

## ORDINANCE NO. 3018

**AN ORDINANCE OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING ORDINANCE NO. 2299, PASSED BY THE COUNCIL ON AUGUST 25, 2014, APPROVED BY THE MAYOR OF CITY OF SALISBURY (THE “CITY”) ON AUGUST 28, 2014 AND EFFECTIVE ON AUGUST 28, 2014 (“ORDINANCE NO. 2299”), IN ORDER TO (1) AUTHORIZE AND EMPOWER THE CITY TO USE AND APPLY CERTAIN INVESTMENT EARNINGS ON THE \$4,009,000 CITY OF SALISBURY PUBLIC IMPROVEMENTS BOND, SERIES 2014A ISSUED ON SEPTEMBER 26, 2014 (THE “2014A BOND”) TO A PROJECT IDENTIFIED HEREIN AS “ZOO FACILITY IMPROVEMENTS,” IN ADDITION TO THE PROJECT ORIGINALLY IDENTIFIED IN ORDINANCE NO. 2299, AND (2) IDENTIFY SUCH ADDITIONAL PROJECT AS PART OF THE “PROJECT” FOR ALL PURPOSES OF ORDINANCE NO. 2299; 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 2014A BOND.**

### RECITALS

**WHEREAS**, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), was authorized and empowered by Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland (now codified as 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. 2299, passed by the Council of the City (the “Council”) on August 25, 2014, approved by the Mayor of the City (the “Mayor”) on August 28, 2014 and effective on August 28, 2014 (“Ordinance No. 2299”), the City authorized general obligation bonds to be issued from time to time in one or more series in an aggregate principal amount not to exceed Four Million Two Hundred Thousand Dollars (\$4,200,000.00) (the “Authorized Bonds”) in order to finance, reimburse or refinance “costs” (as defined in Section 3(b) of Ordinance No. 2299) of the project identified therein as “Facility Renovation – Fire Station #2” (herein referred to as the “Original Authorized Project” and referred to as the “Project” in Ordinance No. 2299); and

---

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

**WHEREAS**, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2299 and Resolution No. 2448, adopted by the Council on September 22, 2014, approved by the Mayor on September 22, 2014 and effective on September 22, 2014 (“Resolution No. 2448”), the City determined to borrow money for the public purpose of financing or reimbursing “costs” (as defined in Section 2(b) of Resolution No. 2448, which definition mirrors the definition of “costs” set forth in Section 3(b) of Ordinance No. 2299) of the Original Authorized Project, and to evidence this borrowing by the issuance and sale of a single series of the Authorized Bonds in the form of a single general obligation bond in the maximum principal amount of Four Million Nine Thousand Dollars (\$4,009,000.00) and designated as the “City of Salisbury Public Improvements Bond, Series 2014A” (the “2014A Bond”); and

**WHEREAS**, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2299 and Resolution No. 2448, the City issued and delivered the 2014A Bond to STI Institutional & Government, Inc. on September 26, 2014; and

**WHEREAS**, Section 2 of Resolution No. 2448 provides that proceeds of the 2014A Bond (which is referred to as the “Series 2014A Bond” in Resolution No. 2448) shall be appropriated and allocated to the Original Authorized Project (which Original Authorized Project is referred to as the “New Money Project” in Resolution No. 2448); and

**WHEREAS**, after giving effect to issuance of the 2014A Bond, only \$191,000.00 of bonding authority remained unused under Ordinance No. 2299; accordingly, for all practical purposes the 2014A Bond constitutes the only “Bonds” that will be issued pursuant to authority of Ordinance No. 2299 and the only “Authorized Bonds” as referred to in this Ordinance, and no “BANs” (as defined in Ordinance No. 2299) will be issued pursuant to the authority set forth in Ordinance No. 2299; and

**WHEREAS**, on July 28, 2016, the City issued its \$20,030,000 Public Improvement and Refunding Bonds of 2016 (the “2016 Bonds”), a portion of the proceeds of which were applied to currently refund the then-outstanding principal amount of the 2014A Bond; and

**WHEREAS**, at the time of issuance of the 2016 Bonds, a portion of the proceeds of the 2014A Bond remained unexpended, and such unexpended proceeds of the 2014A Bond were considered “transferred proceeds” of the 2016 Bonds for purposes of the Internal Revenue Code of 1986, as amended, and the U.S. Treasury Regulations promulgated thereunder (collectively, the “Code”); and

**WHEREAS**, the outstanding 2014A Bond was prepaid in whole on July 28, 2016; and

**WHEREAS**, the City wishes to allocate \$9,661.00 of investment earnings on the 2014A Bond to a project not included in Ordinance No. 2299 that is generally referred to as “Zoo Facility Improvements” or by similar names (the “2026 Additional Project”); and

---

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

**WHEREAS**, accordingly, the City desires to add the 2026 Additional Project to the Original Authorized Project provided for in Ordinance No. 2299 in order to allow certain investment earnings on the Authorized Bonds (meaning the 2014A Bond) to be applied to the 2026 Additional Project and to identify the Original Authorized Project and the 2026 Additional Project collectively as the “Project” for all purposes of Ordinance No. 2299; and

**WHEREAS**, while the remaining unexpended proceeds of the 2014A Bond (including investment earnings thereon) are treated as “transferred proceeds” of the 2016 Bonds for purposes of the Code, they are referred to as proceeds of the 2014A Bond for purposes of this Ordinance.

**SECTION 1. NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND** that:

(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 the “principal amount” of any obligations shall be construed to mean the par amount of such obligations.

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

(e) References in this Ordinance to the application or use of proceeds of the 2014A Bond to fund costs of the 2026 Revised Projects (as defined in Section 2(c) hereof) shall be construed to mean (i) for purposes of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2299 and Resolution No. 2448, as the same may be amended, modified or supplemented (including as provided for herein), use of such proceeds (including investment earnings) to finance or reimburse costs of the 2026 Revised Projects, and (ii) to the extent applicable for purposes of the Code, expenditure or application of such proceeds as “transferred proceeds” of the 2016 Bonds.

---

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

**SECTION 2. BE IT FURTHER ENACTED AND ORDAINED** that:

(a) Pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and Ordinance No. 2299, from and after the effective date of this Ordinance, and subject to Sections 2(d) and 7 hereof, Section 3(b) of Ordinance No. 2299 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, land and right-of-way acquisition and development; site and utility improvements; acquisition, construction, expansion, demolition, reconstruction, replacement, renovation, rehabilitation, improvement, installation, furnishing and equipping activities and expenses, and related or similar costs; planning, design, engineering, architectural, feasibility, inspection, construction management, surveying, permitting, financial and legal expenses, and related or similar costs; 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 such project. The projects to which proceeds of the Bonds (or BANs, as identified in Section 6 hereof) are to be applied are (i) identified in the City’s capital improvement program as “Facility Renovation – Fire Station #2” and (ii) referred to by the City generally as “Zoo Facility Improvements” (or by a similar name), and as the same may be amended or modified in accordance with applicable law, are collectively referred to herein as the “Project.” 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 (as defined above) relating to the Project. The City intends to allocate certain investment earnings on the Bonds to costs of the project identified as “Zoo Facility Improvements.” 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) to be spent among any components of the Project identified herein 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 (as defined above) relating to the Project, notwithstanding the descriptive names used for the Project, including, without limitation, costs related to changes in the scopes of activities relating to the Project and/or the names of the Project, as such scopes of activities or names may have already been, or may in the future be, amended or modified in accordance with applicable budgetary procedures or applicable law.”

(b) By undertaking the amendments to Section 3(b) of Ordinance No. 2299 provided for in subsection (a) of this Section 2, the City is in effect adding the 2026 Additional Project identified

---

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

as “Zoo Facility Improvements” in subsection (a) above to the definition of the “Project” in order to allow costs of the 2026 Additional Project to be financed or reimbursed from principal of or investment earnings on the 2014A Bond, once the provisions of subsection (d) below and Section 7 below have been complied with. The Council hereby appropriates and allocates \$9,661.00 of investment earnings on the 2014A Bond to be applied to costs of the 2026 Additional Project identified in subsection (a) above as “Zoo Facility Improvements.”

(c) The two projects identified in subsection (a) above (which amends Section 3(b) of Ordinance No. 2299) 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 Project in Ordinance No. 2299 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. 2299, as amended and supplemented by this Ordinance, with respect to the application of the principal amount of the Authorized Bonds (which, for all practical purposes, is the 2014A Bond).

(d) Notwithstanding the foregoing provisions of this Section 2, the principal amount of the 2014A Bond and 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. 2448 to include the 2026 Additional Project in the definition of the term “New Money Project” as used in Resolution No. 2448, thereby allowing \$9,661.00 of the investment earnings on the 2014A Bond to be applied to costs of the 2026 Additional Project.

(e) Subject to the provisions of subsection (d) above and Section 7 of this Ordinance, it is the intention of the Council that any investment earnings earned on the principal amount of the 2014A Bond (i) prior to the effective date of this Ordinance, to the extent not already spent in accordance with the provisions of the Ordinance No. 2299, Resolution No. 2448 or applicable budgetary procedures or applicable law and (ii) on and after the effective date of this Ordinance, shall be applied to costs of either 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** that, subject to the provisions of Sections 2(d) and 7 of this Ordinance, 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 investment earnings on the 2014A Bond to finance or reimburse costs of the 2026 Additional Project 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

---

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

amendments, modifications or supplements to any documents, certificates or instruments delivered in connection with the 2014A Bond or the 2016 Bonds.

**SECTION 4.** **BE IT FURTHER ENACTED AND ORDAINED** that from and after the effective date of this Ordinance, Ordinance No. 2299 shall be deemed amended and supplemented as provided herein and all other terms and provisions of Ordinance No. 2299 shall remain in full force and effect.

**SECTION 5.** **BE IT FURTHER ENACTED AND ORDAINED** 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** 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** 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 unless and until the City adopts a resolution making corresponding amendments to the provisions of Section 2(a) of Resolution No. 2448, the City may not apply any proceeds of the 2014A Bond (including investment earnings) to costs of the 2026 Additional Project, notwithstanding the effective date of this Ordinance. Pursuant to Charter Section SC2-16, this Ordinance shall not be subject to petition to referendum.

[CONTINUED ON FOLLOWING PAGE]

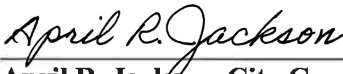
---

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

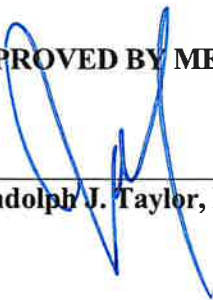
**THIS ORDINANCE** was introduced and read at a meeting of the Council of the City of Salisbury held on the 24 day of August, 2026, and thereafter, a statement of the substance of this Ordinance having been posted or published as required by law, was finally passed by the Council   X   [as introduced] \_\_\_\_\_ [as amended] [CHECK APPLICABLE LINE] on the 14 day of September, 2026.

**ATTEST:**

  
\_\_\_\_\_  
Julie A English, City Clerk

  
\_\_\_\_\_  
April R. Jackson, City Council President

APPROVED BY ME THIS 18<sup>th</sup> DAY OF September, 2026:

  
\_\_\_\_\_  
Randolph J. Taylor, Mayor

#245305;58111.001

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