

ORDINANCE NO. 2978

AN ORDINANCE OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING ORDINANCE NO. 2554, PASSED BY THE COUNCIL ON AUGUST 26, 2019, APPROVED BY THE MAYOR OF CITY OF SALISBURY (THE “CITY”) ON AUGUST 27, 2019 AND EFFECTIVE ON AUGUST 27, 2019 (“ORDINANCE NO. 2554”), AS AMENDED AND SUPPLEMENTED TO DATE, IN ORDER TO (1) AUTHORIZE AND EMPOWER THE CITY TO USE AND APPLY A PORTION OF THE PRINCIPAL AMOUNT OF THE \$11,225,000 CITY OF SALISBURY PUBLIC IMPROVEMENT BONDS OF 2019 ISSUED ON OCTOBER 8, 2019 (THE “2019 BONDS”) TO THE PROJECT IDENTIFIED HEREIN AS “112 W. CHURCH STREET – CITY HALL,” AND (2) IDENTIFY SUCH ADDITIONAL PROJECT AS A “PROJECT” FOR ALL PURPOSES OF ORDINANCE NO. 2554 (AS AMENDED AND SUPPLEMENTED); PROVIDING THAT THIS TITLE IS A FAIR STATEMENT OF THE SUBSTANCE OF THIS ORDINANCE; AUTHORIZING CERTAIN CITY OFFICIALS TO TAKE CERTAIN ACTIONS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ORDINANCE; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE USE OF PROCEEDS OF THE 2019 BONDS.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”), and Sections SC7-45 and SC7-46 of the Charter of the City of Salisbury, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds; and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, and Ordinance No. 2554, passed by the Council of the City (the “Council”) on August 26, 2019, approved by the Mayor of the City (the “Mayor”) on August 27, 2019 and effective on August 27, 2019 (“Ordinance No. 2554”), the City authorized general obligation bonds to be issued from time to time in one or more series in an original aggregate principal amount not to exceed Twelve Million Four Hundred Eighty-Two Thousand Nine Hundred Seventy-Seven Dollars (\$12,482,977) (the “Authorized Bonds”) in order to finance, reimburse or refinance “costs” and “Costs of the Projects” (each as defined in Section 3(b) of Ordinance No. 2554) of the projects identified in the table below (herein collectively referred to as the “Original Authorized Projects” or individually as an “Original Authorized Project,” and referred to as the “Projects” in Ordinance No. 2554) in the maximum principal amounts set forth opposite each such Original Authorized Project in such Section 3(b):

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Roof Replacement Fire Station 1 ¹	\$ 50,000
2.	Water Chiller & Heating and Air Conditioning ¹	300,000
3.	Main Street Master Plan ¹	6,740,000
4.	Bicycle Master Plan Implementation ¹	550,000
5.	Urban Greenway Implementation ¹	775,000
6.	Wayfinding and Signage ¹	50,000
7.	Bridge Maintenance and Replacement ¹	162,000
8.	Street Scaping ¹	206,000
9.	Zoo Admin Office Space ²	100,000
10.	Field Operations Facility Plan – Phase 2 ²	200,000
11.	Field Operations Facility Plan – Phase 3 ²	125,000
12.	Mill Street Bridge Rehabilitation ²	45,000
13.	Naylor Mill Road Bridge Replacement ²	70,000
14.	Bicycle Master Plan Improvements ²	300,000
15.	Urban Greenway Improvements ²	200,000
16.	Street Scaping ²	200,000
17.	Building Lighting and Controls (ECM 1) ³	711,426
18.	Mechanical (ECM 2) ³	387,403
19.	Building Management Systems (ECM 3) ³	183,237
20.	Building Envelope Improvement (ECM 4) ³	105,911
21.	Garage (Bearing Pad Replacement) ¹	400,000
22.	Parking Garage Structural Repairs ²	592,000
23.	Phone System Fire Department	30,000
	TOTAL	<u>\$12,482,977</u>

¹ Project was approved for bond funding in the fiscal year 2019 budget ordinance (Ordinance No. 2482).

² Project was approved for bond funding in the fiscal year 2020 budget ordinance (Ordinance No. 2539).

³ Projects were approved for bond funding by Ordinance No. 2521. Projects are further broken down by project components on Schedule B to Ordinance No. 2521; and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2554 and Resolution No. 2972, adopted by the Council on September 9, 2019, approved by the Mayor on September 9, 2019 and effective on September 9, 2019 (“Resolution No. 2972”), the City determined to borrow money for the public purpose of financing or reimbursing “costs” and “Costs of the Projects” (each as defined in Section 2(b) of Resolution No. 2972, which definitions mirror the definitions of “costs” and “Costs of the Projects” set forth in Section 3(b) of Ordinance No. 2554) of the projects specified in Section 2(a) of Resolution No. 2972 (which included all of the Original Authorized Projects), and evidenced this borrowing by the issuance on October 8, 2019 of a single series of the Authorized Bonds in the original aggregate principal amount of Eleven Million Two Hundred Twenty-Five Thousand Dollars (\$11,225,000) and designated as the “City of Salisbury Public Improvement Bonds of 2019” (the “2019 Bonds”); and

WHEREAS, due to net original issue premium received by the City in connection with the sale of the 2019 Bonds, the City was able to reduce the original aggregate principal amount of the 2019 Bonds actually issued from the maximum original aggregate principal amount of the Authorized Bonds provided for in Ordinance No. 2554, and thereby to allocate a portion of such net original issue premium, together with the par amount of the 2019 Bonds, to fund the Original Authorized Projects in the maximum aggregate principal amount of \$12,482,977 contemplated by Ordinance No. 2554; and

WHEREAS, a portion of the principal amount of the 2019 Bonds, together with a portion of net original issue premium, was originally appropriated and allocated to the Original Authorized Projects identified in the table in the third preceding WHEREAS clause above, in the amounts specified in such table (for a total of \$12,482,977); and

WHEREAS, pursuant to Ordinance No. 2571, passed by the Council on January 13, 2020 and approved by the Mayor on January 21, 2020 (“Ordinance No. 2571”), the City reallocated \$1,431 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Phone System Fire Department” to the Original Authorized Project identified as “Roof Replacement Fire Station 1”; and

WHEREAS, pursuant to Ordinance No. 2593, passed by the Council on June 8, 2020 and approved on June 10, 2020 (“Ordinance No. 2593”), the City contemplated the reallocation of \$750,000 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to the Original Authorized Project identified as “Street Scaping,” and provided for such reallocation by subsequent appropriate action; and

WHEREAS, pursuant to Ordinance No. 2593, the City also contemplated the reallocation of \$250,000 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to a project not included in Ordinance No. 2554 that is identified in Ordinance No. 2593 as “Rail Trail Master Plan Implementation;” but prior to calendar year 2022, no proceeds of the 2019 Bonds were spent on such additional project; and

WHEREAS, pursuant to (i) Ordinance No. 2596, passed by the Council on June 8, 2020 and approved on June 10, 2020, the Council allocated \$40,000 of interest earnings on proceeds of the 2019 Bonds to the Original Authorized Project identified as “Zoo Admin Office Space”, and (ii) Ordinance No. 2682, passed by the Council on September 27, 2021 and approved by the Mayor on October 6, 2021, the Council allocated \$64,000 of interest earnings on proceeds of the 2019 Bonds to the Original Authorized Project identified as “Zoo Admin Office Space;” and

WHEREAS, pursuant to Ordinance No. 2660, passed by the Council on June 14, 2021 and approved by the Mayor on June 22, 2021 (“Ordinance No. 2660”), the City contemplated the reallocation of an aggregate of \$1,143,674 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to the following Original Authorized Projects in the following amounts: (i) \$475,000 to the Original Authorized Project identified as “Bicycle Master Plan Improvements,” (ii) \$450,000 to the Original Authorized Project identified as “Urban Greenway Improvements,” and (iii) \$218,674 to the Original Authorized Project identified as “Street Scaping,” and provided for such reallocation by subsequent appropriate action; and

WHEREAS, pursuant to Ordinance No. 2660, the City also contemplated the reallocation of an aggregate of \$700,000 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to two projects not included in Ordinance No. 2554 that are identified in Ordinance No. 2660 as (i) “Rail Trail Master Plan Implementation,” in the amount of \$300,000, and (ii) “City Park Master Plan Improvements,” in the amount of \$400,000; prior to calendar year 2022, no proceeds of the 2019 Bonds were spent on either such additional project; and

WHEREAS, pursuant to (i) Ordinance No. 2708, passed by the Council on January 24, 2022 and approved by the Mayor on January 25, 2022 (“Ordinance No. 2708”) and (ii) Resolution No. 3149, passed by the Council on February 14, 2022 and approved by the Mayor on February 15, 2022 (“Resolution No. 3149”), the Council respectively amended and supplemented Ordinance No. 2554 and Resolution No. 3972, in order to allow a portion of the principal amount of the 2019 Bonds as well as (by subsequent action) net original issue premium on the 2019 Bonds and investment earnings on the 2019 Bonds to be applied to costs of two projects respectively identified as “Rail Trail Master Plan Implementation” and “City Park Master Plan Improvements” (collectively, the “2022 Additional Projects” and, individually, a “2022 Additional Project”); and

WHEREAS, Ordinance No. 2708 amended Section 3(b) of Ordinance No. 2554 to provide that a maximum of \$550,000 of the principal amount of the 2019 Bonds was reallocated to the 2022 Additional Project identified as “Rail Trail Master Plan Implementation” and a maximum of \$400,000 of the principal amount of the 2019 Bonds was reallocated to the 2022 Additional Project identified as “City Park Master Plan Improvements;” and

WHEREAS, pursuant to Ordinance No. 2740, passed by the Council on September 26, 2022 and approved by the Mayor on September 30, 2022, the City reallocated (i) \$135,000 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to the Original Authorized Project identified as “Street Scaping” and (ii) \$398,859.64 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Urban Greenway Improvements” to the Original Authorized Project identified as “Street Scaping;” and

WHEREAS, pursuant to Ordinance No. 2855, passed by the Council on February 26, 2024 and approved by the Mayor on March 25, 2024, the City reallocated \$149,000 of the principal amount of the 2019 Bonds originally allocated to the Original Authorized Project identified as “Main Street Master Plan” to the Original Authorized Project identified as “Bicycle Master Plan Improvements;” and

WHEREAS, following the reallocations described above, the principal amount of the 2019 Bonds was reallocated and authorized to be applied to the Original Authorized Projects and the 2022 Additional Projects as follows:

[CONTINUED ON FOLLOWING PAGE]

	<u>Project Name</u>	<u>Maximum Amount</u>
1.	Roof Replacement Fire Station 1 ¹	\$ 51,431
2.	Water Chiller & Heating and Air Conditioning ¹	300,000
3.	Main Street Master Plan ¹	3,612,326
4.	Bicycle Master Plan Implementation ¹	550,000
5.	Urban Greenway Implementation ¹	775,000
6.	Wayfinding and Signage ¹	50,000
7.	Bridge Maintenance and Replacement ¹	162,000
8.	Street Scaping ¹	206,000
9.	Zoo Admin Office Space ²	100,000
10.	Field Operations Facility Plan – Phase 2 ²	200,000
11.	Field Operations Facility Plan – Phase 3 ²	125,000
12.	Mill Street Bridge Rehabilitation ²	45,000
13.	Naylor Mill Road Bridge Replacement ²	70,000
14.	Bicycle Master Plan Improvements ²	924,000
15.	Urban Greenway Improvements ²	251,140.36
16.	Street Scaping ²	1,702,533.64
17.	Building Lighting and Controls (ECM 1) ³	711,426
18.	Mechanical (ECM 2) ³	387,403
19.	Building Management Systems (ECM 3) ³	183,237
20.	Building Envelope Improvement (ECM 4) ³	105,911
21.	Garage (Bearing Pad Replacement) ¹	400,000
22.	Parking Garage Structural Repairs ²	592,000
23.	Phone System Fire Department	28,569
24.	Rail Trail Master Plan Implementation ⁴	550,000
25.	City Park Master Plan Improvements ⁵	400,000
	TOTAL	<u>\$12,482,977</u>

¹ Project was approved for bond funding in the fiscal year 2019 budget ordinance (Ordinance No. 2482).

² Project was approved for bond funding in the fiscal year 2020 budget ordinance (Ordinance No. 2539).

³ Projects were approved for bond funding by Ordinance No. 2521. Projects are further broken down by project components on Schedule B to Ordinance No. 2521.

⁴ Project was approved for funding from reallocation of par amount of the Bonds in the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁵ Project was approved for funding from reallocation of par amount of the Bonds in the fiscal year 2021 budget ordinance (Ordinance No. 2660); and

WHEREAS, the City now desires to reallocate a portion of the principal amount of the 2019 Bonds to a project generally identified in City materials as “112 W. Church Street – City Hall”, which project consists of the acquisition of the property with a street address of 112 W. Church Street,

Salisbury, Maryland which is improved with the old City Hall, and the renovation, improvement, furnishing and equipping of such property (the “2026 Additional Project”); and

WHEREAS, the City desires to reallocate a total of \$482,718.00 of the principal amount of the 2019 Bonds to the 2026 Additional Project as follows: (i) \$21.00 from the Original Authorized Project identified as “Field Operations Facility Plan – Phase 2” (which Original Authorized Project is now referred to by the City sometimes as the “Service Center” or by similar names), (ii) \$18,864.00 from the Original Authorized Project identified as “Water Chiller & Heating and Air Conditioning,” (iii) \$328,325.00 from the Original Authorized Project identified as “Building Lighting and Controls (ECM 1),” (iv) \$29,597.00 from the Original Authorized Project identified as “Building Management System (ECM 3),” and (v) \$105,911.00 from the Original Authorized Project identified as “Building Envelope Improvements (ECM 4);” and

WHEREAS, accordingly, the City desires to expand the list of the Original Authorized Projects as set forth in Ordinance No. 2554, as amended and supplemented to date, in order to allow a portion of the principal amount of the Authorized Bonds (meaning the 2019 Bonds) to be applied to the 2026 Additional Project and to identify such 2026 Additional Project as part of the “Projects” for all purposes of Ordinance No. 2554, as amended and supplemented.

Section 1. NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

(a) The Recitals to this Ordinance are incorporated by reference herein and deemed a substantive part of this Ordinance. Capitalized terms used in the Sections of this Ordinance that are not defined therein shall have the meanings given to such terms in the Recitals.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the “City Code”) or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting or interim capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a “deputy,” “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the City Code, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

(c) References in this Ordinance to “investment earnings” shall be construed to include interest income.

(d) References in this Ordinance to “par amount” shall be construed to mean principal amount. In addition, references in this Ordinance to “principal amount” shall be construed to refer to the original aggregate principal amount of the 2019 Bonds.

Section 2. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, as follows:

(a) Pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and Ordinance No. 2554 (as amended and supplemented to date), from and after the effective date of this Ordinance, and subject to Sections 2(d) and 7 hereof, Section 3(b) of Ordinance No. 2554 (as amended and supplemented to date) is hereby deleted in its entirety and inserted in place thereof shall be the following:

“(b) With respect to the projects listed below, the word “costs” as used in Section 2 hereof shall include, as applicable, costs of the following activities and expenses: land and right-of-way acquisition and development; acquisition of other property rights; site and utility improvements, including, without limitation, grading, landscaping, paving, sidewalk, curb, gutter, storm water, water and sewer improvements, and related or similar activities and expenses; demolition, razing and removal; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, improvement, installation, furnishing and equipping activities and expenses, and related or similar activities and expenses; planning, design, engineering, architectural, feasibility, surveying, document development, bidding, permitting, inspection, construction management, financial, administrative and legal expenses, and related or similar activities and expenses; contingencies; costs of issuance (which may include costs of bond insurance or other credit or liquidity enhancement); interest during construction and for a reasonable period thereafter (whether or not expressly so stated); and any such costs that may represent the City’s share or contribution to the financing, reimbursement or refinancing of any such project (collectively, “Costs of the Projects”). The maximum original aggregate principal amount of the Bonds (or the BANs, as identified in Section 6 hereof) to be appropriated or applied to the Costs of the Projects (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) shall be allocated among the following public purpose projects in the maximum principal amount set forth opposite each, except as otherwise herein provided:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Roof Replacement Fire Station 1 ¹	\$ 51,431
2.	Water Chiller & Heating and Air Conditioning ¹	281,136
3.	Main Street Master Plan ¹	3,612,326
4.	Bicycle Master Plan Implementation ¹	550,000
5.	Urban Greenway Implementation ¹	775,000
6.	Wayfinding and Signage ¹	50,000
7.	Bridge Maintenance and Replacement ¹	162,000
8.	Street Scaping ¹	206,000
9.	Zoo Admin Office Space ²	100,000
10.	Field Operations Facility Plan – Phase 2 ²	199,979
11.	Field Operations Facility Plan – Phase 3 ²	125,000
12.	Mill Street Bridge Rehabilitation ²	45,000
13.	Naylor Mill Road Bridge Replacement ²	70,000
14.	Bicycle Master Plan Improvements ²	924,000
15.	Urban Greenway Improvements ²	251,140.36
16.	Street Scaping ²	1,702,533.64

17.	Building Lighting and Controls (ECM 1) ³	383,101
18.	Mechanical (ECM 2) ³	387,403
19.	Building Management Systems (ECM 3) ³	153,640
20.	Building Envelope Improvement (ECM 4) ³	0
21.	Garage (Bearing Pad Replacement) ¹	400,000
22.	Parking Garage Structural Repairs ²	592,000
23.	Phone System Fire Department	28,569
24.	Rail Trail Master Plan Implementation ⁴	550,000
25.	City Park Master Plan Improvements ⁵	\$400,000
26.	112 W. Church Street – City Hall ⁶	\$482,718
TOTAL		<u>\$12,482,977</u>

¹ Project was approved for bond funding in the fiscal year 2019 budget ordinance (Ordinance No. 2482).

² Project was approved for bond funding in the fiscal year 2020 budget ordinance (Ordinance No. 2539). This project is now also sometimes referred to as the “Service Center” or by similar names.

³ Projects were approved for bond funding by Ordinance No. 2521. Projects are further broken down by project components on Schedule B to Ordinance No. 2521.

⁴ Project was approved for funding from reallocation of par amount of issued bonds in the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁵ Project was approved for funding from reallocation of par amount of issued bonds in the fiscal year 2021 budget ordinance (Ordinance No. 2660).

⁶ This project may be referred to by other names in City materials, including budget materials.

The projects identified in items 1-26 above are collectively referred to herein as the “Projects”. The Projects described in items 1-26 above are identified by approximately the same names as such Projects are identified in City budget or other materials. The City, without notice to or the consent of any registered owners of the Bonds (or the registered owners of any of the BANs, as applicable), may reallocate the maximum principal amount of the Bonds (and of any of the BANs, as applicable) (exclusive of any premium realized upon sale or investment earnings that may be applied for such purposes) to be spent on Costs of the Projects among any of the Projects (including, without limitation, the components of the Projects approved by Ordinance No. 2521) in compliance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution. Further, it is the intention of the Council that proceeds of the Bonds (or of any of the BANs, as applicable) may be spent on any applicable Costs of the Projects, notwithstanding the descriptive names used for the Projects in the table above, including, without limitation, costs related to changes in the scopes of and/or names of the Projects effected through applicable budgetary procedures or applicable law.”

(b) By undertaking the amendments to Section 3(b) of Ordinance No. 2554, as amended supplemented to date, provided for in subsection (a) of this Section 2, the City is in effect adding the 2026 Additional Project identified as item 26 “112 W. Church Street – City Hall” in the table set forth in subsection (a) above to the list of projects the costs of which may be financed or reimbursed from

the principal amount of the 2019 Bonds and investment earnings thereon, without taking into account the fact that a portion of net original issue premium allocated to the sale proceeds of the 2019 Bonds is or was being applied to pay costs of the Original Authorized Projects. By adding the 2026 Additional Project identified in item 26 in the table set forth in subsection (a) to the list of Projects set forth in Section 3(b) of Ordinance No. 2554, the City is also providing authorization for net original issue premium of the 2019 Bonds and investment earnings on proceeds of the 2019 Bonds to be applied to the costs of the 2026 Additional Project once the provisions of subsection (d) below and Section 7 hereof have been complied with. While to date no proceeds of the New Money Portion of the 2019 Bonds have been spent on the Original Authorized Project identified as "Building Envelope Improvement (ECM 4)" in Ordinance No. 2554, the City is not removing that Original Authorized Project from the list of Projects identified in Ordinance No. 2554, as amended and supplemented, including by this Ordinance. The principal amounts of the 2019 Bonds are hereby appropriated/re-appropriated in the maximum principal amounts set forth in the table in Section 2(a) above.

(c) The projects identified in the table set forth in subsection (a) above (which amends and supplements Section 3(b) of Ordinance No. 2554, as amended and supplemented to date) are collectively referred to herein as the "2026 Revised Projects." Subject to the provisions of subsection (d) below and Section 7 of this Ordinance, from and after the effective date of this Ordinance, all references to the Projects in Ordinance No. 2554, as amended and supplemented to date, shall be deemed to be references to the 2026 Revised Projects, as identified in this Ordinance. Subject to the provisions of subsection (d) below and Section 7 of this Ordinance, from and after the effective date of this Ordinance, the provisions of this Section 2 shall supersede the provisions of Section 3(b) of Ordinance No. 2554, as amended and supplemented to date, with respect to the application of the principal amount of the Authorized Bonds as authorized by Ordinance No. 2554.

(d) Notwithstanding the foregoing provisions of this Section 2, the principal amount of the 2019 Bonds (including investment earnings thereon) may not be applied to costs of the 2026 Additional Project unless and until the City adopts a resolution making corresponding amendments to the provisions of Section 2(a) of Resolution No. 2972 (as amended and supplemented to date) to include the 2026 Additional Project in the list of Projects identified in Resolution No. 2972, thereby allowing a portion of the principal amount of the 2019 Bonds to be applied to costs of the 2026 Additional Project.

(e) Subject to the provisions of the subsections above and Section 7 of this Ordinance, it is the intention of the Council that any investment earnings earned on the proceeds of the 2019 Bonds (i) prior to the effective date of this Ordinance, to the extent not already spent in accordance with the provisions of the Ordinance No. 2554 (as amended and supplemented to date), Resolution No. 2972 (as amended and supplemented to date) or applicable budgetary procedures or applicable law, and (ii) on and after the effective date of this Ordinance, shall be applied to costs of any of the 2026 Revised Projects; provided that, any such investment earnings may be allocated otherwise in accordance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution.

Section 3. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that, subject to the provisions of Sections 2(d) and 7 of this Ordinance, any of the Mayor, the City Administrator, the Director of Finance and all other appropriate officials and employees of the City, to the extent acting within the scope of their respective authority, are hereby authorized and empowered to take any and all action necessary or appropriate to provide for the application of the proceeds of the 2019 Bonds to finance or reimburse costs of the 2026 Revised Projects and to approve, execute and deliver all documents, certificates or

instruments necessary or appropriate in connection therewith or in connection with the transactions contemplated by this Ordinance, including, without limitation, any amendments, modifications or supplements to any documents, certificates or instruments delivered in connection with the 2019 Bonds.

Section 4. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that from and after the effective date of this Ordinance, Ordinance No. 2554 (as amended and supplemented to date) shall be deemed amended and supplemented as provided herein and all other terms and provisions of Ordinance No. 2554 (as amended and supplemented to date) shall remain in full force and effect.

Section 5. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that the title of this Ordinance shall be deemed to be, and is, a fair statement of the substance of this Ordinance for posting and all other purposes.

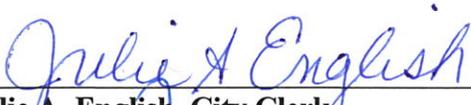
Section 6. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that the provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

Section 7. BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND, that this Ordinance shall become effective following approval by the Mayor or subsequent passage by the Council following the Mayor's veto in accordance with the provision of Section SC2-12 of the Charter; provided, however, that, notwithstanding the effective date of this Ordinance, no portion of the principal amount of the 2019 Bonds or investment earnings thereon may be applied to costs of the 2026 Additional Project unless Resolution No. 2972 (as amended and supplemented to date) is amended and supplemented as described herein. Pursuant to Charter Section SC2-16, this Ordinance shall not be subject to petition to referendum.

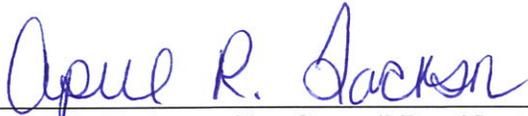
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THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 9 day of February, 2026, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council X [as introduced] _____ [as amended] [CHECK APPLICABLE LINE] on the 2 day of March, 2026.

ATTEST:

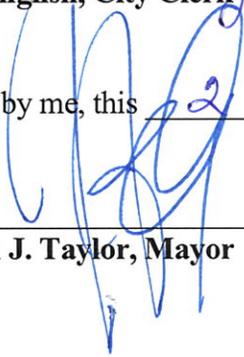


Julie A. English, City Clerk



April R. Jackson, City Council President

Approved by me, this 2 day of March , 2026:



Randolph J. Taylor, Mayor

