

RESOLUTION No. 3462

A RESOLUTION OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING RESOLUTION NO. 3117, ADOPTED BY THE COUNCIL ON AUGUST 9, 2021, APPROVED BY THE MAYOR ON AUGUST 10, 2021 AND EFFECTIVE ON AUGUST 10, 2021 (“RESOLUTION NO. 3117”), IN ORDER TO (1) AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE “CITY”) TO USE AND APPLY A PORTION OF THE PRINCIPAL AMOUNT OF THE \$8,965,000 CITY OF SALISBURY TAX-EXEMPT PUBLIC IMPROVEMENT AND REFUNDING BONDS OF 2021 ISSUED ON SEPTEMBER 1, 2021 (THE “2021 TAX-EXEMPT BONDS”), TOGETHER WITH A PORTION OF THE NET ORIGINAL ISSUE PREMIUM RECEIVED BY THE CITY IN CONNECTION WITH THE SALE OF THE 2021 TAX-EXEMPT BONDS, IF APPLICABLE, TO A PROJECT IDENTIFIED HEREIN AS “112 W. CHURCH ST. – CITY HALL” IN ADDITION TO THE 2021 NEW MONEY PROJECTS IDENTIFIED IN RESOLUTION NO. 3117, AND (2) IDENTIFY SUCH ADDITIONAL PROJECT AS A “2021 NEW MONEY PROJECT” FOR ALL PURPOSES OF RESOLUTION NO. 3117; AUTHORIZING AND EMPOWERING CITY OFFICIALS AND EMPLOYEES TO TAKE CERTAIN ACTIONS WITH RESPECT TO THE 2021 TAX-EXEMPT BONDS; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE USE OF PROCEEDS OF THE 2021 TAX-EXEMPT 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. 2675, passed by the Council of the City (the “Council”) on July 26, 2021, approved by the Mayor of the City (the “Mayor”) on July 26, 2021 and effective on July 26, 2021 (“Ordinance No. 2675”), 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 Six Million One Hundred Twenty-Four Thousand Seventy-Six Dollars (\$6,124,076) (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. 2675) of the projects identified in the table below (herein collectively referred to as the “Original Authorized New Money Projects” or individually as an “Original Authorized New Money Project,” and referred to as the “Projects” in Ordinance No. 2675) in the

maximum principal amounts set forth opposite each such Original Authorized New Money Project in such Section 3(b):

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	GOB Air Handler Replacement ⁽¹⁾	\$ 178,750
2.	Apparatus Replacement - Aerial Ladder ⁽¹⁾	1,400,000
3.	Field Operations Facility Plan – Phase 3 Garage ⁽¹⁾⁽²⁾	1,890,000
4.	Downtown Street Scaping ⁽¹⁾	381,326
5.	Market Street Shoreline Improvements ⁽¹⁾	330,000
6.	Northwood and Brewington Branch Culvert ⁽¹⁾	290,000
7.	ADA: Ramp and Bathroom Conversion ⁽³⁾	40,000
8.	Field Operations Facility Plan - Phase 2 ⁽³⁾⁽⁴⁾	1,500,000
9.	Port Exchange Riverwalk Replacement ⁽³⁾	114,000
TOTAL		<u>\$6,124,076</u>

¹ Project was approved for bond funding in the fiscal year 2022 budget ordinance (Ordinance No. 2660).

² Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase III New Vehicle Maintenance Facility.”

³ Project was approved for bond funding in fiscal year 2022 through the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁴ Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase II New Administrative Building;” and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675, certain other Ordinances of the City identified in Resolution No. 3117 (defined below) and Resolution No. 3117, adopted by the Council on August 9, 2021, approved by the Mayor on August 10, 2021 and effective on August 10, 2021 (“Resolution No. 3117”), the City determined to borrow money for the public purpose (in part) of financing or reimbursing “costs” and “Costs of the 2021 New Money Projects” (each as defined in Section 2(b) of Resolution No. 3117, which definitions mirror the definitions of “costs” and “Costs of the Projects” set forth in Section 3(b) of Ordinance No. 2675) of the projects specified in Section 2(b) of Resolution No. 3117 (which included all of the Original Authorized New Money Projects), and evidenced this borrowing by the issuance on September 1, 2021 of a single series of general obligation bonds of the City in the original aggregate principal amount of Eight Million Nine Hundred Sixty-Five Thousand Dollars (\$8,965,000) and designated as the “City of Salisbury Tax-Exempt Public Improvement and Refunding Bonds of 2021” (the “2021 Tax-Exempt Bonds”); and

WHEREAS, a portion of the original aggregate principal amount of the 2021 Tax-Exempt Bonds was issued for the purpose of currently refunding all or a portion of certain outstanding general obligation bonds of the City, which portion of the 2021 Tax-Exempt Bonds was not issued pursuant to the authority of Ordinance No. 2675; and

WHEREAS, as authorized by Resolution No. 3117, due to net original issue premium received by the City in connection with the sale of the 2021 Tax-Exempt Bonds, the City was able to reduce the portion of the original aggregate principal amount of the 2021 Tax-Exempt Bonds actually issued to finance or reimburse costs of the Original Authorized New Money Projects from the maximum original aggregate principal amount of the 2021 Tax-Exempt Bonds provided for in Resolution No. 3117, and thereby to allocate a portion of such net original issue premium, together with a portion of the par amount of the 2021 Tax-Exempt Bonds, to fund the Original New Money Authorized Projects in the maximum aggregate principal amount of \$6,124,076 contemplated by Ordinance No. 2675; and

WHEREAS, a portion of the principal amount of the 2021 Tax-Exempt Bonds, together with a portion of net original issue premium, was originally appropriated and allocated to the Original New Money Authorized Projects identified in the table in the fourth preceding WHEREAS clause above, in the amounts specified in such table (for a total of \$6,124,076); and

WHEREAS, references in the remaining Recitals and in the Sections of this Resolution to the “principal amount” of the 2021 Tax-Exempt Bonds shall be construed to include any portion of net original issue premium allocated to the costs of the Original Authorized New Money Projects, except when references to net original issue premium and/or investment earnings are made in addition to principal amount; and

WHEREAS, the City now desires to reallocate a portion of the principal amount of the 2021 Tax-Exempt 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 \$217,282.00 of the principal amount of the 2021 Tax-Exempt Bonds originally allocated to the Original Authorized New Money Project identified in Ordinance No. 2675 as “Northwood and Brewington Branch Culvert” to the 2026 Additional Project; and

WHEREAS, prior to the introduction of this Resolution, the Council passed an Ordinance expanding the list of the Original Authorized New Money Projects set forth in Ordinance No. 2675 to include the 2026 Additional Project and amending Ordinance No. 2675 to allow a portion of the principal amount of the Authorized Bonds (meaning a portion of the 2021 Tax-Exempt Bonds), as well as a portion of the net original issue premium of the 2021 Tax-Exempt Bonds and investment earnings on a portion of the proceeds of the 2021 Tax-Exempt Bonds, to be applied to costs of the 2026 Additional Project (the “Companion Ordinance”); and

WHEREAS, accordingly, the City desires to expand the list of the Original Authorized New Money Projects as set forth in Resolution No. 3117 in order to allow a portion of the principal amount of the 2021 Tax-Exempt Bonds to be applied to the 2026 Additional Project and to identify such 2026 Additional Project as part of the “2021 New Money Projects” for all purposes of Resolution No. 3117, as amended and supplemented.

SECTION 1. NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that:

(a) The Recitals hereto constitute an integral part of this Resolution and are incorporated herein by reference. Capitalized terms used in the Recitals to this Resolution and not otherwise defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Resolution 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 Resolution to "investment earnings" shall be construed to include interest income.

(d) References in this Resolution to "proceeds" of the 2021 Tax-Exempt Bonds shall be construed to include the principal amount of the 2021 Tax-Exempt Bonds, net original issue premium received in connection with the sale of the 2021 Tax-Exempt Bonds, and investment earnings on the principal amount of the 2021 Tax-Exempt Bonds and such net original issue premium, all to the extent allocated to the new money purposes of the 2021 Tax-Exempt Bonds.

(e) References in the Sections of this Resolution to Ordinance No. 2675 shall be construed to mean Ordinance No. 2675, as amended and supplemented pursuant to the Companion Ordinance.

(f) References in this Resolution to the application or use of proceeds of the 2021 Tax-Exempt Bonds to fund costs of the 2026 Revised Projects (as defined in Section 2(d) hereof) shall be construed to mean for purposes of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675 and Resolution No. 3117, as the same may be amended, modified or supplemented (including as provided for herein), use of only the new money portion of such proceeds to finance or reimburse costs of the 2026 Revised Projects.

SECTION 2. AND BE IT FURTHER RESOLVED that:

(a) Pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2675 and Resolution No. 3117, subsection (b) of Section 2 of Resolution No. 3117 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” 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 and repaving, sidewalk, curb, gutter, storm water, water and sewer improvements, street lights, amenities, and related or similar activities and expenses; demolition, razing and removal; acquisition, construction, expansion, reconstruction, replacement, renovation, rehabilitation, upgrading, improvement, installation, furnishing and equipping activities and expenses, and related or similar activities and expenses; planning, design, engineering, testing, study, 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 2021 New Money Projects”). The maximum amount of the 2021 Tax-Exempt Bonds to be appropriated or applied to the Costs of the 2021 New Money Projects (which maximum amount may be comprised of the new money portion of the 2021 Tax-Exempt Bonds and available allocable net original issue premium that may be applied for such purposes) shall be allocated among the following public purpose projects in the maximum amount set forth opposite each, except as otherwise herein provided:

	<u>Project Name</u>	<u>Maximum Amount</u>
1.	GOB Air Handler Replacement ⁽¹⁾	\$ 178,750
2.	Apparatus Replacement - Aerial Ladder ⁽¹⁾	1,400,000
3.	Field Operations Facility Plan – Phase 3 Garage ⁽¹⁾⁽²⁾	1,890,000
4.	Downtown Street Scaping ⁽¹⁾	381,326
5.	Market Street Shoreline Improvements ⁽¹⁾	330,000
6.	Northwood and Brewington Branch Culvert ⁽¹⁾	72,718
7.	ADA: Ramp and Bathroom Conversion ⁽³⁾	40,000
8.	Field Operations Facility Plan - Phase 2 ⁽³⁾⁽⁴⁾	1,500,000
9.	Port Exchange Riverwalk Replacement ⁽³⁾	114,000
10.	112 W. Church Street – City Hall ⁽⁵⁾	217,282
TOTAL		<u>\$6,124,076</u>

¹ Project was approved for bond funding in the fiscal year 2022 budget ordinance (Ordinance No. 2660).

² Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase III New Vehicle Maintenance Facility.”

³ Project was approved for bond funding in fiscal year 2022 through the fiscal year 2021 budget ordinance (Ordinance No. 2593).

⁴ Project is also referred to in certain City budgetary materials as “Field Operations Master Plan – Phase II New Administrative Building.”

⁵ This project may be referred to by other names in City materials, including budget materials.

The projects identified in items 1-10 above are collectively referred to herein as the “2021 New Money Projects.” The 2021 New Money Projects described in items 1-10 above are identified by approximately the same names as such 2021 New Money Projects are identified in the City budget and other materials. The City, without notice to or the consent of any registered owners of the 2021 Tax-Exempt Bonds, may allocate and reallocate the maximum amount of the 2021 Tax-Exempt Bonds (as described above) to be spent on Costs of the 2021 New Money Projects among any of the 2021 New Money Projects 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 the proceeds of the 2021 Tax-Exempt Bonds issued with respect to the 2021 New Money Projects may be spent on any applicable Costs of the 2021 New Money Projects, notwithstanding the descriptive names used for the 2021 New Money Projects in the table above, including, without limitation, costs related to changes in the scopes of and/or names of the 2021 New Money Projects effected through applicable budgetary procedures or applicable law. The term “Costs of the 2021 New Money Projects” as used in this Resolution has the same meaning as the term “Costs of the Projects” as defined in Section 3(b) of Ordinance No. 2675, and the term “2021 New Money Projects” as used in this Resolution has the same meaning as the term “Projects” as defined in Section 3(b) of Ordinance No. 2675.

If the portion of the original aggregate principal amount of the 2021 Tax-Exempt Bonds allocated to the Costs of the 2021 New Money Projects is reduced prior to or in connection with the sale of the 2021 Tax-Exempt Bonds as contemplated by Section 4(c) of this Resolution, such reduction and the allocation of any net original issue premium to the uses specified in the table above may be reflected in the Section 148 Certificate provided for in Section 16 of this Resolution.”

(b) As authorized by Resolution No. 3117, the par amount of the 2021 Tax-Exempt Bonds, as actually issued, was reduced from the maximum original aggregate par amount provided for in Resolution No. 3117 to \$8,965,000, due to the availability of a portion of the net original issue premium provided for in connection with the sale of the 2021 Tax-Exempt Bonds to be applied to Costs of the 2021 New Money Projects (as defined in Resolution No. 3117) and the refunding purposes of the 2021 Tax-Exempt Bonds.

(c) By undertaking the amendments to Resolution No. 3117 provided for in this Section 2, the City is in effect (i) adding the Additional 2026 Project identified as item 10 in the table set forth in subsection (a) above (which amends Section 2(b) of Resolution No. 3117) to the list of the

projects the costs of which may be financed or reimbursed from the principal amount of the 2021 Tax-Exempt Bonds, net original issue premium allocated to such costs, and investment earnings; (ii) reallocating a portion of the principal amount of the 2021 Tax-Exempt Bonds previously allocated to costs of the Original Authorized New Money Projects to the Additional 2026 Project, in the amounts as described above; and (iii) specifying the maximum amount of the principal amount of the 2021 Tax-Exempt Bonds and net original issue premium allocated to costs of the Original Authorized New Money Projects that may be reallocated to such 2026 Additional Project, subject to further reallocation in compliance with applicable budgetary procedures or applicable law, including, to the extent applicable, by resolution. By undertaking such amendments to Resolution No. 3117, the City will also be able to allocate or reallocate investment earnings on the proceeds of the new money portion of the 2021 Tax-Exempt Bonds to costs of such 2026 Additional Project, in addition to allocating or reallocating such investment earnings on costs of the other 2026 Revised Projects, in accordance with applicable City budgetary procedures or applicable law. The principal amounts of the 2021 Tax-Exempt Bonds are hereby appropriated/reappropriated in the maximum amounts set forth in the table in Section 2(a) above (which amends Section 2(b) of Resolution No. 3117).

(d) The Projects identified in items 1-10 in the table set forth in subsection (a) above (which amends Section 2(b) of Resolution No. 3117) are collectively referred to herein as the “2026 Revised Projects.” Subject to the provisions of subsection (e) below and Section 6 of this Resolution, from and after the effective date of this Resolution, all references to the 2021 New Money Projects in Resolution No. 3117 shall be deemed to be references to the 2026 Revised Projects, as identified in this Resolution. From and after the effective date of this Resolution, the provisions of this Section 2 shall supersede the provisions of Resolution No. 3117 with respect to the application of proceeds of the new money portion of the 2021 Tax-Exempt Bonds.

(e) Notwithstanding the foregoing provisions of this Section 2, proceeds of the 2021 Tax-Exempt Bonds may not be applied to costs of the 2026 Additional Project, nor will the amendments to Resolution No. 3117 provided for in this Section 2 be applicable, until (i) the Companion Ordinance becomes effective in accordance with applicable law and (ii) this Resolution becomes effective in accordance with applicable law.

(f) References in this Resolution to applying principal or net original issue premium of the 2021 Tax-Exempt Bonds and any investment earnings on the proceeds of the 2021 Tax-Exempt Bonds to costs of the 2026 Additional Project shall be construed to refer solely to proceeds constituting the new money portion of the 2021 Tax-Exempt Bonds and not to any proceeds of the 2021 Tax-Exempt Bonds issued for current refunding purposes.

SECTION 3. AND BE IT FURTHER RESOLVED that, subject to the provisions of Section 2(e) and Section 6 of this Resolution, the following officials of the City: the Mayor, the City Administrator, the Director of Finance, the City Clerk and all other appropriate officials and employees of the City, as applicable, are hereby authorized and empowered to take any and all action necessary to provide for application of the proceeds of the 2021 Tax-Exempt Bonds to finance or reimburse the costs of the 2026 Revised Projects and to approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith or in connection with the transactions contemplated by this Resolution. In particular, any one or more of

the Mayor, the City Administrator and the Director of Finance may approve, execute and deliver a certificate supplementing the Tax and Section 148 Certificate executed and delivered by the City in connection with the issuance of the 2021 Tax-Exempt Bonds.

SECTION 4. AND BE IT FURTHER RESOLVED that from and after the effective date of this Resolution, Resolution No. 3117 shall be deemed amended and supplemented as provided herein and all other terms and provisions of Resolution No. 3117 shall remain in full force and effect.

SECTION 5. AND BE IT FURTHER RESOLVED that the provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated by this Resolution.

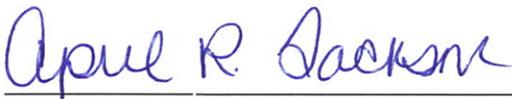
SECTION 6. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor; provided, however, that in the event the Companion Ordinance does not become effective in accordance with applicable law, the City may not apply proceeds of the 2021 Tax-Exempt Bonds to pay or reimburse costs of the 2026 Additional Project. 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 2 day of March, 2026.

ATTEST:

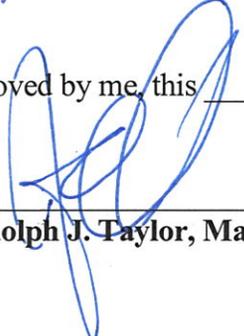


Julie A. English, City Clerk



April R. Jackson, City Council President

Approved by me, this 2 day of March, 2026



Randolph J. Taylor, Mayor