

MAYOR AND COMMISSIONERS OF THE TOWN OF PERRYVILLE

RESOLUTION NO. 2021-09

A RESOLUTION OF THE MAYOR AND COMMISSIONERS OF THE TOWN OF PERRYVILLE MAKING A DECLARATION OF OFFICIAL INTENT REGARDING THE REASONABLE EXPECTATION OF TOWN OF PERRYVILLE TO REIMBURSE FROM PROCEEDS OF A FUTURE BORROWING EXPENDITURES MADE IN CONNECTION WITH A PROJECT GENERALLY IDENTIFIED AS THE “SANITARY SEWER SYSTEM UPGRADE”.

RECITALS

WHEREAS, Town of Perryville, a municipal corporation of the State of Maryland (the “Town”), is in the process of undertaking a generally project identified as the “Sanitary Sewer System Upgrade” or by similar terms (the “Project”); and

WHEREAS, the Town anticipates borrowing money for costs of the Project, such borrowing to be evidenced by one or more series of general obligation bonds or other evidences of indebtedness (collectively, or individually by series, the “Bonds”) to be issued by the Town; and

WHEREAS, the Town reasonably expects to spend Town funds on costs of the Project prior to issuance of the Bonds or any interim financing incurred by the Town in anticipation of the Bonds, and (i) to reimburse the Town from proceeds of the Bonds for all or a portion of such previously paid costs of the Project, and/or (ii) to use proceeds of the Bonds to refinance all or a portion of any interim borrowing incurred by the Town that is applied to reimburse the Town for prior Project expenditures; and

WHEREAS, Section 1.150-2 of the U.S. Treasury Regulations (the “Reimbursement Regulations”) provides that local governments funding “original expenditures” intended to be reimbursed from the proceeds of “obligations” must make a declaration of “official intent” in order to qualify such original expenditures for reimbursement from a “reimbursement bond,” all within the meaning of the Reimbursement Regulations; and

WHEREAS, the Town is an “issuer” for purposes of the Reimbursement Regulations and wishes to adopt this Resolution for the purpose of evidencing the clear and official intent of the Town to reimburse from reimbursement bond proceeds (meaning the Bonds or any interim financing incurred in anticipation of the Bonds) original expenditures made in connection with the Project.

SECTION 1. NOW, THEREFORE, BE IT RESOLVED that:

(a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein, and capitalized terms defined in the Recitals to this

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Resolution and not otherwise defined herein will have the meanings given to such terms in the Recitals hereto.

(b) The name used for the Project in this Resolution is the name by which such Project is generally identified by the Town. References in this Resolution to the Project shall be deemed to (i) be to the Project as it may be referred to by similar but not the exact same name in applicable Town budgetary or other materials, and (ii) include any changes in the scope of activities of the Project and/or the name of the Project made by the Town in accordance with applicable law, including (without limitation) in future fiscal years. References in this Resolution to costs of the Project shall be deemed to be to expenditures that constitute capital expenditures and, to the extent applicable, (i) costs of issuance of any borrowing relating to the Project and (ii) capitalized interest.

SECTION 2. AND BE IT FURTHER RESOLVED that in accordance with the Reimbursement Regulations, the Town hereby makes this declaration of its reasonable expectation to expend money from non-borrowed sources on costs of the Project prior to the issuance of the Bonds (or any interim financing incurred in anticipation of the Bonds) and to use proceeds of the Bonds (or of such interim financing), which Bonds and/or interim financing will qualify as a “reimbursement bond” for purposes of the Reimbursement Regulations, to reimburse all or a portion of such original expenditures. This Resolution is intended to be a declaration of official intent within the meaning of the Reimbursement Regulations.

SECTION 3. AND BE IT FURTHER RESOLVED that the maximum principal amount of the Bonds to be issued for the Project (and the maximum principal amount of any interim financing to be incurred by the Town in anticipation of the Bonds issued for the Project) is \$4,000,000 each.

SECTION 4. AND BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its adoption.

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READ AND ADOPTED THIS 7th day of December,
2021 by a vote of 5 yeas, 0 nays and 0 abstentions.


(SEAL)

ATTEST:

MAYOR AND COMMISSIONERS OF
THE TOWN OF PERRYVILLE



Jackie Sample, Town Clerk



Matthew Roath, Mayor

#224471;50066.001

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