

RESOLUTION NO. 3483

A RESOLUTION OF THE COUNCIL (THE “COUNCIL”) OF THE CITY OF SALISBURY AMENDING AND SUPPLEMENTING 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”), IN ORDER TO (1) AUTHORIZE AND EMPOWER CITY OF SALISBURY (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 PRIOR AUTHORIZED PROJECTS IDENTIFIED HEREIN, AND (2) IDENTIFY SUCH ADDITIONAL PROJECT AS A “PROJECT” FOR ALL PURPOSES OF RESOLUTION NO. 2448; AUTHORIZING AND EMPOWERING CITY OFFICIALS AND EMPLOYEES TO TAKE CERTAIN ACTIONS WITH RESPECT TO THE 2014A BOND; PROVIDING THAT THE PROVISIONS OF THIS RESOLUTION 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 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

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

Underlining : Indicates material added by amendment after introduction

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

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 Resolution, 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 or Resolution No. 2448 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. 3018 expanding the list of the Original Authorized Projects set forth in Ordinance No. 2299 to include the 2026 Additional Project and amending Ordinance No. 2299 to allow certain investment earnings on the Authorized Bonds (meaning the 2014A Bond) to be applied to costs of the 2026 Additional Project (the “Companion Ordinance”); and

WHEREAS, accordingly, the City desires to expand the definition of the New Money Project in Resolution No. 2448 by adding the 2026 Additional Project to such definition in order to allow certain investment earnings on the 2014A Bond to be applied to costs of the 2026 Additional Project and to identify such 2026 Additional Project as part of the “New Money Project” for all purposes of Resolution No. 2448; 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 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. 2448 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 2014A 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 2014A 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. 2299 and Resolution No. 2448, 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. 2299 and Resolution No. 2448, subsection (a) of Section 2 of Resolution No. 2448 is hereby deleted in its entirety and inserted in place thereof shall be the following:

“(a) Pursuant to the authority of the Enabling Act, Sections SC7-45 and SC7-46 of the Charter and the 2014 New Money Ordinance, the City hereby determines to borrow money and incur indebtedness for the public purpose of providing the funds needed to finance, reimburse or refinance the costs (as defined in Section 3(b) of the 2014 New Money Ordinance) of two projects respectively identified as “Facility Renovation – Fire Station #2” and “Zoo Facility Improvements” (collectively, the “New Money Project”), excluding costs of issuance of such borrowing, which costs of issuance the City intends to pay from other available funds. Proceeds of the Series 2014A Bond identified in Section 3(a) hereof are hereby appropriated and allocated to pay the costs of the New Money Project described in this subsection (a). “

(b) As provided in the Companion Ordinance, the City has appropriated \$9,661.00 of investment earnings on the 2014A Bond to pay costs of the 2026 Additional Project.

(c) By undertaking the amendments to Resolution No. 2448 provided for in this Section 2, the City is in effect (i) adding the 2026 Additional Project to the definition of the New Money Project as used in Resolution No. 2448 in order to allow costs of the 2026 Additional Project to be financed or reimbursed from the principal amount of the 2014A Bond and investment earnings thereon; and (ii) recognizing the appropriation of \$9,661.00 of investment earnings on the 2014A Bond to pay costs of the 2026 Additional Project. By undertaking such amendments to Resolution No. 2448, the City will also be able to allocate or reallocate principal of and any other investment earnings on the proceeds of the 2014A 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 two projects identified in subsection (a) above as “Facility Renovation – Fire Station #2” and “Zoo Facility Improvements” (which subsection (a) amends Section 2(a) of Resolution No. 2448) 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 New Money Projects in Resolution No. 2448, including in the Recitals thereto (notwithstanding the definition of the New Money Project set forth in the second Recital of Resolution No. 2448), 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. 2448 with respect to the application of proceeds of the 2014A Bond.

(e) Notwithstanding the foregoing provisions of this Section 2, proceeds of the 2014A Bond may not be applied to costs of the 2026 Additional Project, nor will the amendments to Resolution No. 2448 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 2014A 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. 2299, Resolution No. 2448 or applicable budgetary procedures or applicable law and (ii) on and after the effective date of this Resolution, 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. 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 2014A 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 2014A Bond and/or the Tax and Section 148 Certificate executed and delivered in connection with the issuance of the 2016 Bonds.

SECTION 4. AND BE IT FURTHER RESOLVED that from and after the effective date of this Resolution, Resolution No. 2448 shall be deemed amended and supplemented as provided herein and all other terms and provisions of Resolution No. 2448 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 2014A 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:

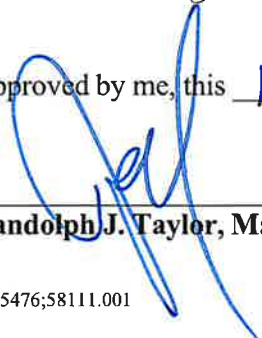


Julie A. English, City Clerk



April R. Jackson, City Council President

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



Randolph J. Taylor, Mayor

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