

Resolution No. 3112

A RESOLUTION OF CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING REIMBURSING FROM PROCEEDS OF A FUTURE BORROWING PROJECT EXPENDITURES MADE IN CONNECTION WITH A PROJECT IDENTIFIED AS APARATUS REPLACEMENT – AERIAL LADDER.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), is in the process of undertaking a project identified as “Apparatus Replacement – Aerial Ladder” (the “Project”); and

WHEREAS, the City anticipates borrowing money for costs of the Project, 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 Project 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 Project, 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 Project 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 Project.

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.

(b) The name used for the Project in this Resolution is the name by which such Project is generally identified in the applicable budget materials of the City for the fiscal year beginning

Underlining : Indicates material added by amendment after introduction
~~Strike-through~~ : Indicates material deleted by amendment after introduction

July 1, 2021 and ending June 30, 2022. It is hereby expressly recognized that expenditures for the Project and/or issuance of any Bonds or interim financing incurred in anticipation of any Bonds may occur in a fiscal year subsequent to fiscal year 2022. References in this Resolution to the Project shall be deemed to (i) be to such Project as it may be referred to by similar but not the exact same names in applicable City budgetary materials, including any capital improvement plan, and (ii) include any changes in the scope of activities of the Project and/or the name of the 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 Project 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 the 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 Project 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 the Project (and the maximum principal amount of any interim financing to be incurred by the City in anticipation of the Bonds issued for the Project) is \$1,400,000 each.

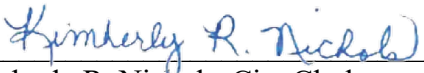
SECTION 4. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor. Pursuant to Charter Section SC7-46A, this Resolution may not be petitioned to referendum.

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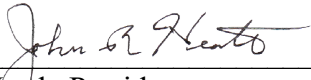
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THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 28th day of June, 2021.

ATTEST:

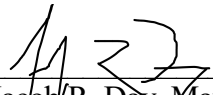


Kimberly R. Nichols, City Clerk



John R. Heath, President
Salisbury City Council

APPROVED BY ME THIS 30th DAY OF June, 2021:



Jacob R. Day, Mayor

#222556;58111.043

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INTER

OFFICE

MEMO

Department of Finance

To: Julia Glanz, City Administrator
From: Keith Cordrey, Director of Finance *KAC*
Subject: DOOI Resolution - Apparatus Replacement – Aerial Ladder
Date: 06/22/21

Schedule B in the FY 2022 Budget Ordinance includes \$ 1,400,000 in funding for the Apparatus Replacement – Aerial Ladder”. It is anticipated funds may be required prior to the issuance of the budgeted FY2022 Bond. The attached resolution is necessary to comply with the IRS exempt bond guidelines when the City anticipates payment for a project from funds on hand before bonds are issued and reimbursed following issuance.

If you do not have any questions, please forward this to Council for their consideration.