

RESOLUTION NO. 3481

A RESOLUTION OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING RESOLUTION NO. 2160, ADOPTED BY THE COUNCIL ON APRIL 23, 2012, APPROVED BY THE MAYOR ON APRIL 24, 2012 AND EFFECTIVE ON APRIL 4, 2012 (“RESOLUTION NO. 2160”), AS AMENDED AND SUPPLEMENTED TO DATE, IN ORDER TO (1) AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE “CITY”) TO USE AND APPLY CERTAIN INVESTMENT EARNINGS ON THE \$7,693,000 CITY OF SALISBURY PUBLIC IMPROVEMENTS BOND OF 2012 ISSUED ON MAY 3, 2012 (THE “2012 BOND”), TO A PROJECT IDENTIFIED HEREIN AS “ZOO FACILITY IMPROVEMENTS” IN ADDITION TO THE PRIOR AUTHORIZED PROJECTS IDENTIFIED HEREIN, AND (2) IDENTIFY SUCH ADDITIONAL PROJECT AS A “PROJECT” FOR ALL PURPOSES OF RESOLUTION NO. 2160, AS AMENDED AND SUPPLEMENTED; AUTHORIZING AND EMPOWERING CITY OFFICIALS AND EMPLOYEES TO TAKE CERTAIN ACTIONS WITH RESPECT TO THE 2012 BOND; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE USE OF PROCEEDS OF THE 2012 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. 2140, passed by the Council of the City (the “Council”) on March 14, 2011, approved by the Mayor of the City (the “Mayor”) on March 18, 2011 and effective on March 18, 2011 (“Ordinance No. 2140”), 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 Seven Million Seven Hundred Thousand Dollars (\$7,700,000.00) (the “Authorized Bonds”) in order to finance, reimburse or refinance “costs” (as defined in Section 3(b) of Ordinance No. 2140) of the projects and costs of issuance identified in Section 3(b) of Ordinance No. 2140 as (i) “Riverwalk Repairs,” (ii) “East Main Street Water Valve,” (iii) “Isabella Street Water,” (iv) “East Main Street Sewer,” (v) “Isabella Street Sewer,” (vi) “Lift Station Pump Replacement,” (vii) “N. Division Street Sewer,” (viii) “Wastewater Treatment Plant Upgrade,” and (ix) “Costs of Issuance” (herein referred to as the “Original Authorized Projects” and referred to as the “Projects” in Ordinance No. 2140) in the maximum

Underlining : Indicates material added by amendment after introduction

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principal amounts set forth opposite each such Original Authorized Project in such Section 3(b); and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2140 and Resolution No. 2160, adopted by the Council on April 23, 2012, approved by the Mayor on April 24, 2012 and effective on April 24, 2012 (“Resolution No. 2160”), the City determined to borrow money for the public purpose of financing or reimbursing “costs” (as defined in Section 2(b) of Resolution No. 2160, which definition mirrors the definition of “costs” set forth in Section 3(b) of Ordinance No. 2140) of the projects specified in Section 2(a) of Resolution No. 2160 (which included all of the Original Authorized Projects), 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 Seven Million Seven Hundred Thousand Dollars (\$7,700,000.00): and

WHEREAS, pursuant to Resolution No. 2160, the Mayor, with the assistance of the financial advisor to the City, the City Administrator of the City (the “City Administrator”) and the Director of Internal Services of the City (the “Director of Internal Services”), was authorized to reduce the maximum principal amount of such Authorized Bond prior to issuance if it was determined that the entire authorized principal amount of \$7,700,000.00 was not needed due to any reduction in the amount needed for costs of issuance; and

WHEREAS, in accordance with the provisions of Resolution No. 2160, the Mayor, with the assistance of the City Administrator and the Director of Internal Services (which position is now titled as the Director of Finance), determined to reduce the final original principal amount of such Authorized Bond to Seven Million Six Hundred Ninety-Three Thousand Dollars (\$7,693,000.00) due to a reduction in the amount needed for costs of issuance, and such Authorized Bond as issued was designated as the “City of Salisbury Public Improvements Bond of 2012” (the “2012 Bond”); and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2140 and Resolution No. 2160, the City issued and delivered the 2012 Bond to SunTrust Bank on May 3, 2012; and

WHEREAS, Section 2 of Resolution No. 2160 provides that proceeds of the 2012 Bond (which is referred to as the “Bond” in Resolution No. 2160) shall be appropriated and allocated to the Original Authorized Projects listed therein in the maximum principal amounts specified therein (the “Original Projects”), subject to the further provisions of such Section 2 (which Original Projects are referred to as the “Projects” in Resolution No. 2160); and

WHEREAS, after giving effect to issuance of the 2012 Bond, only \$7,000.00 of bonding authority remained unused under Ordinance No. 2140; accordingly, for all practical purposes the 2012 Bond constitutes the only “Bonds” that will be issued pursuant to authority of Ordinance No. 2140 and the only “Authorized Bonds” as referred to in this Resolution, and no BANs (as defined in Ordinance No. 2140) will be issued pursuant to the authority set forth in Ordinance No. 2140; and

WHEREAS, pursuant to Ordinance No. 2381, passed by the Council on April 11, 2016, approved by the Mayor on April 12, 2016 and effective on April 12, 2016 (“Ordinance No. 2381”), the City reallocated \$1,996,355.00 of the principal amount of the Authorized Bonds originally allocated to the Original Authorized Project identified as “N. Division Street Sewer” to the Original Authorized Project identified as “Lift Station Pump Replacement,” such that the maximum principal amount of the Authorized Bonds was reallocated as follows:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk Repairs	\$ 500,000.00
2.	East Main Street Water Valve	100,000.00
3.	Isabella Street Water	435,000.00
4.	East Main Street Sewer	100,000.00
5.	Isabella Street Sewer	66,000.00
6.	Lift Station Pump Replacement	2,346,355.00
7.	N. Division Street Sewer	103,645.00
8.	Wastewater Treatment Plant Upgrade	4,000,000.00
9.	Costs of Issuance	49,000.00
TOTAL		<u>\$7,700,000.00</u>

; and

WHEREAS, pursuant to Ordinance No. 2391, passed by the Council on June 20, 2016, approved on behalf of the Mayor on June 22, 2016 and effective on June 22, 2016 (“Ordinance No. 2391”), the City reallocated \$118,906.00 of the principal amount of the Authorized Bonds originally allocated to the Original Authorized Project identified as “Wastewater Treatment Plant Upgrade” to the Original Authorized Project identified as “East Main Street Sewer,” such that the maximum principal amount of the Authorized Bonds was reallocated as follows:

[CONTINUED ON FOLLOWING PAGE]

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk Repairs	\$ 500,000.00
2.	East Main Street Water Valve	100,000.00
3.	Isabella Street Water	435,000.00
4.	East Main Street Sewer (1)	218,906.00
5.	Isabella Street Sewer	66,000.00
6.	Lift Station Pump Replacement	2,346,355.00
7.	N. Division Street Sewer	103,645.00
8.	Wastewater Treatment Plant Upgrade	3,881,094.00
9.	Costs of Issuance	49,000.00
TOTAL		<u>\$7,700,000.00</u>

(1) In addition, Ordinance No. 2391 allocated \$14,914.55 of investment earnings on the Authorized Bonds to this project; and

WHEREAS, on July 28, 2016, the City issued its \$20,030,000 City of Salisbury 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 2012 Bond; and

WHEREAS, at the time of issuance of the 2016 Bonds, a portion of the proceeds of the 2012 Bond remained unexpended, and such unexpended proceeds of the 2012 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 2012 Bond was prepaid in whole on July 28, 2016; and

WHEREAS, pursuant to Ordinance No. 2588, passed by the Council on April 27, 2020, approved by the Mayor on May 6, 2020 and effective on May 6, 2020 (“Ordinance No. 2588”), the City amended and supplemented Ordinance No. 2140 in order to reallocate a total of \$328,711.00 of the principal amount of the Authorized Bonds originally allocated among the Original Authorized Projects identified as “East Main Street Water Valve,” “Isabella Street Water,” and “Wastewater Treatment Plant Upgrade” in Ordinance No. 2140 and Resolution No. 2160, together with certain investment earnings on proceeds of the Authorized Bonds, to certain projects referred to in the City’s fiscal year 2020 budget as “Chemical Building HVAC,” “Paleo Fluoride Room Door and Tank Replacement,” “WWTP Outfall Inspection and Repairs,” “Park Aerator Building Improvements,” and “Park Water Treatment Plant Roof Improvements” (collectively, the “2020 Additional Projects”) such that the maximum principal amount of the Authorized Bonds was reallocated as follows:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk Repairs	\$ 500,000.00
2.	East Main Street Water Valve	75,294.00
3.	Isabella Street Water	144,169.00
4.	East Main Street Sewer	218,906.00
5.	Isabella Street Sewer	66,000.00
6.	Lift Station Pump Replacement	2,346,355.00
7.	N. Division Street Sewer	103,645.00
8.	Wastewater Treatment Plant Upgrade	3,867,920.00
9.	Chemical Building HVAC	48,000.00
10.	Paleo Fluoride Room Door and Tank Replacement	60,000.00
11.	WWTP Outfall Inspection and Repairs	78,030.00
12.	Park Aerator Building Improvements	81,600.00
13.	Park Water Treatment Plant Roof Improvements (1)	61,081.00
14.	Costs of Issuance	49,000.00
TOTAL		<u>\$7,700,000.00</u>

(1) In addition, Ordinance No. 2588 allocated \$120,478.91 of investment earnings on the Authorized Bonds to this project; and

WHEREAS, pursuant to Resolution No. 3046, adopted by the Council on July 13, 2020, approved by the Mayor on July 17, 2020 and effective on July 20, 2020 (“Resolution No. 3046”), the City amended and supplemented Resolution No. 2160 in order to allow a portion of the principal amount of the 2012 Bond, together with certain investment earnings thereon, to be applied to costs of the 2020 Additional Project; and

WHEREAS, the City wishes to allocate \$14,748.00 of investment earnings on the 2012 Bond to a project not included in Ordinance No. 2140, as amended and supplemented to date, and Resolution No. 2160, as amended and supplemented to date, that is generally referred to as “Zoo Facility Improvements” or by similar names (the “2026 Additional Project”); and

WHEREAS, prior to the introduction of this Resolution, the Council passed Ordinance No. 3016 expanding the list of the Original Authorized Projects set forth in Ordinance No. 2140, as amended and supplemented to date, to include the 2026 Additional Project and amending Ordinance No. 2140, as amended and supplemented to date, to allow certain investment earnings on the Authorized Bonds (meaning the 2012 Bond) 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 Projects as set forth in Resolution No. 2160, as amended and supplemented to date, in order to allow certain investment earnings on the 2012 Bond to be applied to costs of the 2026 Additional Project and to

identify such 2026 Additional Project as part of the “Projects” for all purposes of Resolution No. 2160, as amended and supplemented; and

WHEREAS, while the remaining unexpended proceeds of the 2012 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 2012 Bond for purposes of this Resolution; and

WHEREAS, the Original Projects, together with the 2020 Additional Projects, are referred to in this Resolution as the “Prior Authorized Projects.”

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 Resolution No. 2160 to the Director of Internal Services shall be construed to refer to the official of the City now known as the Director of Finance (the “Director of Finance”).

(d) References in this Resolution to “principal amount” shall be construed to mean par amount. References in this Resolution to “investment earnings” shall be construed to include interest income. References in this Resolution to “proceeds” of the 2012 Bond shall be construed to mean principal amount plus investment earnings, unless the context requires otherwise.

(e) References in this Resolution to the application or use of proceeds of the 2012 Bond to fund costs of the 2026 Revised Projects (as defined in Section 2(d) hereof) shall be construed to mean (i) for purposes of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2140 and Resolution No. 2160, as the same may be amended, modified or supplemented (including as provided for herein), use of such proceeds 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.

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. 2140 and Resolution No. 2160, subsection (a) of Section 2 of Resolution No. 2160, as amended and supplemented to date, is hereby deleted in its entirety and inserted in place thereof shall be the following:

“SECTION 2. BE IT FURTHER RESOLVED that (a) pursuant to the authority of the Enabling Act, the Charter and the Ordinance, subject to the provisions of Section 3 hereof, the City hereby determines to borrow money and incur indebtedness for the public purpose of financing or reimbursing the costs of the following public purpose projects in the maximum principal amount set forth opposite each such project:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk Repairs	\$ 500,000.00
2.	East Main Street Water Valve	75,294.00
3.	Isabella Street Water	144,169.00
4.	East Main Street Sewer (1)	218,906.00
5.	Isabella Street Sewer	66,000.00
6.	Lift Station Pump Replacement	2,346,355.00
7.	N. Division Street Sewer	103,645.00
8.	Wastewater Treatment Plant Upgrade	3,867,920.00
9.	Chemical Building HVAC	48,000.00
10.	Paleo Fluoride Room Door and Tank Replacement	60,000.00
11.	WWTP Outfall Inspection and Repairs	78,030.00
12.	Park Aerator Building Improvements	81,600.00
13.	Park Water Treatment Plant Roof Improvements (1)	61,081.00
14.	Zoo Facility Improvements (2)	0.00
15.	Costs of Issuance	42,000.00
TOTAL		<u>\$7,693,000.00</u>

(1) The City also previously allocated certain investment earnings on the Bond to this project.

(2) The City intends to allocate certain investment earnings on the Bond to this project.

The projects and costs of issuance identified in items 1-15 above are collectively referred to herein as the “Projects”.”

(b) As provided in the Companion Ordinance, the City has appropriated \$14,748.00 of investment earnings on the 2012 Bond to pay costs of the 2026 Additional Project.

(c) By undertaking the amendments to Resolution No. 2160 (as amended and supplemented to date) provided for in this Section 2, the City is in effect (i) reflecting certain reallocations of the application of the principal amount of the 2012 Bond and certain allocation of investment earnings on the proceeds of the 2012 Bond to the costs of the Prior Authorized Projects made prior to the introduction of this Resolution; (ii) renumbering “Costs of Issuance” in the table set forth in subsection (a) above to be item 15 in such table; (iii) adding the 2026 Additional Project identified as item 14 in the table set forth in subsection (a) above (which amends Section 2(a) of Resolution No. 2160, as amended and supplemented to date) to the list of the Projects (as defined therein) the costs of which may be financed or reimbursed from the principal amount of the 2012 Bond and investment earnings thereon; (iv) recognizing that the original principal amount of the 2012 Bond was reduced from \$7,700,000 to \$7,693,000 between the effective date of Resolution No. 2160 and the date of delivery of the 2012 Bond to reflect a reduction in the original principal amount of the 2012 Bond to be applied to the Original Project identified as “Costs of Issuance;” and (v) recognizing the appropriation of \$14,748.00 of investment earnings on the 2012 Bond to pay costs of the 2026 Additional Project. By undertaking such amendments to Resolution No. 2160 (as amended and supplemented to date), the City will also be able to allocate or reallocate principal of and any other investment earnings on the proceeds of the 2012 Bond to costs of such 2026 Additional Project, in addition to allocating or reallocating such principal of and investment earnings on costs of the 2026 Revised Projects, in accordance with applicable City budgetary procedures or applicable law.

(d) The Projects identified in items 1-15 in the table set forth in subsection (a) above (which amends Section 2(a) of Resolution No. 2160, as amended and supplemented to date) 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 Projects in Resolution No. 2160, as amended and supplemented to date, 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. 2160, as amended and supplemented to date, with respect to the application of proceeds of the 2012 Bond.

(e) Notwithstanding the foregoing provisions of this Section 2, proceeds of the 2012 Bond may not be applied to costs of the 2026 Additional Project, nor will the amendments to Resolution No. 2160 (as amended and supplemented to date) 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) As provided in the Companion Ordinance, subject to the provisions of subsection (e) above and Section 6 of this Resolution, it is the intention of the Council that any investment earnings earned on the principal amount of the 2012 Bond (i) prior to the effective date of this Resolution, to

the extent not already spent in accordance with the provisions of the Ordinance No. 2140 (as amended and supplemented to date), Resolution No. 2160 (as amended and supplemented to date) or applicable budgetary procedures or applicable law and (ii) on and after the effective date of this Resolution, 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. **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 2012 Bond 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 one or more certificates supplementing the Tax and Section 148 Certificate executed and delivered in connection with the issuance of the 2012 Bond and/or the Tax and Section 148 Certificate executed and delivered in connection with the issuance of the 2016 Bonds, each as amended and supplemented to date.

SECTION 4. **AND BE IT FURTHER RESOLVED** that from and after the effective date of this Resolution, Resolution No. 2160 (as amended and supplemented to date) shall be deemed amended and supplemented as provided herein and all other terms and provisions of Resolution No. 2160 (as amended and supplemented to date) 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 2012 Bond to pay or reimburse costs of the 2026 Additional Project. Pursuant to Charter Section SC7-46A, this Resolution may not be petitioned to referendum.

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THIS RESOLUTION was introduced and duly adopted at a meeting of the Council of the City of Salisbury held on the 14 day of September, 2026.

ATTEST:

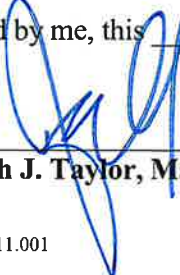


Julie A. English, City Clerk



April R. Jackson, City Council President

Approved by me, this 18th day of September, 2026



Randolph J. Taylor, Mayor

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