

Ordinance No. 2299

AN ORDINANCE OF THE COUNCIL (THE "COUNCIL") OF THE CITY OF SALISBURY TO AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE "CITY") TO ISSUE AND SELL FROM TIME TO TIME, UPON ITS FULL FAITH AND CREDIT, GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00), THE PROCEEDS OF THE SALE THEREOF TO BE USED AND APPLIED FOR THE PUBLIC PURPOSE OF FINANCING, REIMBURSING OR REFINANCING COSTS (AS DEFINED HEREIN, WHICH INCLUDE ISSUANCE COSTS AND CAPITALIZED INTEREST) OF THE PUBLIC PURPOSE PROJECT IDENTIFIED HEREIN AS "FACILITY RENOVATION - FIRE STATION #2"; PROVIDING FOR THE ADOPTION OF A RESOLUTION OR RESOLUTIONS OF THE COUNCIL TO DETERMINE, APPROVE OR PROVIDE FOR VARIOUS MATTERS RELATING TO THE AUTHORIZATION, SALE, SECURITY, ISSUANCE, DELIVERY, PAYMENT AND REDEMPTION OF AND FOR EACH SERIES OF THE BONDS; AUTHORIZING AND EMPOWERING THE COUNCIL TO PROVIDE BY RESOLUTION FOR THE ISSUANCE AND SALE FROM TIME TO TIME OF ONE OR MORE SERIES OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00), PRIOR TO AND IN ANTICIPATION OF THE ISSUANCE OF ANY OF THE BONDS AUTHORIZED HEREBY, IN ORDER TO FINANCE OR REIMBURSE PROJECT COSTS ON AN INTERIM BASIS; AUTHORIZING AND EMPOWERING THE COUNCIL TO PROVIDE BY RESOLUTION FOR THE ISSUANCE AND SALE FROM TIME TO TIME OF ONE OR MORE SERIES OF GENERAL OBLIGATION BONDS IN ORDER TO REFUND ANY OF THE BONDS ISSUED PURSUANT TO THE AUTHORITY OF THIS ORDINANCE (INCLUDING PAYING ISSUANCE COSTS AND INTEREST ON SUCH REFUNDING BONDS), PROVIDED THAT, THE AGGREGATE PRINCIPAL AMOUNT OF ANY SUCH ISSUE OF REFUNDING BONDS SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS REFUNDED THEREFROM; PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES SUFFICIENT FOR, AND PLEDGING THE FULL FAITH AND CREDIT AND UNLIMITED TAXING POWER OF THE CITY TO, THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON EACH SERIES OF THE BONDS, THE BOND ANTICIPATION NOTES AND THE REFUNDING BONDS AUTHORIZED HEREBY (THE "OBLIGATIONS"); PROVIDING THAT THE PRINCIPAL OF AND INTEREST ON EACH SERIES OF SUCH OBLIGATIONS ALSO MAY BE PAID FROM ANY OTHER SOURCES OF REVENUE LAWFULLY AVAILABLE TO THE CITY FOR SUCH PURPOSE; PROVIDING THAT CERTAIN ACTIONS MAY BE TAKEN OR PROVIDED FOR BY RESOLUTION IN CONNECTION WITH THE REISSUANCE OF ANY OF THE OBLIGATIONS; PROVIDING THAT ANY OF THE OBLIGATIONS AUTHORIZED HEREBY MAY BE CONSOLIDATED WITH ANY BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS

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AUTHORIZED BY THE COUNCIL AND ISSUED AS A SINGLE SERIES OF BONDS, BOND ANTICIPATION NOTES AND/OR REFUNDING BONDS; AUTHORIZING AND DIRECTING OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ANY AND ALL ACTION NECESSARY TO COMPLETE AND CLOSE THE SALE AND DELIVERY OF THE OBLIGATIONS; PROVIDING THAT THIS TITLE SHALL BE DEEMED A STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE FOR ALL PURPOSES; AND OTHERWISE GENERALLY RELATING TO THE ISSUANCE, SALE, DELIVERY AND PAYMENT OF THE OBLIGATIONS.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the "City"), is authorized and empowered by Sections 19-301 through 19-309 of the Local Government Article of the Annotated Code of Maryland (previously codified as Sections 31 through 37 of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Enabling Act"), and Sections SC7-45 and SC7-46 of the Charter of the City of Salisbury, as replaced, supplemented or amended (the "Charter"), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds; and

WHEREAS, the City has determined to undertake the public purpose project identified in Section 3 of this Ordinance; and

WHEREAS, the City has determined to authorize the issuance from time to time of one or more series of its general obligation bonds in order to finance, reimburse or refinance all or a portion of the costs of the public purpose project identified in Section 3 of this Ordinance; and

WHEREAS, prior to issuing one or more series of the bonds authorized hereby, the City may need to obtain interim financing in order to finance or reimburse applicable project costs on a timely basis through the issuance from time to time of general obligation bond anticipation notes in one or more series pursuant to the authority of Sections 19-211 through 19-223 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 12 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Bond Anticipation Note Enabling Act"); and

WHEREAS, subsequent to the issuance of any bonds provided for herein, the City may desire to refund or advance refund all or a portion of such bonds through the issuance from time to time of one or more series of its general obligation refunding bonds pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the "Refunding Act"); and

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WHEREAS, the City has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on any general obligation bonds, bond anticipation notes or refunding bonds authorized hereby; and

WHEREAS, although Section SC7-46.E of the Charter provides that the City shall determine the manner of selling any bonds, notes or other evidences of indebtedness by resolution, it is the expectation of the Council of the City (the "Council") that, as authorized by such Section of the Charter, the Bond Anticipation Note Enabling Act and the Refunding Act, as applicable, each series of the bonds, the bond anticipation notes and the refunding bonds authorized hereby shall be sold by private (negotiated) sale unless the Council determines otherwise by resolution; and

WHEREAS, the City shall issue any bonds, bond anticipation notes or refunding bonds authorized hereby in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Council pursuant to the authority of the Enabling Act, the Charter, this Ordinance and other applicable law.

SECTION 1. NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that:

(a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance and not defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law to act in such titled official's stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting capacity under the Charter or other applicable law, (iii) to any person who serves in a "Deputy" or "Assistant" capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy or assistant in accordance with applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the code of ordinances of the City (the "City Code"), the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION 2. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act and the Charter, the City hereby determines to borrow money and incur indebtedness from time to time for the public purpose of financing, reimbursing or refinancing costs (as defined in Section 3(b) hereof) of the Project identified in Section 3(b) hereof.

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SECTION 3. BE IT FURTHER ORDAINED that:

(a) To evidence the borrowing and indebtedness authorized in Section 2 of this Ordinance, the City, acting pursuant to the authority of the Enabling Act and the Charter, hereby determines to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation bonds in an aggregate principal amount not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000.00) (collectively, the "Bonds"). Any series of the Bonds may be issued as one or more bonds and any such bond may be issued in installment form and/or draw-down form.

(b) With respect to the project listed below, the word "costs" as used in Section 2 hereof shall include, as applicable, land and right-of-way acquisition and development; site and utility improvements; acquisition, construction, expansion, demolition, reconstruction, replacement, renovation, rehabilitation, improvement, installation, furnishing and equipping activities and expenses, and related or similar costs; planning, design, engineering, architectural, feasibility, inspection, construction management, surveying, permitting, financial and legal expenses, and related or similar costs; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); interest during construction and for a reasonable period thereafter (whether or not expressly so stated); and any such costs that may represent the City's share or contribution to the financing, reimbursement or refinancing of such project. The project to which proceeds of the Bonds (or BANs, as identified in Section 6 hereof) are to be applied is identified in the City's capital improvement program as "Facility Renovation – Fire Station #2", and as the same may be amended or modified in accordance with applicable law, is referred to herein as the "Project". It is the intention of the Council that proceeds of the Bonds (or of any of the BANs, as applicable) may be spent on any applicable costs (as defined above) relating to the Project.

(c) In the event the City issues any series of the BANs pursuant to Section 6 of this Ordinance, proceeds of the Bonds of any series in anticipation of which such BANs were issued may also be applied to prepay or pay principal, premium and/or interest on such series of the BANs in accordance with the Bond Anticipation Note Enabling Act, and such application shall be deemed the payment of "costs" for purposes of this Ordinance.

SECTION 4. BE IT FURTHER ORDAINED that the proceeds of the Bonds shall be used and applied by the City exclusively and solely for the public purposes described in Section 3 of this Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law.

SECTION 5. BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, the Charter and this Ordinance, the Council, prior to the issuance, sale and delivery of each series of the Bonds, shall adopt a resolution or resolutions (in each such case and, collectively, the "Resolution") specifying, prescribing, determining, providing for or approving such matters, details,

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forms (including, without limitation, the complete forms of the Bonds of such series), documents or procedures as may be required by the Enabling Act, the Charter or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Bonds. The Resolution shall set forth, determine or provide for the determination of, provide for, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Bonds; the date of issue of such series of the Bonds; the aggregate principal amount of such series of the Bonds; the denominations of such series of the Bonds; the maturity or maturities of such series of the Bonds; the principal installment or installments payable on such series of the Bonds; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Bonds, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties payable on the Bonds of such series or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Bonds or the method of determining the purchase price; provisions relating to the prepayment or redemption of such series of the Bonds at the City's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Bonds to put or cause the prepayment or redemption of the same at their option; the manner of selling such series of the Bonds, which may be by private (negotiated) sale without advertisement or solicitation of competitive bids or at public sale after publication or dissemination of the notice of sale, and all matters in connection therewith; provisions for the appropriation, disposal and investment of proceeds of such series of the Bonds; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Bonds, which may include, without limitation, on costs of the Project or on debt service payable on such series of the Bonds, to the extent permitted by applicable law; the selection of any bond registrar, paying agent, investment bidding agent or other appropriate parties in connection with such series of the Bonds; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Bonds; and all other terms and conditions pursuant to which such series of the Bonds will be issued, sold and delivered, including, without limitation, any other determinations to be made by resolution as required by Charter Section SC7-46.A. Among other matters, the Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i) any commitment fee or similar fee and any other costs payable in connection with any series of the Bonds, (ii) the obtaining of credit enhancement or liquidity enhancement for any series of the Bonds (and the execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements necessary to enhance the marketability of or as security for any series of the Bonds, including (without limitation) any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. Any Resolution may determine the matters identified in this Section 5 for more than one series of the Bonds.

SECTION 6. BE IT FURTHER ORDAINED that (a) pursuant to the authority of the Bond Anticipation Note Enabling Act and the Charter, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation bond anticipation notes in one or more series from time to time in an aggregate principal amount not to exceed Four

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Million Two Hundred Thousand Dollars (\$4,200,000.00) (collectively, the "BANs"), prior to and in anticipation of the sale of any series of the Bonds, for the public purpose of financing or reimbursing costs of the Project on an interim basis. Any such series of the BANs may consist of one or more notes and any note may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the BANs, the Council shall adopt a resolution or resolutions pursuant to the authority of the Bond Anticipation Note Enabling Act, the Charter and this Ordinance authorizing such series of the BANs and specifying, prescribing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the BANs, the same types of matters, details, forms, documents or procedures and determinations specified to be made or addressed in Section 5 hereof with respect to each series of the Bonds, to the extent applicable with respect to such series of the BANs, and as otherwise may be authorized or required by applicable law.

(b) As authorized by the Bond Anticipation Note Enabling Act, by resolution the Council may provide for the renewal of any series of the BANs at maturity with or without resale, together with any amendments or modifications to such series of the BANs and any related documentation.

SECTION 7. BE IT FURTHER ORDAINED that pursuant to the authority of the Refunding Act and the Charter, the City is hereby authorized and empowered to issue and sell, upon its full faith and credit, its general obligation refunding bonds in one or more series from time to time (collectively, the "Refunding Bonds"), for the purpose of refunding or advance refunding any of the Bonds authorized hereby, including the payment of any outstanding and unpaid principal, any prepayment or redemption premium and any interest accrued or to accrue to the date of prepayment, redemption, purchase or maturity of the Bonds to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such series of the Refunding Bonds, and, to the extent determined by the Council by resolution, paying interest on such series of the Refunding Bonds, for the public purpose of realizing savings to the City in the aggregate cost of debt service on either a direct comparison or present value basis or in order to accomplish any debt restructuring or other purpose that is permitted by applicable law; provided that, the aggregate principal amount of any issue of the Refunding Bonds shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Bonds refunded therefrom. Any such series of the Refunding Bonds may consist of one or more bonds and any bond may be issued in installment form and/or draw-down form. Prior to the issuance, sale and delivery of each series of the Refunding Bonds, the Council shall adopt a resolution or resolutions authorizing such series of the Refunding Bonds and specifying, describing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Bonds, the same types of matters, details, forms, documents, procedures and determinations specified to be made or addressed in Section 5 hereof with respect to each series of the Bonds, to the extent applicable to such series of the Refunding Bonds, and as otherwise may be authorized or required by applicable law, including, without limitation, the purposes of the Refunding Act to be achieved by the issuance

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of such series of the Refunding Bonds, the selection of any escrow agent or verification consultant, the determination of the Bonds to be refunded from such series of the Refunding Bonds, and any agreements, documents or other instruments necessary or desirable in connection with the refunding.

SECTION 8. BE IT FURTHER ORDAINED that (a) for the purpose of paying the principal of and interest on the Bonds, the BANs and the Refunding Bonds (individually or collectively, the "Obligations") when due, the City shall levy or cause to be levied, for each and every fiscal year during which any series of the Obligations may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the prompt payment, when due, of the principal of and interest on such series of the Obligations in each such fiscal year. If the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency.

(b) The full faith and credit and unlimited taxing power of the City are hereby irrevocably pledged to the prompt payment of the principal of and interest on each series of the Obligations as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. The City hereby covenants and agrees with the registered owners, from time to time, of each series of the Obligations to levy and collect the taxes hereinabove described and to take any further action that may be lawfully appropriate from time to time during the period that such series of the Obligations remains outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon.

(c) The foregoing provisions shall not be construed so as to prohibit the City from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the City or from any other funds legally available for that purpose (including, without limitation, (i) with respect to the BANs, from the proceeds of the Bonds and (ii) with respect to the Bonds, from the proceeds of the Refunding Bonds). Within any applicable limitations of Maryland or federal law (including, without limitation, the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder), the City may apply to the payment of the principal of or interest on any series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if such funds are granted or paid to the City for the purpose of assisting the City in the type of project which the Obligations of such series are issued to finance, reimburse or refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately. Pursuant to the authority of Section SC7-46.A. of the Charter, by resolution the Council may provide that all or a portion of the debt service on the allocable portion

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of any series of the Obligations shall be payable in the first instance from specified revenues or other moneys identified in such resolution, to the extent available for such purposes.

SECTION 9. BE IT FURTHER ORDAINED that by resolution, the Council may make any appropriate arrangements (including, without limitation, by authorizing one or more appropriate officials to make any elections, designations, determinations or filings on the City's behalf) in the event any right of the registered owner of an Obligation to put or cause the prepayment or redemption of such Obligation at its option, or any change in the interest rate of an Obligation, or any other modification to an Obligation could lead to a reissuance of such Obligation for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder.

SECTION 10. BE IT FURTHER ORDAINED that by resolution, the Council may determine that any of the Bonds, the BANs or the Refunding Bonds authorized hereby may be consolidated with any bonds, bond anticipation notes and/or refunding bonds authorized by the Council and issued as a single series of bonds, bond anticipation notes and/or refunding bonds.

SECTION 11. BE IT FURTHER ORDAINED that the Mayor, the City Administrator, the Director of Internal Services, the City Clerk and all other appropriate officials and employees of the City are hereby authorized and directed to take any and all action necessary to complete and close the sale and delivery of the Bonds, the BANs or the Refunding Bonds and to approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith.

SECTION 12. BE IT FURTHER ORDAINED that the title of this Ordinance shall be deemed to be, and is, a statement of the substance of this Ordinance for publication and all other purposes.

SECTION 13. BE IT FURTHER ORDAINED that this Ordinance shall become effective following approval by the Mayor or subsequent passage by the Council in accordance with the provision of Section SC2-12 of the Charter. Pursuant to Section SC2-16 of the Charter, this Ordinance shall not be subject to petition for referendum.

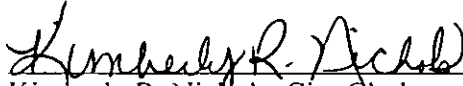
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THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 11 day of August, 2014, and thereafter, a statement of the substance of this Ordinance having been published as required by law, was finally passed by the Council ✓ [as introduced] \_\_\_\_\_ [as amended] [CHECK APPLICABLE LINE] on the 25 day of August, 2014.

ATTEST:

  
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Kimberly R. Nichols, City Clerk

  
\_\_\_\_\_  
Jacob R. Day, City Council President

APPROVED BY ME THIS 28<sup>th</sup> DAY OF August, 2014:

  
\_\_\_\_\_  
James Ireton, Jr., Mayor

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# City of Salisbury



MARYLAND

Salisbury



2010

125 NORTH DIVISION STREET  
SALISBURY, MARYLAND 21801  
Tel: 410-334-3028  
Fax: 410-548-3192

KEITH A. CORDREY  
DIRECTOR OF INTERNAL SERVICES

JAMES IRETON, JR.  
MAYOR

TOM STEVENSON  
CITY ADMINISTRATOR

TERENCE ARRINGTON  
ASSISTANT CITY ADMINISTRATOR

**To:** Tom Stevenson, City Administrator  
**CC:** Terence Arrington, Assistant City Administrator  
**From:** Keith Cordrey, Director of Internal Services *KAC*  
**Date:** August 1, 2014  
**Re:** FY 2015 Bond Ordinance

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The FY 2015 budget ordinance included the issuance of \$4,009,048 in bonds to fund the facility renovation for fire station #2. Included herein please find a bond ordinance, prepared by the City's bond counsel Lindsey Rader, Esquire, to further authorize the issuance. The bond ordinance authorizes up to \$4,200,000 in bond issuance to allow for the possibility proposals when received exceed current project/costs of issuance estimates and appropriation.

Also please find attached an ordinance authorizing the issuance of not to exceed \$2.8 million to refund the 2004A bond issued to CDA.

The City has authorized Davenport & Co., the City's financial advisor, to issue an RFP for the private placement of bonds in order to finance the fire station #2 project, refund the 2004A bond, refund the 2007 bond, and refund the 2009 bond. Neither ordinance prepared addresses the 2007 bond or the 2009 bond because the original ordinances prepared for those bonds already include refunding authority that specify refunding bonds may be issued and that details of any such refunding bonds shall be determined by resolution. The ordinance for the 2007 bond provides that refunding bonds can be issued in an aggregate principal amount not to exceed \$5.1 million to refund the 2007 bond. The ordinance for the 2009 bond provides that refunding bonds can be issued in an aggregate principal amount not to exceed 130% of the 2009 bond being refunded. None of that existing refunding authority has been utilized. Therefore, we do not need new ordinances at this time to refund the 2007 bond or the 2009 bond.

The city engaged Davenport to provide consulting service connected with the issuance. They have estimated the refunding of the 2004A bond, the 2007 bond and the 2009 bond could result in approximately \$559k of savings over the life of the scheduled debt service. See the attached schedule titled "Potential Series 2014 Public Sale - Refunding and New Money" for additional details.

Passage of the ordinances and issuance of the RFP does not obligate the City to issue bonds for any of the purposes described herein. The RFP reserves to the City the right to determine to reduce the amount of 2014 bonds to be issued for refunding purposes for any reason or to reject proposals received for purchase of any of the 2014 bonds. Details of any 2014 bonds to be issued will be determined or provided for by resolution.

We have scheduled the first reading for the August 11 meeting.

City of Salisbury, MD  
 Potential Series 2014 Public Sale  
 Refunding and New Money  
 July 7, 2014



Public Sale - Refunding Portion <sup>(1)</sup>						
Series/Description	Existing Coupons(s)	Estimated All-In TIC	Estimated NPV Savings %	Par Refunded	Call Provision	Existing Final Maturity
Series 2004A CDA Bonds	4.000% - 4.625%	2.45%	9.95%	\$2,690,000	Anytime @ 100%	5/1/2024
Series 2007 Bonds	4.03%	2.73%	6.00%	\$2,970,000	4/1/2015 @ 100%	4/1/2027
Series 2009 Bonds	3.78%	2.53%	5.72%	\$1,906,667	Anytime @ 100%	11/1/2024
<b>Total</b>			<b>7.23%</b>	<b>\$7,566,667</b>		

Public Sale - New Money Portion <sup>(2)</sup>						
Series/Description	Project Fund	Estimated All-In TIC	Total Estimated Debt Service	Max. Annual Debt Service	First Principal Payment	Final Maturity
Series 2014 New Money Portion	\$4,009,000	2.98%	\$4,976,656	\$337,600	4/1/2015	4/1/2034
<b>Total</b>	<b>\$4,009,000</b>					

(1) Public Sale - Refunding Portion assumes market conditions (MMD and SI.GS) as of 7/13/2014, closing on 9/19/2014, \$110,000 fixed costs of issuance and \$5/bond underwriter's discount (allocated proportionally between the Refunding and New Money portions).

(2) Direct Bank Loan - New Money Portion assumes market conditions (MMD) as of 7/13/2014, closing on 9/16/2014, \$110,000 fixed costs of issuance and \$5/bond underwriter's discount (allocated proportionally between the Refunding and New Money portions) and a level annual debt service structure.

Estimated Debt Service Results <sup>(3)</sup>					
Fiscal Year	Prior Debt Service	Refunding Debt Service	Savings	New Money Debt Service	Net Debt Service
2015	\$705,434	\$308,493	\$396,941	\$267,600	(\$129,341)
2016	944,662	858,619	86,044	335,800	249,756
2017	924,353	916,119	8,234	336,500	328,256
2018	912,788	902,219	10,569	337,100	326,531
2019	893,972	888,319	5,653	337,600	331,947
2020	881,927	872,469	9,458	335,700	326,242
2021	860,807	854,469	6,339	336,300	329,061
2022	843,137	836,069	7,068	336,500	329,432
2023	829,076	822,269	6,808	336,300	329,492
2024	812,471	802,869	9,602	335,700	326,098
2025	454,032	448,069	5,963	334,700	328,737
2026	267,449	265,469	1,980	336,150	334,170
2027	257,474	252,656	4,818	336,931	332,113
2028				337,400	337,400
2029				336,375	336,375
<b>Total</b>	<b>\$59,587,502</b>	<b>\$59,028,106</b>	<b>\$559,476</b>	<b>\$4,976,656</b>	<b>\$4,417,181</b>

(3) Estimated Debt Service Results are preliminary and subject to change. Estimated debt service results include all estimated costs of issuance (\$110,000 fixed costs of issuance and \$5/bond underwriter's discount). Please see footnotes 2 and 3 for additional assumptions.

City of Salisbury, MD  
 Potential Series 2014 Direct Bank Loan  
 Refunding and New Money  
 July 7, 2014



Direct Bank Loan - Refunding Portion						
Series/Description	Existing Coupon(s)	Estimated All-In TIC	Estimated NPV Savings %	Par Refunded	Call Provision	Existing Final Maturity
Series 2004A CDA Bonds	4.000% - 4.625%	2.85%	7.82%	\$2,690,000	Anytime @ 100%	5/1/2024
Series 2007 Bonds	4.03%	2.83%	5.28%	\$2,970,000	4/1/2015 @ 100%	4/1/2027
Series 2009 Bonds	3.78%	2.85%	4.17%	\$1,906,667	Anytime @ 100%	11/1/2024
<b>Total</b>			<b>5.90%</b>	<b>\$7,566,667</b>		

Direct Bank Loan - New Money Portion						
Series/Description	Project Fund	Estimated All-In TIC	Total Estimated Debt Service	Max. Annual Debt Service	First Principal Payment	Final Maturity
Series 2014 New Money Portion	\$4,009,000	3.07%	\$5,011,988	\$341,400	4/1/2015	4/1/2034
<b>Total</b>	<b>\$4,009,000</b>					

(1) Direct Bank Loan - Refunding Portion assumes a 2.73% interest rate for a 13 year term, closing on 9/16/2014, \$60,000 total costs of issuance (allocated proportionally between the Refunding and New Money portions) and a SLGS escrow as of 7/3/2014.

(2) Direct Bank Loan - New Money Portion assumes a 3.0% interest rate for a 15 year term, closing on 9/16/2014, \$60,000 total costs of issuance (allocated proportionally between the Refunding and New Money portions) and a level annual debt service structure. A direct bank loan with a 15 year term may be subject to a rate reset prior to final maturity.

Estimated Debt Service Results					
Fiscal Year	Prior Debt Service	Refunding Debt Service	Savings	New Money Debt Service	Net Debt Service
2015	\$705,434	\$396,560	\$308,874	\$265,688	(\$43,387)
2016	944,662	872,488	72,175	339,900	267,725
2017	924,353	919,200	5,153	338,150	332,997
2018	912,788	904,125	8,663	341,250	332,587
2019	893,972	883,913	10,059	339,050	328,991
2020	881,927	878,700	3,227	336,700	333,473
2021	860,807	853,075	7,732	339,200	331,468
2022	843,137	837,588	5,550	341,400	335,850
2023	829,076	821,963	7,114	338,300	331,186
2024	812,471	801,200	11,271	340,050	328,779
2025	454,032	450,438	3,595	336,500	332,905
2026	267,449	263,750	3,699	337,800	334,102
2027	257,474	256,875	599	338,800	338,201
2028				339,500	339,500
2029				339,900	339,900
<b>Total</b>	<b>\$9,587,582</b>	<b>\$9,139,872</b>	<b>\$447,709</b>	<b>\$5,011,988</b>	<b>\$4,564,278</b>

(3) Estimated Debt Service Results are preliminary and subject to change. Estimated debt service results include all estimated costs of issuance (\$60,000). Please see footnotes 2 and 3 for additional assumptions.

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