

# Memo

**To:** Mr. John R. Pick, City Administrator  
**From:** J. H. Cawley  
**Date:** March 22, 2005  
**Re:** Re-designation of Bond Proceeds

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The purpose of this memo is to request Council approval of the attached ordinances to re-designate existing bond funds from two projects to purchase two, triple combination pumpers for the Fire Department.

During the course of the adoption of the FY 05 budget, the Council authorized the purchase of two, triple-combination pumper trucks for the Fire Department through a lease-purchase arrangement. The first lease-purchase payment was to be budgeted in FY 06. A bid for these pumpers has now been received in the total amount of \$790,000.

In the 2004 Bond Issue, the City borrowed funds for both the construction of a new Headquarters Fire Station and for the purchase of an Aerial Ladder Truck. Because the ladder truck would not fit in the present Headquarters Building, we did not intend to purchase the truck until the new Fire Headquarters was built. Since that time, we have encountered several delays in acquiring the land for the building, and it appears now that it will be several years before we will be able to occupy a new headquarters station and purchase the aerial ladder truck. The amount intended for the aerial ladder truck was \$750,000.

Also, in the FY-03 Bond, we borrowed \$1,400,000 to be used to construct a new vehicle maintenance garage to replace the existing building located at the Public Works Service Center. Before we could begin on this project, however, we had to reallocate much of the money in order to begin work on Phase II of the Northeast Collector Road. The remaining funds will not be sufficient to construct this facility. Our proposed Capital Improvement Program projects that the City will borrow funds in FY 07 for this project. We are proposing that \$40,000 of the remaining funds be combined with the \$750,000 intended for the aerial truck to purchase the two fire pumpers currently under consideration.

Since the City committed, when we borrowed these funds, to a timetable to spend the bond proceeds within two years, and since it appears that we will not be able to utilize these funds for their intended purpose within the two-year timetable, it makes sense to switch the funding to the two fire engines which are ready to be purchased.

According to the Bond Counsel for these issuances, the passage of these ordinances is the only procedural requirement to redirect these funds.

Please let me know if you would like any additional information on this matter.

Ordinance No. 1934

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SALISBURY AMENDING ORDINANCE NO. 1898 TO REDESIGNATE FUNDS FROM THE FIRE AERIAL LADDER TRUCK TO THE PURCHASE OF TWO FIRE ENGINES.

WHEREAS, the City adopted Ordinance 1898 on February 9, 2004 issuing \$5,350,000.00 Infrastructure Bonds, 2004 Series A, and;

WHEREAS, Ordinance 1898 specified one of the uses of the funds to be a Fire Aerial Ladder Truck, and;

WHEREAS, the City does not intend to purchase the Fire Aerial Ladder Truck for at least two years, and,

WHEREAS, the City does require immediate funding to purchase two fire engines.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that Ordinance 1898 is amended to include two fire engines as an additional use of the bond proceeds.

BE IT FURTHER ORDAINED that this ordinance shall take effect from and after the date of its final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the \_\_\_\_\_ day of \_\_\_\_\_, 2005, and thereafter, a statement of the substance of the Ordinance having been published as required by law, was finally passed by the Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

ATTEST:

\_\_\_\_\_  
Brenda J. Colegrove  
CITY CLERK

\_\_\_\_\_  
Michael P. Dunn  
PRESIDENT, City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Barrie P. Tilghman  
MAYOR, City of Salisbury