

Ordinance No. 2485

AN ORDINANCE OF THE CITY OF SALISBURY, MARYLAND ENTITLED AN ORDINANCE AMENDING AND SUPPLEMENTING ORDINANCE NO. 1870, PASSED BY THE COUNCIL OF THE CITY OF SALISBURY (THE "COUNCIL") ON JANUARY 27, 2003, APPROVED BY THE MAYOR OF THE CITY (THE "MAYOR") ON FEBRUARY 3, 2003 AND EFFECTIVE ON FEBRUARY 3, 2003, AS AMENDED AND SUPPLEMENTED BY ORDINANCE NO. 1888, PASSED BY THE COUNCIL ON DECEMBER 22, 2003, APPROVED BY THE MAYOR ON JANUARY 5, 2004 AND EFFECTIVE ON JANUARY 5, 2004, ORDINANCE NO. 2081, PASSED BY THE COUNCIL ON AUGUST 10, 2009, APPROVED BY THE MAYOR ON AUGUST 10, 2009 AND EFFECTIVE ON AUGUST 10, 2009, AND AS FURTHER AMENDED AND SUPPLEMENTED BY ORDINANCE NO. 2317, PASSED BY THE COUNCIL ON MARCH 23, 2015, APPROVED BY THE MAYOR ON MARCH 30, 2015 AND EFFECTIVE ON MARCH 30, 2015, IN ORDER TO AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE "CITY") TO USE AND APPLY A PORTION OF THE PROCEEDS OF THE \$5,614,000 THE CITY OF SALISBURY INFRASTRUCTURE BOND, 2003 SERIES A ISSUED ON JUNE 18, 2003 (THE "2003 BOND") AND HELD BY THE TRUSTEE FOR CERTAIN BONDS OF THE COMMUNITY DEVELOPMENT ADMINISTRATION IDENTIFIED HEREIN FOR THE PUBLIC PURPOSE OF FUNDING COSTS OF A PROJECT IDENTIFIED AS POLICE COMMUNICATIONS SYSTEM, IN ADDITION TO THE PROJECTS IDENTIFIED IN ORDINANCE NO. 1870, AS AMENDED AND SUPPLEMENTED BY ORDINANCE NO. 1888, ORDINANCE NO. 2081 AND ORDINANCE NO. 2317; MODIFYING CERTAIN DEFINITIONS CONTAINED IN ORDINANCE NO. 2317 IN ORDER TO PROVIDE THAT PROCEEDS OF THE 2003 BOND SHALL NOT BE APPLIED TO THE PROJECT IDENTIFIED IN ORDINANCE NO. 2317 AS MARINA SIGNAGE AND FENCE IMPROVEMENTS; AUTHORIZING AND DIRECTING OFFICIALS OF THE CITY TO APPROVE, EXECUTE AND DELIVER AMENDMENTS, MODIFICATIONS OR SUPPLEMENTS TO CERTAIN DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THE ISSUANCE OF THE 2003 BOND OR THE \$4,828,000 CITY OF SALISBURY PUBLIC IMPROVEMENTS REFUNDING BOND, SERIES 2011B BOND (THE "2011B BOND"), PROCEEDS OF WHICH WERE APPLIED TO REFUND AND REDEEM THE 2003 BOND, AND SUCH ADDITIONAL DOCUMENTS, AGREEMENTS, CERTIFICATES OR INSTRUMENTS AS MAY BE NECESSARY OR DESIRABLE IN ORDER TO REFLECT OR EFFECTUATE MATTERS PROVIDED FOR IN THIS ORDINANCE; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; PROVIDING THAT THIS TITLE IS A FAIR STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE; AND OTHERWISE GENERALLY RELATING TO THE USE OF PROCEEDS OF THE 2003 BOND AND THE 2011B BOND.

RECITALS

WHEREAS, City of Salisbury (the "Issuer" or the "City") is a municipal corporation of the State of Maryland organized and operating under a charter (the "Charter") adopted in accordance with Article XI-E of the Constitution of Maryland, and the City is subject to certain provisions of the Annotated Code of Maryland, including provisions codified in the Local Government Article of the Annotated Code of Maryland, as amended; and

WHEREAS, pursuant to Ordinance No. 1870, passed by the Council of the Issuer (the “Council”) on January 27, 2003, approved by the Mayor of the Issuer (the “Mayor”) on February 3, 2003 and effective on February 3, 2003 (“Ordinance No. 1870”) and the authority of Subtitle 2 of Title 2 of Article 83B of the Annotated Code of Maryland (now codified at Subtitle 2 of Title 4 of the Housing and Community Development Article of the Maryland Code, and as amended, the “Act”), the Issuer on June 18, 2003 issued its The City of Salisbury Infrastructure Bond, 2003 Series A in the aggregate principal amount of \$5,614,000 (the “2003 Bond”) in order to provide a portion of funds needed for costs of certain projects identified in Ordinance No. 1870, issuance costs, bond insurance premiums and other related costs (collectively, the “Original Project”); and

WHEREAS, the 2003 Bond constitutes the “Bonds” as identified in Ordinance No. 1870 and was sold to the Community Development Administration, an agency in the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland (the “Administration”), in connection with the Local Government Infrastructure Financing Program of the Administration (the “Program”) in order to evidence a loan from the Administration to the Issuer to finance Development Costs (as defined in the Original Repayment Agreement identified below) of the Original Project (which is referred to in the Original Repayment Agreement as the “Project”); and

WHEREAS, the 2003 Bond, together with certain obligations of other borrowers issued to the Administration pursuant to the Program, secured the repayment of the \$14,560,000 Community Development Administration Local Government Infrastructure Bonds (Ambac Insured), 2003 Series A (the “2003 Administration Bonds”); and

WHEREAS, in connection with the issuance of the 2003 Bond to the Administration, (i) the Issuer and the Administration entered into a Repayment Agreement dated as of March 1, 2003 (the “Original Repayment Agreement”) and a Pledge Agreement dated as of March 1, 2003 (the “Original Pledge Agreement”), and (ii) the Issuer executed and delivered certain additional documents, agreements, certificates or instruments (collectively with the Original Pledge Agreement and the Original Repayment Agreement, the “Original Program Documents”), including, without limitation, a Local Government General Certificate dated June 18, 2003 (the “Original General Certificate”), which Original General Certificate, among other matters, contains certain representations and covenants of the Issuer as to the use of the proceeds of the 2003 Bond and the Original Project and as to compliance with the provisions of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations promulgated thereunder (collectively, the “Code”); and

WHEREAS, pursuant to Ordinance No. 1888, passed by the Council on December 22, 2003, approved by the Mayor on January 5, 2004 and effective on January 5, 2004 (“Ordinance No. 1888” and, together with Ordinance No. 1870, the “2004 Amended Ordinance”), the Issuer amended Ordinance No. 1870 in order to allow proceeds of the 2003 Bond to be applied to an additional project described in Ordinance No. 1888 as the Northeast Collector Road Project (the “2004 Additional Project” and, together with the Original Project, the “2004 Modified Project”); and

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WHEREAS, although the Issuer enacted Ordinance No. 1888 to modify the definition of the Project as set forth in Ordinance No. 1870 to include the 2004 Additional Project, and proceeds of the 2003 Bond were subsequently applied to fund Development Costs of the 2004 Additional Project, the Issuer and the Administration, as applicable, did not execute and deliver amendments, modifications or supplements to the 2003 Bond or the Original Program Documents in 2004 to reflect use of the 2003 Bond for such purpose; and

WHEREAS, due to achieved costs savings with respect to 2004 Modified Project, pursuant to Ordinance No. 2081, passed by the Council on August 10, 2009, approved by the Mayor on August 10, 2009 and effective on August 10, 2009 (“Ordinance No. 2081” and, together with the 2004 Amended Ordinance, the “2009 Amended Ordinance”), the Issuer amended the 2004 Amended Ordinance in order to allow proceeds of the 2003 Bond to be applied to additional projects identified in Ordinance No. 2081 as (i) Mill Street Storm Drain Upgrade Engineering, (ii) South Baptist Street Storm Drain Construction, (iii) Northeast Collector Road Hike and Bike Trail, (iv) Circle Avenue Bridge Repair, and (v) Springfield Circle Storm Drain Repair Construction (collectively, the “2009 Additional Project” and, together with the 2004 Modified Project, the “2009 Modified Project”); and

WHEREAS, in order to allow for application of proceeds of the 2003 Bond to the 2009 Additional Project, the Issuer (i) executed and delivered a Supplemental Local Government General Certificate dated August 20, 2009, supplementing the Original General Certificate (the “2009 Supplemental General Certificate” and, together with the Original General Certificate, the “2009 Modified General Certificate”), (ii) entered into a First Amendment and Supplement to Repayment Agreement dated as of August 1, 2009 with the Administration, amending and supplementing the Original Repayment Agreement (the “2009 Repayment Agreement Amendment” and, together with the Original Repayment Agreement, the “2009 Modified Repayment Agreement”), and (iii) entered into an Agreement to Amend The City of Salisbury Infrastructure Bond, 2003 Series A dated as of August 1, 2009 with the Administration in order to add the 2004 Additional Project and the 2009 Additional Project to the list of projects set forth in the third paragraph of the bond certificate for the 2003 Bond; and

WHEREAS, the 2009 Supplemental General Certificate and the 2009 Repayment Agreement Amendment contain certain covenants, representations, certifications and agreements of the Issuer with respect to the 2004 Additional Project in addition to the 2009 Additional Project; and

WHEREAS, on December 13, 2011, the Issuer issued its \$4,828,000 City of Salisbury Public Improvements Refunding Bond, Series 2011B (the “2011B Bond”), proceeds of which were applied, in part, to advance refund the then-outstanding principal amount of the 2003 Bond; and

WHEREAS, as of the date of issuance of the 2011B Bond, the Issuer expected to have fully expended proceeds of the 2003 Bond prior to June 1, 2013; and

WHEREAS, the 2003 Bond was fully redeemed and retired as of June 1, 2013 in accordance with the provisions thereof, but due to unforeseen circumstances, certain proceeds of the 2003 Bond

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remain unexpended and are held by the trustee for the 2003 Administration Bonds (the “2003 Trustee”); and

WHEREAS, pursuant to the provisions of the Code, the unexpended proceeds of the 2003 Bond are considered “transferred proceeds” of the 2011B Bond; and

WHEREAS, pursuant to Ordinance No. 2317, passed by the Council on March 23, 2015, approved by the Mayor on March 30, 2015 and effective on March 30, 2015 (“Ordinance No. 2317” and, together with the 2009 Amended Ordinance, the “Existing Ordinance”), the City amended and supplemented the 2009 Amended Ordinance in order to allow unexpended proceeds of the 2003 Bond to be applied to fund costs of certain additional projects identified as follows: (i) City Park Tennis Lighting Improvements and (ii) Marina Signage and Fence Improvements (collectively, the “2015 Additional Project” and, together with the 2009 Modified Project, the “2015 Modified Project”); and

WHEREAS, notwithstanding the passage of Ordinance No. 2317, to date (i) the City and the Administration have not entered into any of the new or amendatory agreements, documents, certificates or instruments provided for therein and (ii) no unexpended proceeds of the 2003 Bond have been applied to Development Costs of the 2015 Modified Project; and

WHEREAS, notwithstanding the prior redemption and retirement of the 2003 Bond, the Issuer must obtain the Administration’s consent and approval with regard to application of the unexpended proceeds of the 2003 Bond; and

WHEREAS, the Issuer desires to amend and supplement the Existing Ordinance in order to allow unexpended proceeds of the 2003 Bond to be applied to fund costs of an additional project identified as Police Communications System that includes, without limitation, acquisition of radios and related equipment, including router voice recorders, related installation, improvement and other costs, and related building improvements, and financing costs; and

WHEREAS, accordingly, the Issuer desires to revise the description of the 2015 Modified Project as set forth in the Existing Ordinance and certain other documents, agreements, certificates and instruments executed and delivered by the Issuer in connection with the 2003 Bond or the 2011B Bond and to make or ratify certain covenants, agreements and representations with respect to the use of proceeds of the 2003 Bond, the 2003 Administration Bonds and the 2011B Bond as described herein and related matters.

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 incorporated by reference herein and deemed a substantive part of this Ordinance. Capitalized terms used in this Ordinance and defined in the Recitals shall have the meanings given to such terms in the Recitals except as otherwise provided in this Ordinance.

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(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter of the City (the “Charter”), the code of ordinances of the City (the “City Code”) or other applicable law or authority 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 or interim capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a “deputy”, “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other 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 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. References in Ordinance No. 2317 to the Director of Internal Services shall be construed to refer to the official of the Issuer now known as the Director of Finance.

SECTION 2. BE IT FURTHER ORDAINED that (a) from and after the effective date of this Ordinance the project identified in the Existing Ordinance as “Marina Signage and Fence Improvements” shall be deleted from the definitions of the 2015 Additional Project and the 2015 Modified Project contained in the Existing Ordinance, such that the 2015 Additional Project shall consist solely of the project identified in the Existing Ordinance as “City Park Tennis Lighting Improvements” and the 2015 Modified Project shall consist solely of the 2009 Modified Project as identified in the Existing Ordinance plus the project identified in the Existing Ordinance as “City Park Tennis Lighting Improvements”. Notwithstanding the provisions of the Existing Ordinance, the City no longer intends to apply unexpended proceeds of the 2003 Bond held by the 2003 Trustee to Development Costs of the project identified in the Existing Ordinance as “Marina Signage and Fence Improvements”. All other provisions of the Existing Ordinance remain in full force and effect and applicable to the expenditure of proceeds of the 2003 Bond with respect to the 2015 Modified Project (as modified pursuant to this subsection (a)), including, without limitation, the provisions of Sections 3 and 4 of Ordinance No. 2317, except to the extent otherwise expressly provided herein.

(b) From and after the effective date of this Ordinance the project commonly referred to by the City as the “Police Communications System” shall be added to the description of the 2015 Modified Project contained in the Existing Ordinance. The Police Communications System project is referred to herein as the “2018 Additional Project” and, together with the 2015 Modified Project (as modified as described in subsection (a) above), as the “2018 Modified Project”. Proceeds of the 2003 Bond may be applied to fund Development Costs of the 2018 Additional Project in accordance with the Original Program Documents, as amended, modified or supplemented to date and as the same may be further amended, modified or supplemented as provided for herein. It is the intention of the Issuer that proceeds of the 2003 Bond may be applied to fund any expenditures of the 2018 Additional Project that are contemplated by applicable City budgets and that are permitted by the Administration as Development Costs of the 2018 Additional Project.

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(c) The Issuer, by enactment of this Ordinance, expressly acknowledges the Administration's authority to approve expenditure of proceeds of the 2003 Bond.

(d) By undertaking the amendments to the Existing Ordinance provided for in subsections (a) and (b) of this Section 2, the Issuer is revising the definition of the "Project" as contained in Ordinance No. 1870 (referred to herein as the Original Project), as modified by the 2004 Additional Project identified in Ordinance No. 1888, the 2009 Additional Project identified in Ordinance No. 2081, and the 2015 Additional Project identified in Ordinance No. 2317 (as modified as provided in subsection (a) above), to include the 2018 Additional Project, and proceeds of the 2003 Bond may be applied to fund Development Costs of the 2018 Additional Project in addition to Development Costs of the Original Project, the 2004 Additional Project, the 2009 Additional Project and the 2015 Additional Project as previously identified in the Existing Ordinance and as modified as provided herein. From and after the effective date of this Ordinance, all references to the "Project" in the Existing Ordinance shall be deemed to include the 2018 Additional Project and the 2015 Additional Project (as modified as provided in subsection (a) above). From and after the effective date of this Ordinance, the provisions of this Section 2 shall amend the provisions of the Recitals of and Section 6 of Ordinance No. 1870, the provisions of Ordinance No. 1888, the provisions of Section 2 of Ordinance No. 2081 and the provisions of Section 2 of Ordinance No. 2317 with respect to the application of proceeds of the 2003 Bond, and it is intended that proceeds of the 2003 Bond may be applied to fund Development Costs of the 2018 Modified Project.

(e) References in this Ordinance to the application or use of proceeds of the 2003 Bond to fund Development Costs of the 2018 Modified Project shall be construed to mean (i) for purposes of the Act, the 2009 Modified Repayment Agreement and the 2009 Modified General Certificate, as the same may be amended, modified or supplemented as provided for herein, use of such proceeds (including investment earnings) held by the 2003 Trustee to finance or reimburse Development Costs of the 2018 Modified Project and (ii) to the extent applicable for purposes of the Code, expenditure or application of such proceeds as "transferred proceeds" of the 2011B Bond.

(f) The Council reasonably expects that all unexpended proceeds of the 2003 Bond shall be expended on or before August 1, 2018.

SECTION 3. BE IT FURTHER ORDAINED that (a) the Mayor is hereby authorized and directed to approve, execute and deliver, on behalf of the Issuer, any amendments, modifications or supplements to the 2009 Modified Repayment Agreement or the Original Pledge Agreement deemed necessary or desirable by the Administration in order to provide for or reflect the use of proceeds of the 2003 Bond to fund Development Costs of the 2018 Additional Project and related matters, including, without limitation, to modify the definition of "Project" contained therein to include the 2018 Additional Project. Any such amendments, modifications or supplements shall be in such form and shall contain such terms and conditions as shall be approved by the Mayor and acceptable to the Administration, and the execution thereof by the Mayor shall be conclusive evidence of his approval of the form and substance thereof.

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(b) The appropriate official or officials of the Issuer are hereby authorized and directed to approve, execute and deliver, on behalf of the Issuer, any amendments, modifications or supplements to the Original Program Documents, as the same may have been amended, modified or supplemented to date (other than the 2009 Modified Repayment Agreement and the Original Pledge Agreement) including, without limitation, the 2009 Modified General Certificate, deemed necessary or desirable by the Administration or its counsel in order to provide for or reflect the use of proceeds of the 2003 Bond to fund Development Costs of the 2018 Modified Project and related matters, including, without limitation, to modify the definition of "Project" contained therein to include the 2018 Additional Project or to provide for or ratify and confirm compliance with the provisions of the Code. Any such amendments, modifications or supplements shall be in such form and shall contain such terms and conditions as shall be approved by such appropriate official or officials and acceptable to the Administration, and the execution thereof by such appropriate official or officials shall be conclusive evidence of his, her or their approval of the form and substance thereof.

(c) In connection with the transactions contemplated by this Ordinance, any one or more of the Mayor, the City Administrator of the City, the Director of Finance of the City and the City Clerk of the City, acting within the scope of their respective authority, are hereby authorized and directed to approve, execute and deliver, on behalf of the Issuer, any amendments, modifications or supplements to any documents, certificates or instruments executed and delivered by the Issuer in connection with the issuance of the 2011B Bond and/or any additional documents, certificates or instruments deemed necessary or desirable by bond counsel to the City.

(d) The appropriate officials, officers and employees of the Issuer are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance, for the full, punctual and complete performance of all of the terms, covenants and provisions of the 2009 Modified Repayment Agreement, the Original Pledge Agreement, the 2009 Modified General Certificate, the 2011B Bond and the agreements, documents, certificates or instruments respectively related thereto, as the same may have been to date, or as the same may be further, amended, modified or supplemented in accordance with the provisions of this Ordinance, and to do and perform all acts and to approve, execute, seal and deliver all additional documents, agreements, certificates or instruments which may be necessary or desirable to carry out the full intent and purposes of this Ordinance, the 2009 Modified Repayment Agreement, the Original Pledge Agreement, the 2009 Modified General Certificate, the 2011B Bond and such related agreements, documents, certificates or instruments, as so amended, modified or supplemented.

SECTION 4. BE IT FURTHER ORDAINED that the Issuer covenants with the Administration and for the benefit of the owners from time to time of the 2003 Administration Bonds and the 2011B Bond that so long as the 2003 Administration Bonds or the 2011B Bond remain outstanding and unpaid, the Issuer will not (i) make any use of the proceeds of the 2003 Bond or the 2011B Bond or any moneys, securities or other obligations on deposit to the credit of the Issuer or otherwise which may be deemed by the Internal Revenue Service to be proceeds of the 2003 Bond or the 2011B Bond pursuant to Section 148 of the Code which would cause the 2003 Bond, the 2003 Administration Bonds or the 2011B Bond to be an "arbitrage bond" within the meaning of Section

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148 of the Code, or (ii)(A) take any action, (B) fail to take any action, or (C) make any use of the proceeds of the 2003 Bond or the 2011B Bond which would cause the interest on the 2003 Bond, the 2003 Administration Bonds or the 2011B Bond to be or become includible in gross income for federal income tax purposes in the hands of the owners thereof.

SECTION 5. BE IT FURTHER ORDAINED that as required by the Administration, prior to the passage of this Ordinance, the Issuer shall publish in a newspaper of general circulation in the jurisdiction of the Issuer a notice of the nature of the 2018 Additional Project to be funded from proceeds of the 2003 Bond, the time and place of the public hearing, and the name and address where written comments may be sent, and the Issuer shall hold a public hearing on the proposed use of proceeds of the 2003 Bond to fund Development Costs of the 2018 Additional Project.

SECTION 6. BE IT FURTHER ORDAINED that from and after the effective date of this Ordinance, the Existing Ordinance shall be deemed amended and supplemented as provided herein and all other terms and provisions of the Existing Ordinance shall remain in full force and effect.

SECTION 7. BE IT FURTHER ORDAINED that the provisions of this Ordinance shall be liberally construed to effectuate the transactions contemplated by this Ordinance.

SECTION 8. BE IT FURTHER ORDAINED that the title of this Ordinance shall be deemed to be, and is, a fair statement of the substance of this Ordinance for posting or publication and all other purposes.

SECTION 9. 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 provisions of Section SC2-12 of the Charter. Pursuant to Charter Section SC2-16, this Ordinance shall not be subject to petition to 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 14th day of May, 2018, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council [as introduced] _____ [as amended] [CHECK APPLICABLE LINE] on the 29th day of May, 2018.

ATTEST:


Kimberly R. Nichols, City Clerk


John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 30th DAY OF MAY, 2018:


Jacob R. Day, Mayor

#193621;58111.001

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ORDINANCE NO. 2404

AN ORDINANCE OF THE CITY OF SALISBURY APPROVING A BUDGET ADMENDMENT OF THE FY2017 GENERAL FUND AND THE CAPITAL PROJECT FUND IN ORDER TO APPROPRIATE FUNDS FOR A RADIO COMMUNICATION SYSTEM.

WHEREAS, the City of Salisbury has been informed by Motorola that parts for the existing communication system will be difficult to procure; and

WHEREAS, the City of Salisbury has determined a new Radio Communication System is needed; and

WHEREAS, the City of Salisbury has an opportunity to "piggyback" with Wicomico County on the purchase of a new system; and

WHEREAS, the City of Salisbury has received a quotation from Motorola for a new Radio Communication System in the amount of \$1,432,838.13; and

WHEREAS, the City of Salisbury's projections conclude there is more than \$500,000 in budgeted salaries that will not be required due to unexpected vacancies; and

WHEREAS, the City of Salisbury has determined \$500,000 of the expected savings in Police Department Salaries should be used to fund part of the new Radio Communication System; and

WHEREAS, the City of Salisbury has determined an additional \$ 425,448.13 required to fund the new Radio Communication System should be funded using surplus; and

WHEREAS, the City of Salisbury has determined the remainder of \$507,390 required to fund the new Radio Communication System should be funded using available bond proceeds; and

WHEREAS, this ordinance will authorize the temporary use of surplus until the reallocation can be completed by bond counsel.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND, THAT THE City's Fiscal Year 2017 General Fund Budget be amended as follows:

General Fund

- 1) Decrease Police Department by \$500,000
- 2) Increase Current Year Surplus (01000-469810) by 425,448.13
- 1) Increase Current Year Surplus (01000-469810) by 507,390
- 2) Increase Debt Service and Other Uses by \$ 1,432,838.13

General Capital Project Fund

- 1) Increase Transfer In - General Fund (98017-469313-48033) by \$ 1,432,838.13
- 2) Increase Capital Outlay - Radios (98117-577031-48033) by \$ 1,432,838.13

BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on this 14th day of November 2016, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the 28th day of November, 2016.

ATTEST:

Kimberly R. Nichols
Kimberly R. Nichols, City Clerk

John R. Heath
John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 30th day of NOV, 2016.

Jacob R. Day
Jacob R. Day, Mayor

INTER

OFFICE

MEMO

OFFICE OF THE MAYOR

To: City Council
From: Tom Stevenson, City Administrator
Subject: Radio Communications Agreement
Date: November 29, 2016

Attached please find an ordinance that will have the effect of amending the budget to supply funds for a partnership with Wicomico County in their new Radio Communications Agreement with Motorola. Funding for the Motorola contract is required in the amount of \$1,432,838.13. The attached amendment transfers \$500,000 in salary savings due to unexpected vacancies and \$425,448.13 from surplus. The remainder of \$507,390 will be funded by reallocation of existing bond proceeds, however several months may be required for bond counsel to complete this task, so the attached ordinance temporarily authorizes the transfer of \$507,390 using surplus so the contract can be awarded timely. This transfer will be reversed when the legislation is brought to reallocate the bond proceeds.

Funding Summary:

Budget Amendment	500,000.00
Reallocation of Bond Proceeds	507,390
Surplus	425,448.13
Total	1,432,838.13

Feel free to contact me with any questions or concerns.

Attachment:

INTER

OFFICE

MEMO

Department of Finance

To: Julia Glanz, City Administrator
From: Keith Cordrey, Director of Finance *KC*
Subject: 2003 Bond Reallocation
Date: May 9, 2018

The recent capital outlay for the Police Communications System was funded using a variety of funding sources in Ordinance 2404 (copy attached).

The City has determined there are proceeds available in the 2003 CDA loan which can be reallocated to this project replacing funds otherwise required to be transferred from the General Fund.

Please find attached an ordinance which serves to amend and supplement existing authority for the original 2003 CDA loan (which was refunded from the City's 2011B Bond issued to a bank) in order to apply remaining proceeds to the project identified herein as Police Communications System. Also, while the existing authorization was last amended in 2015 (by Ordinance No. 2317) to allow remaining proceeds to be applied to two projects identified in Ordinance No. 2317 as Marina Signage and Fence Improvements and City Park Tennis Lighting Improvements, the City and CDA never entered into any agreements relating to those projects authorized in 2015 and the attached ordinance provides that the City will NOT apply remaining proceeds to the project identified in Ordinance No. 2317 as Marina Signage and Fence Improvements. The unexpended proceeds are still held by the trustee for CDA's revenue bonds that funded the original 2003 CDA loan. Importantly, this ordinance provides that the City expects to expend all remaining proceeds by 08/01/2018.