

**RESOLUTION NO. 3178**

**A RESOLUTION OF CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING THE CITY’S REASONABLE EXPECTATION TO REIMBURSE FROM PROCEEDS OF A FUTURE BORROWING PROJECT EXPENDITURES MADE IN CONNECTION WITH TWO SEPARATE PROJECTS GENERALLY IDENTIFIED AS COMPUTER AIDED DISPATCH (CAD) REPLACEMENT AND STATION #16 HVAC REPLACEMENT.**

**RECITALS**

**WHEREAS**, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), is in the process of undertaking two separate projects generally identified as (1) “Computer Aided Dispatch (CAD) Replacement” and (2) “Station #16 HVAC Replacement” (each, a “Project” and, collectively, the “Projects”); 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 to be issued by the City (collectively, or individually by series, the “Bonds”); and

**WHEREAS**, the City reasonably expects to spend City funds on costs of the Projects prior to the issuance of the Bonds (or any interim financing incurred by the City in anticipation of the Bonds), and further expects to (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 proceeds of the Bonds to refinance all or a portion of any interim borrowing incurred by the City that is applied to reimburse the City for prior expenditures relating to the Projects; and

**WHEREAS**, Section 1.150-2 of the U.S. Treasury Regulations (the “Reimbursement Regulations”) provides that a local government 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

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Resolution and not otherwise defined herein will have the meanings given to such terms in the Recitals hereto.

(b) The names used for the Projects in this Resolution are the names by which the Projects are generally identified in the applicable budget materials of the City for the fiscal year beginning July 1, 2022 and ending June 30, 2023. It is hereby expressly recognized that expenditures for the Projects 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 2023. References in this Resolution to either such Project shall be deemed to (i) be to such Project as it may be referred to by similar but not the exact same name in applicable City budgetary materials, including any capital improvement plan, and (ii) include any changes in the scope of activities of such Project and/or the name of such 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 the Projects 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 made with respect to the Projects. 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 attached hereto and incorporated by reference herein.

**SECTION 4.** AND BE IT FURTHER RESOLVED that the provisions of this Resolution shall be liberally construed in order to effectuate the purposes of this Resolution.

**SECTION 5.** 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.

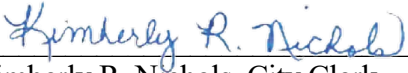
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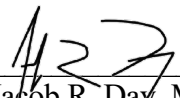
THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 27th day of June, 2022.

ATTEST:

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

  
\_\_\_\_\_  
Mun. Pede, Vice President  
Salisbury City Council

APPROVED BY ME THIS 29th DAY OF June, 2022:

  
\_\_\_\_\_  
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 of Interim Financing to be Incurred for Each Project<sup>1</sup></u>
Computer Aided Dispatch (CAD) Replacement	\$805,000
Station #16 HVAC Replacement	<u>130,000</u>
TOTAL	\$935,000

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

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OFFICE

# MEMO

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## *Finance Department*

**To:** Julia Glanz, City Administrator  
**From:** Keith Cordrey, Director of Finance *KAC*  
**Subject:** Declaration of Official Intent – FY23 Project funded from Bond Proceeds  
**Date:** June 21, 2022

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The FY23 Budget Schedule B includes an appropriation for two projects (i.e. Computer Aided Dispatch Replacement and Station #16 HVAC Replacement) each to be funded from a future bond issuance planned for FY2024.

In order to adhere to U. S Treasury Regulations, the City must file a Declaration of Official Intent (DOOI) if the City expends the funds first and later wishes the “original expenditures” to be reimbursed from future bond proceeds.

Please find attached a Resolution prepared by Bound Counsel that will result in effecting the DOOI that is needed.

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