

Introduced: August 9, 2017
Public Hearing: August 23, 2017
Passed:
Effective:

CHARTER AMENDMENT RESOLUTION NO. 2017-05

A CHARTER AMENDMENT RESOLUTION OF THE COMMISSIONERS OF ST. MICHAELS, PASSED PURSUANT TO THE AUTHORITY OF ARTICLE XI-E OF THE CONSTITUTION OF MARYLAND AND §§ 4-302(1) AND 4-304 OF THE LOCAL GOVERNMENT ARTICLE OF THE MARYLAND ANNOTATED CODE TO AMEND THE CHARTER OF ST. MICHAELS FOR THE PURPOSE OF ESTABLISHING CERTAIN FUNDS AS PART OF THE TOWN BUDGET; UPDATING CERTAIN FISCAL MANAGEMENT PROVISIONS; PROVIDING THAT THE TITLE OF THIS CHARTER AMENDMENT RESOLUTION SHALL BE DEEMED A FAIR SUMMARY AND GENERALLY RELATING TO THE FINANCIAL MANAGEMENT OF THE TOWN OF ST. MICHAELS.

WHEREAS, pursuant to Article XI-E, § 3 of the Constitution of Maryland, the Commissioners of St. Michaels (the “Commissioners”), as the legislative body of the Town of St. Michaels (the “Town”), are authorized and empowered to amend the Charter of the Town of St. Michaels (the “Charter”); and

WHEREAS, pursuant to Article XI-3, § 4 of the Constitution of Maryland, an amendment to the Charter shall be proposed either by a resolution of the Commissioners or by a petition containing the signatures of at least twenty (20) percent of the registered voters of the Town and filed with the Commissioners; and

WHEREAS, pursuant to Md. Code Ann., Local Gov’t §§ 4-302(1) and 4-304, the Commissioners may initiate a proposed amendment or amendments to the Charter by a resolution which, except as otherwise specified in Title 4, Subtitle 3 of the Local Government Article, is adopted in the same manner as other resolutions in the Town by a majority of all the individuals elected to the Commissioners, as the legislative body of the Town, and the same shall be subject to the right of referendum; and

WHEREAS, in 2016 the Commissioners commissioned a comprehensive Full Reserve Study (the “Reserve Study”) that examined the physical assets of the Town government; the repair and replacement schedules for Town property, equipment and infrastructure; the financial mechanisms to adequately fund the depreciation of the Town’s physical assets in accordance with generally accepted municipal accounting standards, and potential funding sources to implement the recommendations from the Reserve Study; and

WHEREAS, the Commissioners deem it in the best interests of the Town to implement certain recommendations resulting from the Reserve Study and to amend the Charter and certain fiscal management policies of the Town accordingly; and

WHEREAS, the Commissioners, to provide for the reasonable and appropriate representation of the citizens of the Town and to provide for the better management and governance of the Town and its affairs, deem it necessary and appropriate for the good government and citizens of the Town to amend certain provisions of the Charter as set forth herein.

1 NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMISSIONERS OF ST.
2 MICHAELS that, pursuant to the authority of Article XI-E of the Constitution of Maryland and
3 §§ 4-302(1) and 4-304 of the Local Government Article of the Maryland Annotated Code, the
4 Charter of St. Michaels (as published in Compilation of Municipal Charters, Chapter 128, Vol. 7
5 (2001 Edition and February 2016 Supplement) be, and the same is hereby, amended as follows:
6

7 **SECTION 1.** Article V, § C-49 of the Charter is hereby amended as follows:
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9 **§ C-49 Lapse of appropriations after one year.**

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11 All appropriations lapse at the end of the budget year to the extent that they are not expended or
12 lawfully encumbered. Any unexpended and unencumbered funds shall be considered a surplus at
13 the end of the budget year and shall be ((included among the anticipated revenues for the next
14 succeeding budget year)) either included in the anticipated revenues for the next budget year or
15 otherwise included in a specific Town fund to be determined by the Town Commissioners.
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17 **SECTION 2.** Article V, § C-55 of the Charter is hereby amended as follows:
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19 **§ C-55 Sale of tax-delinquent property.**

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21 A list of all property on which the Town taxes have not been paid, or on which the Town has any
22 lien for water, sewer, or other charges which have not been paid, and which are in arrears as
23 provided by § C-54 (When taxes are overdue) of this Charter, shall be turned over by the Town
24 Clerk to the official of Talbot County responsible for the sale of tax-delinquent property as
25 provided by state law. All such property for which Town taxes, water, sewer, or other charges
26 remain in arrears shall be sold for taxes by that county official, in the manner prescribed by state
27 law.
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29 **SECTION 3.** Article V, § C-62.1 of the Charter is hereby amended as follows:
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31 **§ C-62.1 Balance of revenues from lease and sale of St. Michaels electric distribution**
32 **system.**
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34 After the Town has ceased to own and ceased to have any responsibility for operating the St
35 Michaels electric distribution system (the "System"), after the Town has received all payments
36 due to it relating to the lease and/or sale of the System, and after the Town has made all
37 payments due from it relating to the System, then the balance of all such revenues, and the
38 balance the Town's sinking fund relating to the System, after payment of all expenses of the
39 Town relating to the termination of the lease of the System to Delmarva Power & Light
40 Company and the sale of the System to Choptank Electric Cooperative, Inc., shall be transferred
41 to the Town's general fund. The funds thus transferred to the Town's general fund shall be
42 segregated and such funds, together with all earnings thereon, shall be used solely for such Town
43 capital improvements ((by the Town)), repairs and maintenance as deemed appropriate by the
44 Town Commissioners from time-to-time.
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1 **SECTION 4.** A new § C-62.2 entitled “Town Funds” shall be added to Article V – Finance of
2 the Charter as follows:

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4 **§ C-62.2 Town funds.**

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6 The Town Commissioners shall segregate Town monies into separate funds to help ensure the
7 Town’s long-term financial stability. Upon the Town Clerk’s recommendation, the Town
8 Commissioners shall establish by resolution the balances maintained in such funds and the
9 methods for maintenance. The following funds shall be established and maintained as the Town
10 Commissioners deem appropriate from time to time:

11
12 A. General Operating Fund. A fund used to account for all activity, assets and liabilities of the
13 Town except those assigned for other purposes in another specific fund. This fund is the
14 primary operating fund that contains uncommitted resources that may be used for the Town’s
15 general purposes.

16
17 B. Repair and Replacement Fund. A fund used to cover anticipated expenses for the repair and
18 replacement of Town facilities, equipment, and infrastructure, otherwise known as reserve
19 elements, as identified in a formal reserve study, which may be updated from time to time at
20 the Town Commissioners’ discretion and may be further defined and described by resolution.
21 This fund’s purpose is to maintain adequate reserves for the repair, maintenance and
22 replacement of Town assets over time.

23
24 C. Capital Fund. A fund used for capital projects and improvements, including the acquisition
25 of property and assets not accounted for in the Repair and Replacement Fund.

26
27 D. Contingency Fund. A fund used to manage uncertain or unexpected emergencies, events,
28 and risks.

29
30 E. Water System Enterprise Fund. A fund used to manage the Town’s Water System finances.
31 This fund may be used for all activity related to the Town’s Water System, including capital
32 expenditures.

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35 **SECTION 5.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
36 MICHAELS that, in this Resolution, unless a section of the Charter is expressly repealed in its
37 entirety and reenacted, new or added language is underlined and deleted text is enclosed in
38 double parentheses. Language added after the date of introduction is in italicized type and text
39 deleted after the date of introduction is enclosed in bold brackets.

40
41 **SECTION 6.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
42 MICHAELS that if any section, subsection, sentence, clause, phrase, or portion of this
43 Resolution is for any reason held invalid or unconstitutional by any court of competent
44 jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and
45 such holding shall not affect the validity of the remaining portions of this Resolution, it being the
46 intent of the Council that this Resolution shall stand, notwithstanding the invalidity of any
47 section, subsection, sentence, clause, phrase, or portion hereof.

1 **SECTION 7.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
2 MICHAELS that to the extent that any section of the Charter is in conflict with the provisions of
3 Sections 1 through 4 of this Resolution, such section or sections be and hereby are repealed to
4 the extent of such conflict.
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6 **SECTION 8.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
7 MICHAELS that the Charter amendments adopted by this Resolution shall become effective
8 upon the fiftieth (50th) day after adoption unless a proper petition for a referendum hereon shall
9 be filed on or before the fortieth (40th) day after adoption, as provided by law. A complete and
10 exact copy of this Resolution shall be posted at the Edgar M. Bosley, Jr. Municipal Building, 300
11 Mill Street, St. Michaels, Maryland 21663, or another main municipal building or public place,
12 for a period of at least forty (40) days following its adoption, and the title to this Resolution,
13 being a fair summary of the Charter amendments adopted hereby, shall be published in a
14 newspaper of general circulation in the Town not less than four (4) times, at weekly intervals
15 within a period of at least forty (40) days, starting immediately after the date of its adoption.
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17 **SECTION 9.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
18 MICHAELS that as soon as the Charter amendments adopted by this Resolution shall become
19 effective, either as herein provided or following a referendum, the Town Clerk/Manager or the
20 Town's chief executive officer shall send by certified mail, return receipt requested, bearing a
21 postmark from the United States Postal Service, to the Department of Legislative Services of the
22 State of Maryland, the following documents or information concerning the Charter amendments
23 herein: (1) the complete text of this Resolution; (2) the date of the referendum election, if any,
24 held with respect thereto; (3) the number of votes cast for or against this Resolution by the
25 Council or in a referendum; and (4) the effective date of the Charter amendments.
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27 **SECTION 10.** BE IT FURTHER RESOLVED BY THE COMMISSIONERS OF ST.
28 MICHAELS that the Town Clerk/Manager is hereby authorized and directed to carry out the
29 provisions of Sections 8 and 9 hereof; and as evidence of compliance herewith, the Town
30 Clerk/Manager shall cause to be affixed to the minutes of the Commissioners for the meeting at
31 which this Resolution is adopted: (1) a certificate to the effect that this Resolution was duly and
32 properly posted as provided in Section 8 herein; (2) an appropriate certificate of publication in
33 the newspaper in which the fair summary of the Charter amendments herein shall have been
34 published as provided in Section 8 herein; and (3) the return receipt of the mailing as provided in
35 Section 9 herein; provided, however, that failure to comply with any of the foregoing shall not
36 invalidate this Resolution.
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38 THIS CHARTER AMENDMENT RESOLUTION HAVING BEEN INTRODUCED by
39 The Commissioners of St. Michaels at a Public Meeting held on the 9th day of August, 2017 at
40 6 o'clock p.m., in the meeting room of the Town Office of St. Michaels, Maryland.
41

42
43 A PUBLIC HEARING REGARDING THIS CHARTER AMENDMENT HAVING
44 BEEN HELD by the Commissioners of St. Michaels on the ___day of _____, 2017.
45

46 I HEREBY CERTIFY that the above Charter Amendment Resolution No. 2017-05 was
47 adopted by a yea and nay vote of the Commissioners of St. Michaels on the _____ day of
48 _____, 2017.

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Boos - _____
Bibb - _____
Myers - _____
Harrod - _____
Windon - _____

ATTEST: THE COMMISSIONERS OF ST. MICHAELS

Jean R. Weisman, Town Clerk\Manager

By: _____ (Seal)
William E. Boos, President

