

RESOLUTION NO. 3482

A RESOLUTION OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING RESOLUTION NO. 2358, ADOPTED BY THE COUNCIL ON DECEMBER 16, 2013, APPROVED BY THE MAYOR ON DECEMBER 16, 2013 AND EFFECTIVE ON DECEMBER 16, 2013 (“RESOLUTION NO. 2358”), IN ORDER TO (1) AUTHORIZE AND EMPOWER CITY OF SALISBURY (THE “CITY”) TO USE AND APPLY CERTAIN INVESTMENT EARNINGS ON THE \$3,178,000 CITY OF SALISBURY PUBLIC IMPROVEMENTS BOND OF 2013 ISSUED ON DECEMBER 23, 2013 (THE “2013 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. 2358, AS AMENDED AND SUPPLEMENTED; AUTHORIZING AND EMPOWERING CITY OFFICIALS AND EMPLOYEES TO TAKE CERTAIN ACTIONS WITH RESPECT TO THE 2013 BOND; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE GENERALLY RELATING TO THE USE OF PROCEEDS OF THE 2013 BOND.

RECITALS

WHEREAS, City of Salisbury, a municipal corporation of the State of Maryland (the “City”), was 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. 2273, passed by the Council of the City (the “Council”) on December 16, 2013, approved by the Mayor of the City (the “Mayor”) on December 16, 2013 and effective on December 16, 2013 (“Ordinance No. 2273”), 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 Three Million One Hundred Seventy-Eight Thousand Dollars (\$3,178,000.00) (the “Authorized Bonds”) in order to finance, reimburse or refinance “costs” (as defined in Section 3(b) of Ordinance No. 2273) of the following projects identified in the maximum principal amounts set forth opposite each such Original Authorized Project in the table below:

<u>Underlining</u>	:	Indicates material added by amendment after introduction
Strike-through	:	Indicates material deleted by amendment after introduction

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk	\$1,600,000.00
2.	Mainstreet Master Plan	268,000.00
3.	Coty Cox Drainage Improvements	1,200,000.00
4.	Germania Circle	110,000.00
TOTAL		<u>\$3,178,000.00</u>

; and

WHEREAS, the projects identified in the table in the preceding WHEREAS clause are referred to in this Resolution as the “Original Authorized Projects” and were referred to in Ordinance No. 2273 as the “Projects;” and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2273 and Resolution No. 2358, adopted by the Council on December 16, 2013, approved by the Mayor on December 16, 2013 and effective on December 16, 2013 (“Resolution No. 2358”), the City determined to borrow money for the public purpose of financing or reimbursing “costs” (as defined in Section 2(b) of Resolution No. 2358, which definition mirrors the definition of “costs” set forth in Section 3(b) of Ordinance No. 2273) of the projects specified in Section 2(a) of Resolution No. 2358 (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 Three Million One Hundred Seventy-Eight Thousand Dollars (\$3,178,000.00) and designated as the “City of Salisbury Public Improvements Bond of 2013” (the “2013 Bond”); and

WHEREAS, pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter, Ordinance No. 2273 and Resolution No. 2358, the City issued and delivered the 2013 Bond to Hebron Savings Bank on December 23, 2013; and

WHEREAS, Section 2 of Resolution No. 2358 provides that proceeds of the 2013 Bond (which is referred to as the “Bond” in Resolution No. 2358) 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. 2358); 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 the principal amount of the Authorized Bonds among the Original Authorized Projects as follows:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk	\$1,409,892.00
2.	Mainstreet Master Plan (1)	539,894.00
3.	Coty Cox Drainage Improvements	1,200,000.00
4.	Germania Circle	28,213.00
TOTAL		<u>\$3,178,000.00</u>

(1) In addition, Ordinance No. 2391 transferred \$4,345.48 of unallocated investment earnings on the Authorized Bonds to this project; and

WHEREAS, on September 1, 2021, the City issued its \$8,965,000 Tax-Exempt Public Improvement and Refunding Bonds of 2021 (the “2021 Tax-Exempt Bonds”), a portion of the proceeds of which were applied to currently refund the then-outstanding principal amount of the 2013 Bond; and

WHEREAS, the outstanding 2013 Bond was prepaid in whole on September 1, 2021; and

WHEREAS, at the time of issuance of the 2021 Tax-Exempt Bonds, a portion of the proceeds of the 2013 Bond remained unexpended, and such unexpended proceeds of the 2013 Bond were considered “transferred proceeds” of the 2021 Tax-Exempt 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, pursuant to Ordinance No. 2677, passed by the Council on September 13, 2021, approved by the Mayor on September 20, 2021 and effective on September 20, 2021 (“Ordinance No. 2677”), the City reallocated the principal amount of the Authorized Bonds among the Original Authorized Projects as follows:

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk	\$1,409,892.00
2.	Mainstreet Master Plan (1)	577,693.00
3.	Coty Cox Drainage Improvements	1,162,201.00
4.	Germania Circle	28,213.00
TOTAL		<u>\$3,178,000.00</u>

(1) In addition, Ordinance No. 2677 allocated \$24,095.00 of investment earnings on the Authorized Bonds to this project; and

WHEREAS, the City wishes to allocate \$8,724.00 of investment earnings on the 2013 Bond to a project not included in Ordinance No. 2273, as amended and supplemented to date, and

Resolution No. 2358 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. 3017 expanding the list of the Original Authorized Projects set forth in Ordinance No. 2273, as amended and supplemented to date, to include the 2026 Additional Project and amending Ordinance No. 2273, as amended and supplemented to date, to allow certain investment earnings on the Authorized Bonds (meaning the 2013 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. 2358 in order to allow certain investment earnings on the 2013 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. 2358; and

WHEREAS, while the remaining unexpended proceeds of the 2013 Bond (including investment earnings thereon) are treated as “transferred proceeds” of the 2021 Tax-Exempt Bonds for purposes of the Code, they are referred to as proceeds of the 2013 Bond for purposes of this Resolution.

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. 2358 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 2013 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 2013 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. 2273 and Resolution No. 2358, 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 2021 Tax-Exempt 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. 2273 and Resolution No. 2358, subsection (a) of Section 2 of Resolution No. 2358 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 any reallocation of proceeds of the Bond made to date, and 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 (exclusive of any investment earnings that may be applied for such purposes):

	<u>Project Name</u>	<u>Maximum Principal Amount</u>
1.	Riverwalk	\$1,409,892.00
2.	Mainstreet Master Plan (1)	577,693.00
3.	Coty Cox Drainage Improvements	1,162,201.00
4.	Germania Circle	28,213.00
5.	Zoo Facility Improvements (2)	0 00
TOTAL		<u>\$3,178,000.00</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 identified in items 1-5 above are collectively referred to herein as the

“Projects”.”

(b) As provided in the Companion Ordinance, the City has appropriated \$8,724.00 of investment earnings on the 2013 Bond to pay costs of the 2026 Additional Project.

(c) By undertaking the amendments to Resolution No. 2358 provided for in this Section 2, the City is in effect (i) reflecting certain reallocations of the application of the principal amount of the 2013 Bond and certain allocation of investment earnings on the 2013 Bond to the costs of the Prior Authorized Projects made prior to the introduction of this Resolution; (ii) adding the 2026 Additional Project identified as item 5 in the table set forth in subsection (a) above (which amends Section 2(a) of Resolution No. 2358) to the list of the Projects (as defined therein) the costs of which may be financed or reimbursed from the principal amount of the 2013 Bond and investment earnings thereon; and (iii) recognizing the appropriation of \$8,724.00 of investment earnings on the 2013 Bond to pay costs of the 2026 Additional Project. By undertaking such amendments to Resolution No. 2358, the City will also be able to allocate or reallocate principal of and any other investment earnings on the proceeds of the 2013 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 1-5 in the table set forth in subsection (a) above (which amends Section 2(a) of Resolution No. 2358) 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. 2358 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. 2358 with respect to the application of proceeds of the 2013 Bond.

(e) Notwithstanding the foregoing provisions of this Section 2, proceeds of the 2013 Bond may not be applied to costs of the 2026 Additional Project, nor will the amendments to Resolution No. 2358 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 2013 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. 2273 (as amended and supplemented to date), Resolution No. 2358 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 2013 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 2013 Bond and/or the Tax and Section 148 Certificate executed and delivered 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. 2358 shall be deemed amended and supplemented as provided herein and all other terms and provisions of Resolution No. 2358 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.

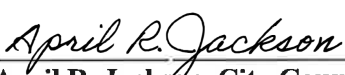
SECTION 6. AND BE IT FURTHER RESOLVED that this Resolution shall become effective upon adoption by the Council and approval by the Mayor; provided, however, that in the event the Companion Ordinance does not become effective in accordance with applicable law, the City may not apply proceeds of the 2013 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.

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:

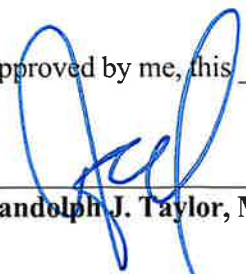


Julie A. English, City Clerk



April R. Jackson, City Council President

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



Randolph J. Taylor, Mayor

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