

CHARTER AMENDMENT RESOLUTION NO. 2026-01

A CHARTER AMENDMENT RESOLUTION concerning

**TOWN BORROWING POWERS, SPECIFICALLY GENERAL OBLIGATION DEBT
AND TAX ANTICIPATION NOTES**

FOR the purpose of (1) repealing and re-enacting, with amendments, the title of Section 22-41 of the Charter of the Town of Vienna (the “Charter”), (2) inserting the sub-heading of “Miscellaneous” before Section 22-44 of the Charter, (3) adding Section 22-45 to the Charter and titling such Section, moving the prior text of Section 22-41 of the Charter to Section 22-45 of the Charter, and amending such text to (A) broaden the Town’s general obligation debt borrowing powers, (B) clarify that general obligation debt issued for water system or sewer system projects need not be structured, amortized and paid for in accordance with the Water and Sewerage Systems sub-heading of the Charter, (C) provide additional flexibility for general obligation debt borrowings, (D) remove references to bond anticipation notes and notes in anticipation of other sources of revenue from such Section, and (E) specify that any tax anticipation notes shall be issued in accordance with specified provisions of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended; setting forth the text of Section 22-45 of the Charter as it will read following the effective date of this Charter Amendment Resolution; 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 this Charter Amendment Resolution.

RECITALS

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

WHEREAS, the United States Department of Agriculture (“USDA”) has issued an obligation of funds for the United States of America to loan The Commissioners of Vienna (the “Town”) up to \$973,000 to finance a water system improvements project that includes (without limitation) relocating and drilling two new wells, constructing and equipping a new water treatment plant and a separately housed control room with treatment and filtration equipment, and abandonment of certain existing wells and water lines and the existing water treatment building, removal of sludge and reclamation of the existing water treatment plant site (collectively, the “Project”), and to evidence such loan the Town will be required to issue a general obligation bond to the United States of America, acting through USDA; and

WHEREAS, Section 22-41 of the Charter of the Town of Vienna, 2008 Replacement Edition, Revisions Current as of November 2018, as maintained by the Maryland Department of Legislative Services, as the same may have otherwise been amended to date (the “Charter”), which

is part of the "Water and Sewerage Systems" sub-heading of the Charter, provides that "In addition to any other borrowing powers contained in this Charter and notwithstanding any other provision of law The Commissioners of Vienna shall have the power and authority from time to time to borrow money and incur indebtedness in order to finance the enlargement, extension or repair of any of the public facilities owned by The Commissioners of Vienna including, but not limited to the public water system and public sewer system and to evidence such borrowing or indebtedness by the issuance of its tax anticipation notes, its bond anticipation notes, notes in anticipation of other sources of revenue or its general obligation bonds....;" and

WHEREAS, certain other Sections of the Charter provide for the payment of bonds of the Town without expressly authorizing such bonds; and

WHEREAS, the Project involves more than just the enlargement, extension or repair of the water supply system of the Town, and the references in certain other Sections of the Charter to the issuance of serial bonds and the amortization structure for such bonds does not fit with the amortization structure of a bond or bonds evidencing a USDA loan; and

WHEREAS, Section 22-41 of the Charter is contained under the "Water and Sewerage Systems" sub-heading of the Charter but applies to borrowings for more than just water and sewer system projects; and

WHEREAS, Section 22-44 of the Charter (Industrial and commercial development) is also contained under the "Water and Sewerage Systems" sub-heading of the Charter but is not related to the Town's water and sewerage systems; and

WHEREAS, bond counsel to the Town has requested that the Board of Commissioners of the Town, the governing body of the Town (the "Board of Commissioners"), repeal and re-enact, with amendments, the title of Section 22-41 of the Charter; create a new sub-heading of the Charter titled "Miscellaneous" before existing Section 22-44 of the Charter; and add Section 22-45 to the Charter, move the prior text of Section 22-41 of the Charter to Section 22-45 of the Charter, and amend the text of former Section 22-41 of the Charter (making it Section 22-45 of the Charter) to broaden the Town's borrowing powers, including to accommodate the anticipated USDA loan, and to alleviate any confusion as to whether other Sections of the Charter must apply to borrowings for the public water system and the public sewer system; and

WHEREAS, Section 22-41 of the Charter currently refers to bond anticipation notes and notes in anticipation of other sources of revenue, but bond counsel to the Town has recommended that such references be removed from such renumbered and amended Section because (i) bond anticipation note issuing authority is covered by other provisions of Maryland public general law, and (ii) the Charter would need to be further amended to cover the issuance of revenue bonds or notes; and

WHEREAS, the Board of Commissioners deems it to be in the best interests of the Town and its residents to so amend the Charter for the purposes stated in these Recitals; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COMMISSIONERS OF VIENNA, THAT:

SECTION 1. The Recitals to this Charter Amendment Resolution are deemed a substantive part of this Charter Amendment Resolution, and capitalized terms defined in the Recitals to this Charter Amendment Resolution and used in the Sections of this Charter Amendment Resolution shall have the meanings given to such terms in such Recitals, unless any such term is separately defined in the Sections of this Charter Amendment Resolution.

SECTION 2. (a) Pursuant to the authority of Article XI-E of the Maryland Constitution and Section 4-301 *et seq.* of the Local Government Article, the title of Section 22-41 of the Charter (Additional bonds and borrowing powers) as in effect prior to the effective date of this Charter Amendment Resolution is hereby repealed in its entirety and re-enacted, with amendments, to read as follows (additions are indicated in italics and deletions are enclosed in double parentheses):

Section 22-41. ((Additional bonds and borrowing powers.)) [INTENTIONALLY LEFT BLANK]

(b) From and after the effective date of this Charter Amendment Resolution, the title of Section 22-41 of the Charter shall read as follows: Section 22-41. [INTENTIONALLY LEFT BLANK]

SECTION 3. Pursuant to the authority of Article XI-E of the Maryland Constitution and Section 4-301 *et seq.* of the Local Government Article, the Charter is hereby amended by inserting a sub-heading titled "Miscellaneous" before the title of Section 22-44 of the Charter (Industrial and commercial development) as in effect prior to the effective date of this Charter Amendment Resolution to read as follows (insertion is indicated in italics) and without changing the title or the text of Section 22-44 of the Charter:

Miscellaneous

Section 22-44. Industrial and commercial development.

SECTION 4. Pursuant to the authority of Article XI-E of the Maryland Constitution and Section 4-301 *et seq.* of the Local Government Article, (i) Section 22-45 is added to the Charter and given a title, (ii) the text of Section 22-41 of the Charter (Additional bonds and borrowing powers) as in effect prior to the effective date of this Charter Amendment Resolution is hereby moved to new Section 22-45 of the Charter, and (iii) such moved text of prior Section 22-41 is hereby amended to read as follows, with italicized language indicating additions to the text of prior Section

22-41 of the Charter and double parentheses indicating deletions from the text of prior Section 22-41 of the Charter:

Section 22-45. General obligation borrowing powers.

(a) In addition to any other borrowing powers contained in this Charter and notwithstanding any other provision of law, ((The Commissioners of Vienna)) *the Town* shall have power and authority from time to time to borrow money and incur indebtedness ((in order to finance, reimburse or refinance the enlargement, extension or repair of any of the public facilities owned by The Commissioners of Vienna including, but not limited to the public water system and public sewer system)) *for any public purpose* and to evidence such borrowing or indebtedness by the issuance of its ((tax anticipation notes, its bond anticipation notes, notes in the anticipation of other sources of revenue or its)) *general obligation bonds or notes* ((without limitation as to the rate of interest or aggregate amount notwithstanding any limitation as may appear in any other section of this Charter)), the same to be issued, sold and delivered in accordance with the terms of an ordinance *and/or* resolution passed by ((The Commissioners of Vienna)) *the Board of Commissioners*, which may provide for private sale without necessity for advertisement or other solicitation of competitive bids. *Any general obligation bonds issued to finance, reimburse or refinance projects for the Town's water system or sewer system may be structured, amortized and paid for in any manner not prohibited by Title 19, Subtitle 3 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended, or other applicable law and need not be subject to the provisions of the Water and Sewerage Systems sub-heading of this Charter. Any general obligation bonds or notes (i) may be sold for cash or other consideration, and (ii) may be sold at, above or below par value. If any general obligation bonds or notes are subject to redemption prior to maturity, notice of such redemption may be given in any manner provided for by ordinance or resolution and need not be published. For any general obligation bonds or notes sold by public sale at competitive bid, the ordinance or resolution providing for such sale may specify that (i) the notice of sale does not have to be published and instead may be disseminated by being posted or made 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 summary thereof may be provided or disseminated by any other then-commercially reasonable manner for the sale of municipal obligations, and (ii) 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.*

(b) *The Town may issue tax anticipation notes in accordance with Title 19, Subtitle 3 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended.*

(c) *The ordinance or resolution providing for any general obligation bonds or notes or any tax anticipation notes may delegate to one or more specified official or officials the authority to approve any matters or make any determinations contemplated with respect to such obligations.*

(d) *The power conferred on the Town under this Section shall be deemed to be additional and supplemental to any other general obligation or tax anticipation note borrowing authority available under Maryland, Town or federal law, and the Town may authorize, issue, sell and secure any such general obligation debt or tax anticipation notes in conformity with this Section and/or any other applicable law.*

SECTION 5. From and after the effective date of this Charter Amendment Resolution, Section 22-45 of the Charter shall read as follows:

Section 22-45. Borrowing powers.

(a) In addition to any other borrowing powers contained in this Charter and notwithstanding any other provision of law, the Town shall have power and authority from time to time to borrow money and incur indebtedness for any public purpose and to evidence such borrowing or indebtedness by the issuance of its general obligation bonds or notes, the same to be issued, sold and delivered in accordance with the terms of an ordinance and/or resolution passed by the Board of Commissioners, which may provide for private sale without necessity for advertisement or other solicitation of competitive bids. Any general obligation bonds issued to finance, reimburse or refinance projects for the Town's water system or sewer system may be structured, amortized and paid for in any manner not prohibited by Title 19, Subtitle 3 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended, or other applicable law and need not be subject to the provisions of the Water and Sewerage Systems sub-heading of this Charter. Any general obligation bonds or notes (i) may be sold for cash or other consideration, and (ii) may be sold at, above or below par value. If any general obligation bonds or notes are subject to redemption prior to maturity, notice of such redemption may be given in any manner provided for by ordinance or resolution and need not be published. For any general obligation bonds or notes sold by public sale at competitive bid, the ordinance or resolution providing for such sale may specify that (i) the notice of sale does not have to be published and instead may be disseminated by being posted or made 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 summary thereof may be provided or disseminated by any other then-commercially reasonable manner for the sale of municipal obligations, and (ii) 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.

(b) The Town may issue tax anticipation notes in accordance with Title 19, Subtitle 3 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended.

(c) The ordinance or resolution providing for any general obligation bonds or notes or any tax anticipation notes may delegate to one or more specified official or officials the authority to approve any matters or make any determinations contemplated with respect to such obligations.

(d) The power conferred on the Town under this Section shall be deemed to be additional and supplemental to any other general obligation or tax anticipation note borrowing authority available under Maryland, Town or federal law, and the Town may authorize, issue, sell and secure any such general obligation debt or tax anticipation notes in conformity with this Section and/or any other applicable law.

SECTION 6. The amendments to the Charter proposed by this Charter Amendment Resolution shall be and become effective fifty (50) days after adoption of this Charter Amendment Resolution 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 as required by Section 4-304(b)(1) of the Local Government Article for forty (40) days following its adoption and a fair summary of the Charter amendment shall be published in a newspaper of general circulation in the Town at least four (4) times, at weekly intervals, within the forty (40) days following adoption of this Charter Amendment Resolution.

SECTION 7. After this Charter Amendment Resolution becomes effective, either as herein provided or following referendum, the Mayor of the Town shall send or cause to be sent to the Maryland Department of Legislative Services the information required by Sections 4-308 and 4-109 of the Local Government Article.

SECTION 8. The Mayor of the Town is hereby authorized and directed to carry out or cause to be carried out the provisions of Sections 6 and 7 of this Charter Amendment Resolution.

SECTION 9. The title of this Charter Amendment Resolution is deemed a fair summary hereof for publication and all other purposes.

[CONTINUED ON FOLLOWING PAGE]

THE COMMISSIONERS OF VIENNA

Pam Travers
Mayor and Commissioner

Greg Cusick
Commissioner

Frank Fluharty
Commissioner

INTRODUCED at a public meeting held on _____, 2026.

PUBLIC HEARING held on _____, 2026.

ADOPTED at a public meeting held on _____, 2026.

Votes on the Charter Amendment Resolution:

_____ votes in favor
_____ votes opposing
_____ votes abstaining

EXPLANATION:

Underlining indicates amendments to the Resolution following introduction.

~~Strike Out~~ indicates matter stricken from the Resolution by amendment following introduction.

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