

RESOLUTION NO. 2765

A RESOLUTION OF THE CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING REIMBURSING FROM PROCEEDS OF A FUTURE BORROWING PROJECT EXPENDITURES MADE IN CONNECTION WITH THE POLICE COMMUNICATIONS SYSTEM PROJECT.

RECITALS

WHEREAS, the City of Salisbury, a municipal corporation of the State of Maryland (the "City"), is in the process of undertaking a project commonly referred to by the City as the "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 (collectively, 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 Bond 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) References in this Resolution to the Project shall be deemed to include any changes in the scope of Project activities made by the City. References in this Resolution to costs of the Project shall be deemed to be to expenditures that constitute capital expenditures and costs of issuance of any borrowing relating to the Project as well as capitalized interest, to the extent applicable.

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 utilize 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) is reasonably expected not to exceed Eight Hundred Ninety-Eight Thousand Two Hundred Fifty-three Dollars (\$898,253.00) 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.

THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 14<sup>th</sup> day of August, 2017.

ATTEST:

Kimberly R. Nichols  
Kimberly R. Nichols, City Clerk

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

APPROVED BY ME THIS 17<sup>th</sup> day of AUG, 2017.

Jacob R. Day  
Jacob R. Day, Mayor

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INTER

OFFICE

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# MEMO

## *Internal Services*

**To:** Julia Glanz, City Administrator  
**From:** Keith Cordrey, Director of Internal Services   
**Subject:** DDOI Resolution Police Radio System  
**Date:** July 31, 2017

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Schedule B in the FY 18 Budget Ordinance includes \$ 898,253 in funding for the Police Radio System from the FY18 Bond issuance. It is anticipated funds are required for this project prior to issuance of the budgeted FY18 Bonds. The attached resolution is necessary to comply with IRS tax exempt bond guidelines when the City anticipates payment for a project from funds on hand BEFORE bonds/notes are issued and reimbursed following issuance.

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