

Resolution No. 2852

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 CERTAIN PROJECTS.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the "City"), is in the process of undertaking certain 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.

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

(b) The names used for the Projects on Schedule A hereto are the names by which such Projects are identified in the capital budget of the City for the fiscal year beginning July 1, 2018 and ending June 30, 2019. References in this Resolution to the Projects shall be deemed to 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 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 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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<u>Underlining</u>	:	Indicates material added by amendment after introduction
Strike through	:	Indicates material deleted by amendment after introduction

THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 23rd day of July, 2018.

ATTEST:

Kimberly R. Nichols
Kimberly R. Nichols, City Clerk

Muir Boda
Muir Boda, Vice-President
Salisbury City Council

APPROVED BY ME THIS 6th DAY OF AUGUST, 2018:

Jacob R. Day
Jacob R. Day, Mayor

Note: Due to Mayor Day being out of town at the time of the adoption of this resolution, he received and signed this on August 6, 2018 upon his return.
#205374;58111.001

8-7-18 Kimberly R. Nichols, City Clerk

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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 Project¹</u>
Main Street Master Plan	\$6,740,000
Urban Greenway Implementation	775,000
Wayfinding and Signage	50,000
Bridge Maintenance and Replacement	162,000
Garage (bearing pad replacement)	400,000
Water Chiller & Heating and Air Conditioner	700,000
TOTAL	\$8,827,000

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

Department of Finance

To: Julia Glanz, City Administrator

From: Keith Cordrey, Director of Finance 

Subject: DOOI Resolution

Date: 07 16 2018

Schedule B in the FY 19 Budget Ordinance includes funding from bonds for projects listed below. It is anticipated funds are required for this project prior to issuance of the budgeted FY19 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.

Main Street Master Plan
Urban Greenway Implementation
Wayfinding and Signage
Bridge Maintenance and Replacement
Garage (bearing pad replacement)
Public Safety Water Chiller and HVAC

Unless you or the Mayor has further questions, please forward this Resolution to the Salisbury City Council.
