

ORDINANCE NO. 3794

AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF CUMBERLAND ENTITLED AN ORDINANCE TO AUTHORIZE AND EMPOWER MAYOR AND CITY COUNCIL OF CUMBERLAND (THE "CITY") TO TEMPORARILY USE UP TO \$1,746,000.00 IN THE AGGREGATE OF UNEXPENDED PROCEEDS OF THE CITY'S TAXABLE REDEVELOPMENT AND REFUNDING BONDS OF 2013 TO MEET TEMPORARY CASH REQUIREMENTS OF THE CITY'S GENERAL FUND WITH RESPECT TO ACQUISITION, DEMOLITION, IMPROVEMENT AND OTHER COSTS RELATING TO A PROJECT REFERRED TO BY THE CITY AS THE "MARYLAND AVENUE REDEVELOPMENT PROJECT", SUBJECT TO THE LIMITATIONS PROVIDED FOR IN THIS ORDINANCE; DELEGATING TO THE MAYOR, THE TREASURER AND THE COMPTROLLER THE AUTHORITY TO DETERMINE THE DETAILS OF ANY SUCH TEMPORARY BORROWING WITHIN THE LIMITATIONS PROVIDED FOR IN THIS ORDINANCE; PROVIDING THAT THE PROVISIONS OF THIS ORDINANCE SHALL BE LIBERALLY CONSTRUED; AND OTHERWISE RELATING GENERALLY TO THE TEMPORARY USE OF SUCH UNEXPENDED BOND PROCEEDS AS DESCRIBED HEREIN.

RECITALS

1. Mayor and City Council of Cumberland, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act and the Refunding Act identified below (the "City"), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland (previously codified as

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Sections 31 to 37, inclusive, of Article 23A of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Enabling Act”), and Sections 81 and 82A of the Charter of the City of Cumberland, 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.

2. Pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland (previously codified as Section 24 of Article 31 of the Annotated Code of Maryland), as replaced, supplemented or amended (the “Refunding Act”), the City is authorized to issue bonds to refund any of its bonds or other obligations then outstanding in order to achieve one of the purposes set forth in the Refunding Act.

3. Pursuant to the authority of the Enabling Act, the Refunding Act, Sections 81 and 82A of the Charter, Ordinance No. 3725, passed by the Mayor and City Council of the City (the “Mayor and City Council”) on October 9, 2012 and effective on November 8, 2012 (“Ordinance No. 3725”), Ordinance No. 3731, passed by the Mayor and City Council on January 29, 2013 and effective on February 28, 2013, and Resolution R2013-01, adopted by the Mayor and City Council on June 4, 2013 and effective on June 4, 2013, as supplemented and amended by Resolution No. R2013-02, adopted by the Mayor and City Council on June 18, 2013 and effective on June 18, 2013, the City on July 2, 2013 issued its Mayor and City Council of Cumberland Taxable Redevelopment and Refunding Bonds of 2013 in the original aggregate principal amount of \$5,040,000 (the “2013 Taxable Bonds”) for the public purpose of (i) financing or reimbursing costs (as defined in Ordinance No. 3725) of certain projects identified in Ordinance No. 3725 as “Memorial Campus Facility Demolition” and “Other Street Improvement Projects”, (ii) currently

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refunding a promissory note payable to Susquehanna Bank, which evidenced a loan in the original principal amount of \$1,532,200 incurred to finance or reimburse costs of HVAC upgrades to 500 Memorial Avenue, also known as the Memorial Campus Facility, in Cumberland, Maryland (which was the location of the former Memorial Hospital), and (iii) paying costs of issuance related to the purposes specified in clauses (i) and (ii) (collectively, the “Taxable Project”).

4. Due to unexpected delays, the City has not yet completely expended proceeds of the 2013 Taxable Bonds on the Taxable Project, and the City anticipates that it will not need to fully utilize such unexpended proceeds for a period in excess of two and one-half years.

5. Pursuant to the authority of Section 82C of the Charter, the Mayor and City Council, by ordinance with a two-thirds vote, may provide for the temporary use of unexpended proceeds of any bonds, notes or other evidences of obligation of the City to meet temporary cash requirements of any fund of the City and the reimbursement of any such temporary borrowing, subject to the limitations provided for in Section 82C of the Charter. Section 82C of the Charter further provides that any ordinance passed in accordance with such Section may delegate to the appropriate City official or officials the authority to determine details of any such temporary borrowing.

6. The City is undertaking a public purpose project referred to by the City as the “Maryland Avenue Redevelopment Project” (the “Redevelopment Project”), and the Mayor and City Council currently anticipate that moneys on deposit in the City’s General Fund will be insufficient to meet the City’s obligations payable from such fund with respect to acquisition, demolition, improvement and related costs of the Redevelopment Project, including (without limitation) such costs contracted by and/or payable through the Cumberland Economic Development Corporation (collectively, “Redevelopment Project Costs”).

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7. The Mayor and City Council desire to authorize the temporary borrowing of unexpended proceeds of the 2013 Taxable Bonds to meet temporary cash requirements of the City’s General Fund due to Redevelopment Project Costs.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF CUMBERLAND:

SECTION 1. (a) The Recitals hereto constitute an integral part of this Ordinance and are incorporated herein by reference. Capitalized terms used in the Sections of this Ordinance and not defined therein shall have the meanings given to such terms in the Recitals hereto.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law 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 capacity under the Charter or other applicable law, (iii) to any person who serves in a “Deputy”, “Associate”, “Assistant” or similar capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate, assistant or other applicable official in accordance with 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 code of City ordinances (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.

SECTION 2. Pursuant to the authority of Section 82C of the Charter, the Mayor and City Council hereby authorize the temporary use of up to One Million Seven Hundred Forty-Six Thousand Dollars (\$1,746,000.00) in the aggregate of unexpended proceeds of the 2013 Taxable

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Bonds to meet temporary cash requirements of the City's General Fund due to Redevelopment Project Costs, provided that, any such temporary use of unexpended proceeds of the 2013 Taxable Bonds shall be fully repaid within two and one-half (2.5) years of the effective date of this Ordinance, and provided further, that the City may repay any such temporary use of unexpended proceeds of the 2013 Taxable Bonds in part or in full by an earlier date. The term Redevelopment Project Costs shall be broadly construed in connection with the temporary use of unexpended proceeds of the 2013 Taxable Bonds for such purpose, and such unexpended proceeds may be used to reimburse funds the City advances from other sources to cover Redevelopment Project Costs.

SECTION 3. The authority to determine from time to time when and if unexpended proceeds of the 2013 Taxable Bonds shall be used to pay or reimburse Redevelopment Project Costs within the limitations described in Section 2 above, and when repayment of such unexpended proceeds of the 2013 Taxable Bonds shall be made within the limitations described in Section 2 above, is hereby delegated to the Mayor of the City, the Treasurer of the City and the Comptroller of the City, acting in concert.

SECTION 4. The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated by this Ordinance.

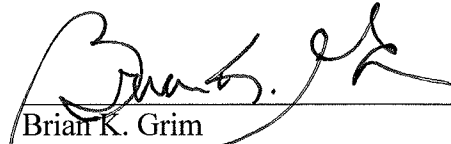
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SECTION 5. This Ordinance shall become effective upon its passage with a two-thirds vote of the members of the Mayor and City Council.

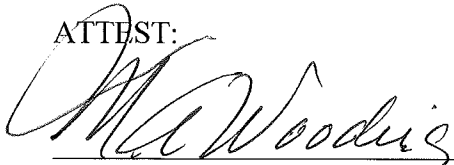
MAYOR AND CITY COUNCIL OF
CUMBERLAND

(SEAL)



Brian K. Grim
Mayor

ATTEST:



Marjorie A. Woodring, City Clerk

Introduced: December 1, 2015

Passed: December 15, 2015

Votes for passage: 5

Votes against passage: 0

Abstentions: 0

Effective: December 15, 2015

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