

RESOLUTION NO. 3267

A RESOLUTION OF THE COUNCIL OF CITY OF SALISBURY MAKING A DECLARATION OF OFFICIAL INTENT REGARDING CITY OF SALISBURY’S REASONABLE EXPECTATION TO REIMBURSE FROM PROCEEDS OF A FUTURE BORROWING PROJECT EXPENDITURES MADE IN CONNECTION WITH NINE SEPARATE PROJECTS GENERALLY IDENTIFIED AS: APPARATUS REPLACEMENT - RESCUE 16; JOHNSON POND DAM IMPROVEMENTS; RESTORE PARK WELL FIELD; RESTORE PALEO WELL FIELD; WWTP ELECTRIC UPGRADES; PARK WELL FIELD RAW WATER MAIN & VALVE RPLC; GLEN AVENUE LIFT STATION; WWTP OUTFALL INSPECTION AND REPAIRS; AND SOUTHSIDE PUMP STATION FORCE MAIN.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), is in the process of undertaking nine (9) separate projects generally identified as (1) “Apparatus Replacement - Rescue 16,” (2) “Johnson Pond Dam Improvements,” (3) “Restore Park Well Field,” (4) “Restore Paleo Well Field,” (5) “WWTP Electric Upgrades,” (6) Park Well Field Raw Water Main & Valve Rplc,” (7) “Glen Avenue Lift Station,” (8) “WWTP Outfall Inspection and Repairs,” and (9) “Southside Pump Station Force Main” (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 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 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 the Council of the City wishes to adopt this Resolution for the purpose of evidencing the clear and

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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.

(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, 2023 and ending June 30, 2024. 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 2024. References in this Resolution to any such Project shall be deemed to (i) be to such Project as it may be referred to by a 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 any of 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.

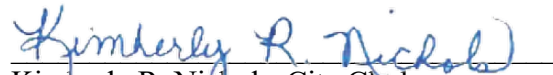
SECTION 4. AND BE IT FURTHER RESOLVED that the provisions of this Resolution shall be liberally construed in order to effectuate the purposes of this Resolution.

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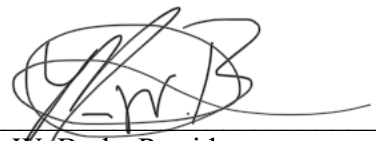
SECTION 5. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Acting Mayor. Pursuant to Charter Section SC7-46A, this Resolution may not be petitioned to referendum.

THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 31st day of July, 2023.

ATTEST:

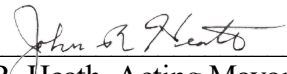


Kimberly R. Nichols, City Clerk



Muir W. Boda, President
Salisbury City Council

APPROVED BY ME THIS 18th DAY OF August, 2023:



John R. Heath, Acting Mayor

#231443;58111.001

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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 Project¹</u>
Apparatus Replacement - Rescue 16	\$ 1,625,000
Johnson Pond Dam Improvements	1,550,000
Restore Park Well Field	175,000
Restore Paleo Well Field	217,000
WWTP Electric Upgrades	1,060,493
Park Well Field Raw Water Main & Valve Rplc	875,000
Glen Avenue Lift Station	750,000
WWTP Outfall Inspection and Repairs	500,000
Southside Pump Station Force Main	<u>495,000</u>
TOTAL	\$7,247,493

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

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INTER

OFFICE

MEMO

Department of Finance

To: Andy Kitzrow, City Administrator
From: Keith Cordrey, Director of Finance *KAC*
Subject: DOOI Resolution -
Date: 07/10/2023

Schedule B in the FY 2024 Budget Ordinance includes nine projects assigned funding from bond proceeds. It is anticipated funds may be required prior to the issuance of the budgeted FY2024 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.