

RESOLUTION No. 3060

A RESOLUTION OF CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING REIMBURSING FROM PROCEEDS OF A FUTURE BORROWING FOR PROJECT EXPENDITURES MADE IN CONNECTION WITH THREE PROJECTS IDENTIFIED AS ADA: RAMP AND BATHROOM CONVERSION, FIELD OPERATIONS FACILITY PLAN - PHASE 2, AND PORT EXCHANGE RIVERWALK REPLACEMENT.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), is in the process of undertaking the three projects identified on Schedule A hereto (collectively, the “Projects” and, individually, a “Project”); and

WHEREAS, the City anticipates borrowing money for costs of the Projects, such borrowing to be evidenced by one or more series of general obligation bonds or other evidences of indebtedness (collectively, or individually by series, the “Bonds”) to be issued by the City; and

WHEREAS, the City reasonably expects to spend City funds on costs of the Projects prior to issuance of the Bonds or any interim financing incurred by the City in anticipation of the Bonds, and (i) to reimburse the City from proceeds of the Bonds for all or a portion of such previously paid costs of the Projects, and/or (ii) to use Bonds proceeds to refinance all or a portion of any interim borrowing incurred by the City that is applied to reimburse the City for prior Projects expenditures; and

WHEREAS, Section 1.150-2 of the U.S. Treasury Regulations (the “Reimbursement Regulations”) provides that local governments funding “original expenditures” intended to be reimbursed from the proceeds of “obligations” must make a declaration of “official intent” in order to qualify such original expenditures for reimbursement from a “reimbursement bond”, all within the meaning of the Reimbursement Regulations; and

WHEREAS, the City is an “issuer” for purposes of the Reimbursement Regulations and wishes to adopt this Resolution for the purpose of evidencing the clear and official intent of the City to reimburse from reimbursement bond proceeds (meaning the Bonds or any interim financing incurred in anticipation of the Bonds) original expenditures made in connection with the Projects.

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

(a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein, and capitalized terms defined in the Recitals to this Resolution and not otherwise defined herein will have the meanings given to such terms in the Recitals hereto.

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Underlining : Indicates material added by amendment after introduction  
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(b) The names used for the Projects on Schedule A hereto are the names by which such Projects are generally identified in the capital project budget of the City for the fiscal year beginning July 1, 2020 and ending June 30, 2021, as amended to date. It is hereby expressly recognized that expenditures for the Projects and/or issuance of any Bonds may occur in a fiscal year subsequent to fiscal year 2021. References in this Resolution to the Projects shall be deemed to (i) be to such Projects as they may be referred to by similar but not the exact same names in other City budgetary materials, including any capital improvement plan, and (ii) include any changes in the scope of activities of any Project and/or the name of any Project made by the City in accordance with applicable law, including (without limitation) in future fiscal years. References in this Resolution to costs of the Projects shall be deemed to be to expenditures that constitute capital expenditures and, to the extent applicable, (i) costs of issuance of any borrowing relating to any Project and (ii) capitalized interest.

SECTION 2. AND BE IT FURTHER RESOLVED that in accordance with the Reimbursement Regulations, the City hereby makes this declaration of its reasonable expectation to expend money on costs of the Projects prior to the issuance of the Bonds (or any interim financing incurred in anticipation of the Bonds) and to use proceeds of the Bonds (or of such interim financing), which Bonds and/or interim financing will qualify as a “reimbursement bond” for purposes of the Reimbursement Regulations, to reimburse all or a portion of such original expenditures. This Resolution is intended to be a declaration of official intent within the meaning of the Reimbursement Regulations.

SECTION 3. AND BE IT FURTHER RESOLVED that the maximum principal amount of the Bonds to be issued for each Project (and the maximum principal amount of any interim financing to be incurred by the City in anticipation of the Bonds issued for each Project) is identified on Schedule A hereto.

SECTION 4. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor. Pursuant to Charter Section SC7-46A, this Resolution may not be petitioned to referendum.

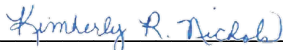
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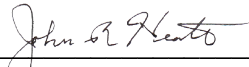
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THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 24<sup>th</sup> day of August, 2020.

ATTEST:

  
\_\_\_\_\_  
Kimberly R. Nichols, City Clerk

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

APPROVED BY ME THIS 25th DAY OF August, 2020:

  
\_\_\_\_\_  
Jacob R. Day, Mayor

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SCHEDULE A

IDENTIFICATION OF THE PROJECTS AND MAXIMUM PRINCIPAL AMOUNTS

<u>Name of Project</u>	<u>Maximum Principal Amount of the Bonds to be Issued or Interim Financing to be Incurred for Each Project<sup>1</sup></u>
ADA: Ramp and Bathroom Conversion	\$ 40,000
Field Operations Facility - Plan Phase 2	2,000,000
Port Exchange Riverwalk Replacement	114,000
TOTAL	\$2,154,000

- 1 The specified maximum principal amount for each Project applies, to the extent applicable, to both any Bonds issued and interim financing for such Project.

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INTER

OFFICE

# MEMO

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## *Finance Department*

**To:** Julia Glanz, City Administrator  
**From:** Keith Cordrey, Director of Finance *KAC*  
**Subject:** Resolution – DOOI for FY21 Projects  
**Date:** August 12, 2020

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Please find attached a resolution which will approve a “Declaration of Official Intent” (DOOI) which is necessary to allow the City to make expenditures for projects out of City existing funds and later reimburse those funds with non-taxable bond proceeds. The three projects covered by this DOOI were planned to be funded in this manner as documented in the FY21 Budget Ordinance – Schedule B. This approach allowed the City to consolidate two years of projects into one bond issue saving the City issuance cost and debt service.

After your review, if you do not have questions or concerns, please forward this resolution to council for their consideration.