AVAILABLE FOR UNANTICIPATED OR EXTRAORDINARY EXPENSES THAT MAY BE INCURRED, OR FOR ANY OTHER SPECIFIC INTENDED PURPOSE AS AUTHORIZED BY STATE STATUTE OR ORDINANCE; AND AUTHORIZING THE COUNCIL TO APPROPRIATE FUNDS FROM ANY RESERVE ESTABLISHED FOR UNANTICIPATED, EMERGENCY OR EXTRAORDINARY EXPENSES PROVIDED IN THE BUDGET OR OTHER ORDINANCE TO MEET EXTRAORDINARY OR UNANTICIPATED EXPENDITURES; AND PROVIDING THAT RESERVE FUNDS SHALL NOT LAPSE AT THE END OF THE BUDGET YEAR BUT SHALL REMAIN AVAILABLE UNTIL APPROPRIATED AND EXPENDED; AND GENERALLY RELATING TO MUNICIPAL BUDGETING AND FINANCE**

**WHEREAS**, the Town Council is authorized by Article XI-E, § 4 of the Constitution of the State of Maryland and Subtitle 3 of Title 4 of the LG Article of the Annotated Code of Maryland, to amend its Charter by a resolution of the legislative body of the municipal corporation; and

**WHEREAS**, the General Assembly of Maryland passed HB 615 during the 2018 session effective July 1, 2018 requiring the legislative body of a municipality to hold a public hearing and give at least 21-days' notice by posting the notice in a public place before adopting a resolution initiated by the legislative body that proposes an amendment to the municipal charter; and

**WHEREAS**, currently the Town Charter states in Section 810 that all appropriations shall lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered and that any unexpended and unencumbered funds shall be considered a surplus at the end of the budget year and shall be included among the anticipated revenues for the next succeeding budget year; and

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CAPITALS : Indicate matter added to existing law  
[[Brackets]] : Indicate matter deleted from existing law  
Asterisks \* \* \* : Indicate that text is retained from existing law but omitted herein.

**WHEREAS**, the Government Finance Officers Association (“GFOA”) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balances in their general funds of no less than two months of regular general fund operating revenues or regular general fund operating expenditures; and

**WHEREAS**, the Mayor and Council further finds that a reasonable level of unreserved, unappropriated fund balance or a reserve consistent with prudent budgeting practices, necessary to ensure the orderly operation of the government, provides a cushion for unforeseen expenditures or revenue shortfalls and helps to ensure that adequate cash flow is available to meet the cost of operations; and

**WHEREAS**, the Mayor and Council further finds that reserve funds having specific intended purposes may provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, emergency relief, and other requirements; and

**WHEREAS**, the Maryland Municipal League in a paper entitled “Municipal Government Finances” published in 2012 regarding municipal financing of capital projects states that:

Several strategies can be implemented to provide adequate funding under the pay-as-you-go approach. For example, a municipality could allocate several years’ appropriations to a reserve fund, usually a capital projects fund, to accumulate sufficient resources for costly projects. In addition, some jurisdictions earmark a certain percentage of property tax proceeds or other specific revenues to fund capital activities. For example, the municipality may accumulate the proceeds from one cent of the property tax rate in a capital fund or reserve revenues from the sale of fixed assets. Finally, some municipalities may dedicate a specific annual appropriation for a capital projects fund, such as \$100,000 for a smaller municipality or \$1,000,000 for a larger city, and treat the allocation as a routine expense. Capital projects reserves also provide an additional source of interest revenue to the municipality; and

**WHEREAS**, the Mayor and Council further finds that the Town would benefit from enacting this Charter amendment to conform the Town Charter and future financial and budgetary practices with sound financial practices as recommended by MML and GFOA.

**SECTION 1. NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF NORTH BRENTWOOD** on this \_\_\_\_\_ day of \_\_\_\_\_ 2021 that Section 810 (Lapse of Appropriations) of the Charter of The Town of North Brentwood shall be and is hereby amended and readopted to read as follows:

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**ARTICLE VIII**  
**Finance**

\* \* \*

Section 810. Lapse of Appropriations; RESERVE FUNDS.

(A) EXCEPT FOR APPROPRIATIONS FOR ANY RESERVE FUND CREATED PURSUANT TO THIS SECTION, ~~[[All]]~~ ALL appropriations shall lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered. EXCEPT AS STATED HEREIN, ~~[[Any]]~~ ANY unexpended and unencumbered funds shall be considered a surplus at the end of the budget year and shall be included among the anticipated revenues for the next succeeding budget year. AN APPROPRIATION FOR A RESERVE FUND SHALL CONTINUE IN FORCE UNTIL EXPENDED, REVISED OR REPEALED, OR THE ENTIRE FUND IS DISSOLVED WITH ANY SURPLUS OR UNEXPENDED FUNDS TO BE TRANSFERRED TO THE GENERAL FUND.

(B) A RESERVE FUND OR FUNDS MAY BE ESTABLISHED BY ORDINANCE. SUCH RESERVE FUNDS MAY BE USED FROM TIME TO TIME FOR SUCH PURPOSES AS (I) CAPITAL EXPENDITURES, I.E., EQUIPMENT, FACILITIES, LAND ACQUISITION, STREET CONSTRUCTION AND THE LIKE, (II) TO GUARANTEE THE TEMPORARY CONTINUATION OF SERVICES DIRECTLY AFFECTED BY A LOSS OF SUPPORTING BUDGETED REVENUES, (III) TO PROVIDE FOR LONG TERM INVESTMENTS, AND (IV) TO PROVIDE DISASTER OR EMERGENCY RELIEF FOR RESIDENTS, PROPERTY OWNERS, AND BUSINESSES OF THE TOWN OF NORTH BRENTWOOD. A FAVORABLE VOTE OF AT LEAST A MAJORITY OF THE ENTIRE COUNCIL SHALL BE NECESSARY FOR THE ADOPTION OR REPEAL OF AN ORDINANCE CREATING SUCH A RESERVE FUND.

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**SECTION 2.** AND BE IT FURTHER RESOLVED that this Charter Amendment Resolution is adopted on the aforementioned date and that upon adoption by the Council of the Town of North Brentwood a complete and exact copy of this Charter Amendment Resolution shall be posted in the Town Hall for a period of at least forty (40) days following the date of its adoption. Additionally, a fair summary of the proposed Amendment shall be published in a newspaper of general circulation in the Town of North Brentwood not less than four (4) times at weekly intervals within the forty (40) days following the adoption of this Charter Amendment Resolution.

**SECTION 3.** AND BE IT FURTHER RESOLVED that the Amendment initiated in this Charter Amendment Resolution shall not be subject to veto or final approval by the Mayor unless there is a tie vote, but shall take effect and shall become and be considered the Charter of the Town of North Brentwood, upon the fiftieth day after being so adopted or passed unless on or before the fortieth day after being so adopted and passed a referendum petition meeting the requirements of State law shall be presented to the Council of the Town of North Brentwood or

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mailed to it by certified mail, return receipt requested, bearing a postmark from the United States Postal Service.

**SECTION 4. AND BE IT FURTHER RESOLVED** that when the Charter Amendment hereby initiated becomes effective, as provided herein, or following a referendum election, the Town Clerk shall send separately, by certified mail, return receipt requested, to the Department of Legislative Services within 10 days after the charter resolution becomes effective, the following information concerning the Charter Amendment: (i) the complete text of this Charter Amendment Resolution; (ii) the date of the referendum election, if any held with respect thereto; (iii) the number of votes cast for and against this Charter Amendment Resolution by the Council of the Town of North Brentwood or a referendum election; and (iv) the effective date of the Charter Amendment.

**SECTION 5. AND BE IT FURTHER RESOLVED** that the Town Clerk of the Town of North Brentwood is specifically instructed to carry out the provisions of Sections 2, 3 and 4 hereof, as evidence of compliance herewith, the Town Clerk shall cause to be affixed to this Charter Amendment Resolution and to the Minutes of the Council Meeting in which it is adopted (i) an appropriate certificate of publication of the newspaper in which the summary of the Charter Amendment Resolution shall have been published and (ii) return receipts of the mailing referred to in Section 4, and shall further complete and execute the Certificate of Effect attached hereto.

**THIS CHARTER AMENDMENT RESOLUTION IS INTRODUCED AND ADOPTED BY THE COUNCIL OF THE TOWN OF NORTH BRENTWOOD THIS \_\_\_\_ day of \_\_\_\_\_, 2021.**

ATTEST:

TOWN COUNCIL FOR TOWN OF  
NORTH BRENTWOOD

\_\_\_\_\_  
Carl Jones  
Town Clerk

\_\_\_\_\_  
Charles Wiley  
Councilman

\_\_\_\_\_  
Aaron Baynes  
Councilman

\_\_\_\_\_  
Evan Dame  
Councilman

\_\_\_\_\_  
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**CERTIFICATE OF EFFECT**

**I, HEREBY CERTIFY THAT THE FOREGOING CHARTER AMENDMENT RESOLUTION OF THE COUNCIL OF THE TOWN OF NORTH BRENTWOOD DESIGNATED CHARTER AMENDMENT RESOLUTION NO. 01-2021, WAS DULY INTRODUCED, READ, AND WAS ADOPTED BY THE COUNCIL AT A DULY ANNOUNCED PUBLIC MEETING AND THEREAFTER POSTED AND ADVERTISED FOR FOUR SUCCESSIVE WEEKS, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE ANNOTATED CODE OF MARYLAND AND CHARTER OF THE TOWN OF NORTH BRENTWOOD.**

ATTEST:

\_\_\_\_\_  
Carl Jones, Town Clerk  
Town of North Brentwood

**CHARTER AMENDMENT RESOLUTION (“CAR”) SCHEDULE**

DATE OF 21-DAY PUBLIC HEARING NOTICE \_\_\_\_\_

DATE OF CAR INTRODUCTION/PASSED \_\_\_\_\_

40-DAY POSTING END DATE: \_\_\_\_\_

FAIR SUMMARY NEWSPAPER \_\_\_\_\_

WEEKLY PUBLICATION DATES (x 4): \_\_\_\_\_

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\_\_\_\_\_

EFFECTIVE (50<sup>TH</sup> DAY) DATE: \_\_\_\_\_

- \_\_\_\_\_  
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