



**BERLIN MAYOR AND COUNCIL  
MEETING AGENDA  
Monday, June 8, 2015**

**NO EXECUTIVE SESSION**

**7:00 PM REGULAR SESSION – Berlin Town Hall Council Chambers**

1. Approval of the Minutes for:  
Utilities Fund Budget Work Session on 5/4/15  
Final Budget Review Work Session on 5/18/15  
Executive Session of the Mayor and Council on 5/26/15  
Statement of Closure for Mayor and Council on 5/26/15  
Regular Session of the Mayor and Council on 5/26/15
2. Sandpiper Energy Presentation – Steve Ashcraft
3. Public Hearing: Approval of Ordinance 2015-01; FY16 Budget Adoption
4. Public Hearing: Approval of Ordinance 2015-02; Refinancing of Electric 2004A series Infrastructure Bonds.
5. Resolution 2015-08; HEAL (Healthy Eating Active Living) Cities
6. Dr. William Henry Memorial Funding Decision
7. Departmental Reports
  - a. Finance – Natalie Saleh
  - b. Administrative Services Director – Mary Bohlen
  - c. Electric – Tim Lawrence
  - d. Police – Arnold Downing
  - e. Planning – Dave Engelhart
  - f. Managing Director – Jeff Fleetwood
  - g. Economic and Community Development – Ivy Wells
8. Town Administrator's Report
9. Comments from the Mayor
10. Comments from the Council

11. Comments from the Public
12. Comments from the Press
13. Adjournment

**MAYOR AND COUNCIL OF BERLIN, MARYLAND  
UTILITIES FUND BUDGET WORKSESSION MINUTES  
May 4, 2015**

**CALL TO ORDER – 6:10 p.m.**

Mayor Gee Williams called the Utilities Fund Budget Worksession of the Town of Berlin to order at 6:10 p.m.

Council Present – Mayor Gee Williams, Councilmembers Troy Purnell, Thom Gulyas, Dean Burrell, Lisa Hall

Council Absent – Council Vice President Elroy Brittingham

Staff Present – Town Administrator Laura Allen, Finance Director Natalie Saleh, Water Resources/Public Works Director Jane Kreiter, Superintendent Jamey Latchum, Water Department Superintendent Marvin Smith, Stormwater Superintendent Jocelyn Aydelotte, Electric Utility Director, Tim Lawrence, Human Resources Director, Jeff Fleetwood.

Mayor Williams stated the budget schedule is as follows:

Utilities/Enterprise Fund Budget Work Session	Monday May 4, 2015
Regular Council Session	Monday May 11, 2105
Final Overall Work session	Monday May 18, 2015
Regular Council Session (Budget introduced)	Tuesday May 26, 2015
	*Meeting after Memorial Day*
Regular Council Meeting	Monday June 8, 2015

Natalie Saleh, Jane Kreiter and Marvin Smith – Water Department

The FY16 Water Fund budget was presented, including a Capital Budget of \$50,000.

Natalie Saleh, Jane Kreiter and Jamey Latchum – Wastewater Department

The FY16 Wastewater Fund budget was presented including a Capital Budget of \$66,000.

Natalie Saleh, Jane Kreiter and Jocelyn Aydelotte – Stormwater Department

The FY16 Stormwater Fund budget was presented including a Capital Budget of \$1,835,000.

Natalie Saleh and Tim Lawrence – Electric Department

The FY16 Electric Department budget was presented including a Capital Budget of \$306,500.

Councilmember Burrell inquired about a non-budget related item: the Wind Turbine. Mr. Lawrence stated that the sponsorship ran into financial hardships. The utilities department is currently looking for new backers and there have been discussions with Caterpillar Company. Mr. Lawrence will update the Council in two to three weeks.

Councilmembers Hall and Gulyas stated that all departments had done a lot of work on their budgets and actual services within their departments. It was noted that there was little to no light loss in the winter season and outages now could be measure in minutes compared to some other areas, where it could be measured in hours.

The meeting was adjourned at 7:20pm.

Minutes respectfully submitted,

A handwritten signature in cursive script that reads "Vicki Magin". The signature is written in black ink and is positioned above the printed name.

Vicki Magin

Administrative Assistant

**MAYOR AND COUNCIL OF BERLIN, MARYLAND  
FINAL BUDGET REVIEW WORKSESSION MINUTES  
May 18, 2015**

**CALL TO ORDER – 6:03p.m.**

Mayor Gee Williams called the Final Budget Review Work session of the Town of Berlin to order at 6:03 p.m.

Council Present – Mayor Gee Williams, Councilmembers Thom Gulyas, Lisa Hall, and Troy Purnell.

Councilmember Elroy Brittingham joined the meeting at 6:25p.m.

Council Absent – Councilmember Dean Burrell

Staff Present – Town Administrator Laura Allen, Finance Director Natalie Saleh, Deputy Town Administrator Mary Bohlen, Human Resources Director Jeff Fleetwood

Berlin Fire Company staff:- David Fitzgerald, Mike Hickman, Bill Tobin, Mark Rounds, Dave Bradford, Mike Ellingsworth,

Mayor Williams stated the remaining budget schedule is as follows:

Regular Council Session (Formal Budget introduction) Tuesday May 26, 2015

Regular Council Meeting (scheduled budget adoption) Monday June 8, 2015

The purpose of this meeting is to review the Fire Company Budget presentation by Department President David Fitzgerald and then the Fire Company Audit Presentation by John Stern, PKS.

Mr. Fitzgerald, President & Mr. Mike Hickman, Assistant Fire Chief, presented the Berlin Fire Company Fire and Rescue Budget Request to the Mayor and Council.

The overall Fire Department request for funds for FY2016 was \$373,000.

Mr. Fitzgerald and Mr. Ellingsworth presented the Berlin EMS, (Ambulance) Budget Request to the Mayor and Council.

The overall EMS request for funds for FY2016 was \$290,000.

A draft Financial Statement for the Berlin Fire Company that was prepared by PKS & Company, P.A and was presented to the Mayor and Council by Mr. Stern of PKS & Company.

There were no comments on the budget and no action taken. Budget Adoption is scheduled for Monday, June 8, 2015 at the regularly scheduled Council meeting.

Finance Director Ms. Saleh presented an updated General Fund Proposed Budget for FY2016. Ms. Saleh noted that the changes from the initially presented proposed General Fund Budget were associated with proposed purchase of the Tyson property.

Mayor Williams inquired about the feasibility of letters of intent for Support of the Worcester County Library. These letters of intent would be sent to Howard Sribnick, President of the Worcester County Library Foundation, Inc. another letter to Irene M. Padila Assistant State Superintendent for Libraries. The letters will state the Town of Berlin intends to commit \$75,000 to match a \$150,000 grant award made by the Humphrey's Foundation to the Worcester County Library Foundation, Inc.

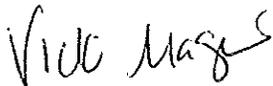
On the motion of Councilmember, Gulyas the letters of intent were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP	X				
Dean Burrell					X
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

Councilmember Brittingham announced Town Administrator Laura Allen, earlier that evening had been voted as the newest board member to Shore Up, Inc.

The meeting was adjourned at 7:36pm.

Respectfully Submitted,



Vicki Magin  
Administrative Assistant

Town Hall, 10 William Street  
 Berlin, MD 21811  
**May 26, 2015**  
**7:00 PM**

**CALL TO ORDER – 7:00 PM**

Mayor Gee Williams called the Regular Meeting of the Town Council to order at 7:13p.m.  
Council Present – Mayor Gee Williams, Councilmembers Troy Purnell, Thom Gulyas, Dean Burrell, Lisa Hall

Council Absent: Elroy Brittingham

Staff Present – Town Administrator Laura Allen, Electric Utility Director Tim Lawrence, Water Resources and Public Works Director Jane Kreiter, Planning Director Dave Engelhart, Economic Development Director Ivy Wells, Finance Director Natalie Saleh, Police Chief Arnold Downing, Human Resources Director Jeff Fleetwood.

**1a. Approval of Minutes for Regular Session of the Mayor and Council on May 11, 2015.**

On the motion of Councilmember, Gulyas the minutes were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**1b. Approval of Minutes for Executive Session of the Mayor and Council on May 18, 2015.**

On the motion of Councilmember Gulyas, the minutes were approved by the following vote:

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**1c. Mayor read Statement of Closure for May 18, 2015 Session**

The session as closed pursuant to General Provisions Article §3-305(b)

(1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal resignation or performance evaluation of appointees, employees or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals.

(7) To consult with counsel to obtain legal advice on a legal matter.

**2a. Approval of Special Event – Bathtub Race 7/17/15, Berlin Chamber of Commerce**

Larnet St. Amant was introduced as the new Director of the Chamber of Commerce by Donna Compher of Sister’s.

All activities and road closures for the bathtub races are the same as last year. Hay bales will be extended a small amount down the sides of the streets, to make it more secure. Councilmember Burrell inquired how long the bathtub races had been a Town event. The consensus was at least 20 years.

On the motion of Councilmember Burrell, the bathtub races were approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**2b. Approval of Special Event – Berlin Peach Festival 8/1/15, Berlin Heritage Foundation**

Jan Quick, President of the Berlin Heritage Foundation and Susan Taylor, Curator of the Foundation presented the 7<sup>th</sup> Annual Berlin Peach Festival for approval. As in past years, Baker Street will be closed for vendors. Ms. Quick was very appreciative to the Electric Department in seeing that all their needs were met in a timely and professional manner. Ms. Quick and Mayor Williams both noted that the Peach Festival has become a very fun multi-generational family event.

On the motion of Councilmember Hall, the 7<sup>th</sup> Annual Berlin Peach Festival was approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**3. Special Presentation by the Berlin Community Improvement Association**

Mr. Gabriel Purnell came before the Mayor and Council to discuss the Berlin Multi-Purpose building. Mr. Purnell gave great thanks to the Public Works staff, sub-committees and all Town of Berlin employees that were involved in the recent upgrades to the Multi-Purpose building, which included new doors, siding, roof and signage. Improvements to Henry Park were also noted. Both have become very inviting spaces and a great addition to the East Side of Town and speaks volume. Mr. Purnell hopes to have continued support from the Town. One of the next major projects is the flooring for the Multi-Purpose Center. Councilmember Burrell inquired about the needs of the floor. They have been looking

at a poured epoxy floor but have had only one estimate. Councilmembers Purnell and Gulyas both offered to give names of contractors that they have had contact with.

With regards to Henry Park, Mayor Williams and Mr. Purnell both noted that horseshoes have been a long awaited addition and they hope to see some competitive leagues resulting from their installation. Councilmember Hall noted that a reminder to pick up after yourself or take pride in your park signs could help with the litter that does not make it to the trash. A positive reinforcement message is the goal. Ms. Kreiter will look into signage for Henry Park.

**4. Motion to approve – Budget Amendments for FY2015. Natalie Saleh, Finance Director**

When going thru budget process estimates are made as close as possible based on data available. By reviewing the General Ledger, the Accounting Department has been able to adjust from some accounts into others based on updated information thus, making the financial statement look healthier.

The bottom line is that there would be an increase in the General Fund by 60,000 from prior year surplus.

Councilmembers Gulyas and Hall inquired to Public Works Director Jane Kreiter if her administrative staffing was adequate for her merged departments of Water Resources and Public Works. Currently administrative staff is budgeted for eight hours per week. Mayor Williams suggested that Ms. Allen and Ms. Kreiter discuss staffing needs quarterly.

On the motion of Councilmember Hall, the Budget Amendments to FY2015 were approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**5. Motion to Approve – Contractual Cleaning Service – Jeff Fleetwood, Human Resources Director**

Mr. Fleetwood and Ms. Bohlen had completed a request for proposals for contractual cleaning services. The low bidder was Angels Touch Cleaning Service. All references were checked and returned complimentary, including another Town. The contractual cleaning service will begin as of July 1, 2015. Councilmember Gulyas inquired if the company was bonded, Mr. Fleetwood answered that the company was bonded. Councilmember Burrell inquired about liability and workers compensation. The company has both of these certifications as well.

On the motion of Councilmember Gulyas, the Motion to Approve Angels Touch Cleaning Service, to a one-year contract, was approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**6. Motion to Approve Contract with Tyler Technologies – Laura Allen, Town Administrator**

This is the new proposed financial system for the General Ledger and Utilities Billing Package. The fees associated with the software include licensing and customer support to utilize the software to its maximum capabilities. Councilmember Burrell, who was on the sub-committee for this project, asked Ms. Allen and Ms. Saleh to explain what this new software package will do for the Town of Berlin. This will eliminate the need to download data into an Excel spreadsheet and format it accordingly for Finance to generate the most basic of reports. The software will allow for reporting in a more time efficient manner. This means Council will get more accurate and timely reporting. The utility billing aspect of the program generates more robust information for customers. The rollout time according to Tyler Technologies will be a five to six month window. Goal dates are March 2016 for the core financial system (general ledger and purchasing) then April, 2016 for utility billing. This timeframe will allow for data conversion and staff training. Ms. Saleh went on to explain the manual extraction and rekeying of data for financial needs of budget process. Councilmember Gulyas inquired about the credit card fee that will be incurred by the town. This online convenience fee of \$1 will be absorbed by the Town of Berlin. Ms. Allen did note that the fee of \$1 per transaction was negotiated down from \$2.50 per transaction. Councilmember Hall inquired if the software would be compatible should the Town go with ‘smart’ meters. Ms. Allen verified yes it is compatible.

On the motion of Councilmember Burrell, the Motion to the Tyler Technologies Financial Systems Contract was approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**7. Introduction of Ordinance 2015-01 FY16 Budget, Public Hearing to be held June 8, 2015**

*See Mayor's Statement – Attachment 1*

At 8:15pm, the ordinance was introduced; no discussion followed. A public hearing will be held on Monday, June 8, 2015.

**8. Resolution 2015-07 Property Tax Rate for FY2016**

The Town of Berlin is not changing the tax rate of .68/100\$ - it is the same as it has been for the last three years. This is the second lowest rate for a municipality in Worcester County.

On the motion of Councilmember Hall, Resolution 2015-07 FY2016 - Property Tax Rate for FY16 was approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

**9. Introduction of Ordinance 2015-02, refinancing of Electric 2004A series Infrastructure Bonds.**

The original rate on the bonds is 4.71%. The refinanced rate will be determined at settlement closing date and time and it will be approximately 3.25%. This accumulates to a savings of over \$253,000 over the next 19 years.

The ordinance was introduced and no action is required at this point. Public Hearing to be held Jun 8, 2015.

**10. Department reports**

**Finance Department – Natalie Saleh**

No updates

**Water Resources and Public Works – Jane Kreiter**

Ms. Kreiter noted there was a Purchase Order in the packet for \$15,869 to Southern Corrosion. This ten-year contract will cover over \$150,000 in repairs and maintenance of the Franklin Avenue Water Tower. Items included are power washing, repair and painting (inside and outside of tower). Mayor Williams

inquired as to the lifespan of a tower. Ms. Kreiter noted that Franklin Street Tower was approximately 65 years old, and with proper maintenance a tower can last up to 100 years. The Tripoli street sidewalks are completed with the exception of State Highway portion of tie-in to Main Street. Branch street sidewalk design is complete and should be going out for bids in the new few weeks.

#### **Electric Utilities – Tim Lawrence**

There was an outage Friday 5/22/15 for approximately 10-12 minutes due to Delmarva Power losing a transmission feed to Town of Berlin. The department has been busy with repairs and hanging banner for the Memorial Day and Touch-a-Truck day festivities. Touch-a –Truck day will be this Saturday, May 30 from 10am-12noon. Ernie Energy mascot is scheduled to make an appearance and hand out coloring books and crayons. Temporary service has been run the to the Cannery Village Contractor trailer. A longstanding project has been completed with the planting of a tree at 101 South Main Street, the original tree was removed by the Town and has been replaced with a smaller tree not to compete with the power lines.

#### **Police Department – Chief Arnold Downing**

Chief Downing noted that there had been several big events over the past weekend and all were a success without any incidents. The planning for all events was handled in a timely manner. Chief Downing extended a large thanks to local partners the Maryland State Police and the Worcester County Sheriff's office. There were over 200 traffic stops over the weekend. The staff is gearing up for the upcoming graduations.

#### **Planning – Dave Engelhart**

The Bay Area Center for Independent Living (a group out of Salisbury, MD) completed phase 3 and ADA survey final training. Berlin, Maryland is the first town to be recognized by the Department of Justice to have completed this training. The Bay Area Center for Independent Living was most impressed with the Town of Berlin's commitment to accessible sidewalks and bikeable Berlin. Grass enforcement continues. Cannery Village will have their groundbreaking ceremonies on Thursday, May 28<sup>th</sup>.

#### **Human Resources – Jeff Fleetwood**

Mr. Fleetwood thanked everyone for 100% participation in the Open Enrollment Health Fair that took place last week. It was also noted that this year showed the highest increase in coverage changes. There will be an upcoming training on ethics and harassment by Ernie Crow. The annual Ambassador program starts May 26, 2015.

#### **Economic Development – Ivy Wells**

Ms. Wells reminded everyone of the Atlantic General Health Fair that would be happening at the Welcome Center in conjunction with the High Heel Race on June 5, 2015. Hours of operation for the free screenings during Health Fair will be from 3pm-7pm. The Town of Berlin has been selected as the winner of the MML achievement award. The Town of Berlin has had two businesses take advantage of the Community Legacy Funding; The Church Mouse and Uncle Jon's Soaps. Ms. Wells read a thank you letter from Uncle Jon's Soaps applauding the funding.

**Town Administrators Report – Laura Allen**

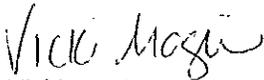
Councilmember Gulyas inquired as to the nature of the 'bulb eater', PO# 201502643. Utilities Director Tim Lawrence explained that as mandated by OSHA, these bulbs cannot go in the dump because the gases released from inside are considered hazardous waste. This machine will allow the bulbs to be crushed into very small pieces and deposited into a fifty-five gallon drum to be picked up. At this point, this is not a service the town is offering to the public, but may be something in the future. Consideration for LED bulbs are in the future for the Town of Berlin.

On the motion of Councilmember Gulyas, all purchase orders were approved by the following vote.

Name	Counted toward Quorum			Present but recused	Absent
	Aye	No	Abstain		
Elroy Brittingham, VP					X
Dean Burrell	X				
Lisa Hall	X				
Troy Purnell	X				
Thom Gulyas	X				
<i>Voting Tally</i>	4	0			1

The meeting was adjourned at 8:55pm

Minutes respectfully submitted,



Vicki Magin  
Administrative Assistant

## INTRODUCTION OF BUDGET – FY 2016

May 26, 2015

### Mayor's Statement

First, I wish to thank all of the Department Heads for their work in preparing the town budget proposals and the town council for their detailed review of the proposed budget over three budget work sessions that we have held since April 20<sup>th</sup>.

More time for sure, and possibly more effort, has been put into the preparation of this budget, than any I have been associated with since first being elected to the town council in 2003. For all the work that all of you and our partners we also fund...thank you.

The proposed budget is based on holding the current property tax rate at 68 cents per \$100 of valuation. There are no increases in any fees for town water, wastewater, or stormwater utilities. Electric cost will be reduced by 3% for the average monthly town residential customer from this June 2015 through December 2017.

The overall town budget for all departments for Fiscal 2016 totals \$17.1 million. The breakdown for the proposed town budgets is as follows:

General Fund: \$5.7 million (+10%) Increase of \$263,682

Most of the increase in income to the general fund results from increasing impact fees on new residential development within the town, State income tax revenues allocated to the town, and increased highway user revenues from the State of Maryland.

Electric Fund: \$5.5 million (-3%) Reduction of <\$147,241> (Reduction in costs from new power purchase agreement reflected in decreases of residential and commercial electric sales)

Water Fund: \$1 million (+16%) Increase of \$149,120 (Increase in dollars from special connection revenues generated by new upcoming developments)

Wastewater Fund: \$2.6 million (+18%) Increase of \$399,992 (Increase in dollars from special connection revenues generated by new upcoming developments)

Stormwater Fund: \$2.2 million (+69%) increase of \$901,900 (Increase in dollars from grants received from DNR, CDBG, FEMA for upcoming capital stormwater projects)

Town employees will receive a 3% salary increase and the town will incur no increase in health insurance cost for the fifth consecutive year.

As has been our course for several years, I believe the overall result of the Fiscal 16 Proposed Town Budget enables the Town of Berlin to maintain a financially stable budget with continued incremental improvements in municipal services, while allowing the town to continue to invest in infrastructure and property to provide permanent benefits to the community in the future.

####

ORDINANCE 2015-01

A MOTION OF THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN TO APPROVE THE FY16 BUDGET AS SUBMITTED.

ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_, 2015 BY THE COUNCIL OF THE TOWN OF BERLIN, MARYLAND BY AFFIRMATIVE VOTE OF \_\_\_\_ TO \_\_\_\_ OPPOSED.

\_\_\_\_\_  
Elroy Brittingham, Sr., Vice President

APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_, 2015

\_\_\_\_\_  
Wm. Gee Williams, III, Mayor

ATTEST: \_\_\_\_\_

Laura Allen  
Town Administrator

**ORDINANCE NO. 2015-02****MAYOR AND COUNCIL OF BERLIN  
INFRASTRUCTURE BONDS, 2015 SERIES A**

AN ORDINANCE OF THE COUNCIL OF MAYOR AND COUNCIL OF BERLIN ENTITLED AN ORDINANCE OF MAYOR AND COUNCIL OF BERLIN, A MUNICIPAL CORPORATION OF THE STATE OF MARYLAND (THE "TOWN"), PROVIDING FOR THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWO MILLION FOUR HUNDRED THOUSAND DOLLARS (\$2,400,000.00) OF GENERAL OBLIGATION BONDS OF THE TOWN TO BE KNOWN AS THE "MAYOR AND COUNCIL OF BERLIN INFRASTRUCTURE BONDS, 2015 SERIES A" (OR BY SUCH OTHER OR ADDITIONAL DESIGNATIONS AS REQUIRED BY THE COMMUNITY DEVELOPMENT ADMINISTRATION IDENTIFIED HEREIN, THE "BONDS"), TO BE ISSUED AND SOLD PURSUANT TO THE AUTHORITY OF SECTIONS 4-101 THROUGH 4-255 OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, AND SECTION 19-207 OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED, FOR THE PURPOSE OF (I) REFUNDING IN WHOLE OR IN PART THE OUTSTANDING MAYOR AND COUNCIL OF BERLIN, MARYLAND INFRASTRUCTURE BOND, 2004 SERIES A, INCLUDING PAYING OR PREPAYING, AS APPLICABLE, ANY OUTSTANDING PRINCIPAL THEREOF AND ACCRUED INTEREST THEREON, (II) FUNDING A PORTION OF A CAPITAL RESERVE FUND, AND (III) PAYING ISSUANCE AND OTHER COSTS RELATED TO THE BONDS; PROVIDING THAT THE BONDS SHALL BE ISSUED UPON THE FULL FAITH AND CREDIT OF THE TOWN; PROVIDING FOR THE DISBURSEMENT OF THE PROCEEDS OF THE SALE OF THE BONDS AND FOR THE LEVY OF ANNUAL TAXES UPON ALL ASSESSABLE PROPERTY WITHIN THE TOWN FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY SHALL RESPECTIVELY MATURE; PROVIDING FOR THE FORMS, TENOR, DENOMINATIONS, MATURITY DATES AND OTHER PROVISIONS OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS; AND PROVIDING FOR RELATED PURPOSES, INCLUDING THE METHOD OF FIXING THE INTEREST RATE OR RATES TO BE BORNE BY THE BONDS, THE APPROVAL, EXECUTION AND DELIVERY OF DOCUMENTS, AGREEMENTS, CERTIFICATES AND INSTRUMENTS AND THE MAKING OF OR PROVIDING FOR THE MAKING OF REPRESENTATIONS AND COVENANTS CONCERNING THE TAX STATUS OF THE INTEREST ON THE BONDS.

Underlining = Indicates material added by amendment after introduction

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

## RECITALS

WHEREAS, Mayor and Council of Berlin (the "Issuer") is a municipal corporation of the State of Maryland organized and operating under a charter (the "Charter") adopted in accordance with Article XI-E of the Constitution of Maryland and Article 23A of the Annotated Code of Maryland, as amended (now codified in the Local Government Article of the Annotated Code of Maryland, as amended); and

WHEREAS, Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), authorizes the Community Development Administration (the "Administration"), a governmental unit within the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland, to provide financial assistance to political subdivisions and municipal corporations to finance, among other things, infrastructure projects and to establish a capital reserve fund in connection therewith; and

WHEREAS, pursuant to authority of the Act (then codified in Subtitle 2 of Title 2 of Article 83B of the Annotated Code of Maryland) and Ordinance No. 2003-13, enacted by the Council of the Issuer (the "Council") on November 10, 2003 and approved by the Mayor of the Issuer on November 10, 2003 ("Ordinance No. 2003-13"), the Issuer issued and sold to the Administration the Mayor and Council of Berlin, Maryland Infrastructure Bond, 2004 Series A in the principal amount of \$3,000,000 (the "2004 Bond") for the public purpose of funding two projects identified as (i) Electric System Service Upgrades and Improvements and (ii) Electric System Siting and Permitting of Power Plant (collectively, the "2004 Project"), and paying issuance costs of the 2004 Bond, bond insurance premiums and other related costs; and

WHEREAS, as originally issued, the 2004 Bond bears interest at per annum rates ranging from 2.00% to 4.875% and matures on May 1, 2034; and

WHEREAS, the 2004 Bond and Section 2.1(c) of the related Repayment Agreement dated as of April 1, 2004 between the Issuer and the Administration (the "2004 Repayment Agreement") provide that at any time on or after June 1, 2014, the 2004 Bond is subject to prepayment at the option of the Issuer, in whole or in part, in an amount equal to the principal amount to be prepaid plus unpaid interest accrued to the date fixed for redemption of the corresponding bonds of the Administration, and in connection with any such prepayment the Issuer shall make provision for the payment of ongoing trustee fees related to the portion of the 2004 Bond that has been prepaid; and

WHEREAS, Section 19-207 of the Local Government Article of the Annotated Code of Maryland (the "Refunding Act") authorizes any Maryland municipality to issue bonds for the purpose of refunding any of its bonds then outstanding, including paying any redemption premium and interest on the bonds to be refunded, for the public purpose of (i) realizing a savings in the total cost of debt service on a direct comparison or present value basis, (ii) debt restructuring that reduces the total cost of debt service, or (iii) debt restructuring that the municipality determines (A) is in its best interests, (B) is consistent with its long-term financial plan, and (C) realizes a financial objective of the municipality, including improvement of the

Underlining = Indicates material added by amendment after introduction

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

relationship of debt service to any source of payment such as taxes, assessments or other charges; and

WHEREAS, the Refunding Act provides that any refunding bonds shall be issued in accordance with the procedures that applied to issuance of the bonds being refunded, except that if, in a public meeting, the municipality determines that it would be in the public interest, the municipality may sell bonds issued under the Refunding Act at a private sale, without soliciting bids; and

WHEREAS, pursuant to the authority of the Act, the Issuer has determined to issue its general obligation bonds in the aggregate principal amount not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000.00) (the "Bonds", as defined herein) for the purpose of (i) refunding in whole or in part the outstanding 2004 Bond and, in connection therewith, paying or prepaying all or any portion of the outstanding principal amount of the 2004 Bond and all or any portion of accrued and unpaid interest on the 2004 Bond, together with any other payments required to be made under the 2004 Repayment Agreement, and thereby refinancing the costs of the 2004 Project, (ii) funding a portion of a capital reserve fund, and (iii) paying issuance and other costs related to the Bonds; and

WHEREAS, the Issuer proposes to issue and sell the Bonds to the Administration, in connection with the Local Government Infrastructure Financing Program of the Administration (the "Program"); and

WHEREAS, it is the intention of the Issuer by this Ordinance to provide for the issuance and sale of the aforementioned Bonds and to obtain a loan or loans from the Administration pursuant to the Program (collectively, the "Loan"); and

WHEREAS, the Issuer intends to authorize the execution and delivery of the Bonds and all other documents, certificates and other materials related to the issuance, sale and delivery of the Bonds and the Loan; and

WHEREAS, the Administration intends to issue one or more series of its Local Government Infrastructure Bonds to finance the Loan and other loans to be financed pursuant to the Program.

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE COUNCIL OF MAYOR AND COUNCIL OF BERLIN:**

**SECTION 1. Authorization, Terms, Form of Bonds.**

(a) Mayor and Council of Berlin (the "Issuer") shall borrow upon its full faith and credit and shall issue and sell upon its full faith and credit an aggregate principal amount not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000.00) of its general obligation bonds, to be issued pursuant to the authority of Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), and Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as

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amended (the "Refunding Act"), to be known as the "Mayor and Council of Berlin Infrastructure Bonds, 2015 Series A" or by such other or additional designations as required by the Administration identified in subsection (b) below, including (without limitation) to identify separate series or subseries and/or to reflect a different year of issuance (collectively, the "Bonds"). The proceeds from the sale of the Bonds shall be used for the purpose of providing all or a portion of the funds necessary for (i) refunding in whole or in part the outstanding 2004 Bond and, in connection therewith, paying or prepaying all or any portion of the outstanding principal amount of the 2004 Bond and all or any portion of accrued and unpaid interest on the 2004 Bond, together with any other payments required to be made under the Repayment Agreement dated as of April 1, 2004 between the Issuer and the Community Development Administration (the "Administration"), and thereby refinancing costs of the 2004 Project (collectively, the "Refunding Project"), (ii) funding a portion of a capital reserve fund, and (iii) paying issuance and other costs related to the Bonds. Notwithstanding the foregoing description of the Refunding Project, the Mayor of the Issuer (the "Mayor"), in consultation with the Town Administrator of the Issuer (the "Town Administrator"), the Finance Director of the Issuer (the "Finance Director"), and the Administration, is hereby authorized and empowered, on behalf of the Issuer, to determine prior to the sale of the Bonds to apply funds on hand to pay a portion of the costs of the Refunding Project and/or to pay all or a portion of the costs of funding a portion of a capital reserve fund and/or issuance and other costs relating to the Bonds and, accordingly to reduce the aggregate principal amount of the Bonds to be issued for the purposes authorized by this Ordinance. The public purpose of the Refunding Project is to realize a savings in the total cost of debt service on a direct comparison or present value basis or a debt restructuring that reduces the total cost of debt service.

(b) The Bonds shall be issued as one or more fully registered bond certificate(s) in the aggregate principal amount not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000.00) payable to the Administration as the registered owner thereof. The Bonds shall be issued in such aggregate principal amount or such lesser aggregate principal amount as determined by the Mayor pursuant to subsection (g) below, which shall be equal to the aggregate principal amount of the loan or loans to the Issuer from the Administration (collectively, the "Loan") under the Local Government Infrastructure Financing Program of the Administration (the "Program").

(c) The Bonds shall be dated as of the date of issue, or as of such other date as is specified by the Administration; shall be numbered from R-1 upward or as otherwise required by the Administration; shall be initially registered in the name of the Administration or its designee; shall bear interest from the date of issuance of the Local Government Infrastructure Bonds issued by the Administration (the "Administration's Bonds"), payable semiannually on May 1 and November 1, at such annual rate or rates and be payable in annual principal installments at the designated office of the Administration.

(d) The Bonds shall bear interest at an annual rate or rates of interest for a total interest cost (expressed as a yield) not to exceed 3.85 percent for a loan with a maturity of not more than twenty (20) years, the actual rate or rates of interest to be borne by the Bonds to be determined and established by the Mayor acting pursuant to Section 1(g) of this Ordinance.

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(e) The Bonds shall be in substantially the form set forth on Exhibit A attached hereto and made a part hereof, which form, together with all of the covenants and conditions therein contained, is hereby adopted by the Issuer as and for the form of obligation or obligations to be incurred by the Issuer and such covenants and conditions are hereby made binding upon the Issuer, including the promise to pay therein contained.

(f) The Bonds are to be issued in connection with the Program to refinance all or a portion of the costs of the Refunding Project, to fund a portion of a capital reserve fund and to pay costs of issuance and other related costs. Under the Program, the Issuer will enter into a Repayment Agreement and a Pledge Agreement with the Administration (respectively, the "Repayment Agreement" and the "Pledge Agreement"). The Issuer also will execute and deliver in connection with the issuance of the Bonds and the Program any additional documents, agreements, instruments and certificates requested by the Administration, including, without limitation, to the extent the 2004 Bond is refunded in part, any amendments, modifications or supplements to the Repayment Agreement, the Pledge Agreement and/or any other documents, agreements, instruments or certificates entered into by the Issuer in connection with the issuance of the 2004 Bond (any or all of which, together with the Repayment Agreement and the Pledge Agreement referred to in this first sentence of this subsection (f), are herein referred to as the "Program Documents"). The Program Documents shall be in such forms and shall contain such terms and conditions as shall be approved by the Mayor and/or the Town Administrator and acceptable to the Administration.

(g) Because this Ordinance is being passed before the details have been finalized for the financing pursuant to which the Administration will issue the Administration's Bonds (the "Administration Financing") that will fund the Loan to the Issuer under the Program, the Mayor is hereby authorized to make such changes to the amount and form of the Bonds, including insertions therein or additions or deletions thereto, as may be necessary or appropriate to conform the terms of the Bonds to the terms of the financing to be provided to the Issuer under the Program. Without limiting the foregoing, it is presently contemplated that the Loan will be in an amount not to exceed \$2,400,000.00 in aggregate principal amount hereby authorized, subject to final approval by the Administration; accordingly, the Mayor is specifically authorized: (i) to make changes to the aggregate principal amount of the Bonds in order to reflect the final aggregate principal amount of the Loan not to exceed \$2,400,000.00 as approved by the Administration and accepted by the Issuer, and (ii) to authorize and approve an interest rate or rates and payment schedule(s) reflecting the principal and interest payments with respect to the Bonds but not to exceed the maximum total interest cost to be borne by the Bonds as set forth in subsection (d) above.

(h) This borrowing is in conformance with and does not exceed any and all applicable debt limitations under the Charter of the Issuer (the "Charter").

**SECTION 2. Execution.** The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor, and the seal of the Issuer shall be affixed thereto or reproduced thereon and attested by the manual signature of the Town Administrator. The Program Documents shall be executed on behalf of the Issuer by the Mayor and/or the Town Administrator. In the event any official whose signature appears on any of the Bonds or the

Program Documents shall cease to be an official prior to the delivery of the Bonds or the Program Documents, or, in the event any official whose signature appears on any of the Bonds or the Program Documents becomes an official after the date of the issue, the Bonds or Program Documents shall nevertheless be valid and binding obligations of the Issuer in accordance with their terms. The Mayor is hereby authorized, empowered and directed to complete the applicable forms of the Bonds and to make modifications, deletions, corrections or other changes thereto in any manner which the Mayor, in the Mayor's discretion, shall deem necessary or appropriate in order to complete the issuance and sale of the Bonds, as will not alter the substance thereof. The Mayor and/or the Town Administrator are hereby authorized, empowered and directed to complete the applicable forms of the Program Documents and to make modifications, deletions, corrections or other changes thereto in any manner which such official, in the discretion of such official, shall deem necessary or appropriate in order to complete the execution and delivery of the Program Documents in accordance with the provisions of this Ordinance, as will not alter the substance thereof. The execution and delivery of the Bonds by the Mayor and the execution and delivery of the Program Documents by one or more of the duly authorized officials provided for in this Section 2 shall be conclusive evidence of such official's or officials' approval of the forms and substance thereof. To the extent appropriate, additional officials of the Issuer and the Town Attorney of the Issuer may be signatories to the Program Documents with respect to facts, representations, certifications, covenants and agreements within the scope of their respective responsibilities or authority.

**SECTION 3. Registration of Bonds.** The Town Administrator shall act as registrar for the Bonds and shall maintain registration books for the registration and registration of transfer of the Bonds. No security or bond shall be required of the Town Administrator in the performance of the duties of registrar for the Bonds.

The Issuer may deem and treat the person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on such Bond and for all other purposes.

**SECTION 4. Prepayment.** The Bonds are being issued in connection with the Program and will secure payment of the Administration's Bonds, which are being issued by the Administration to provide funds to purchase the Bonds from the Issuer. The Repayment Agreement limits the right of the Issuer to prepay the Bonds in accordance with restrictions upon the right of the Administration to redeem the Administration's Bonds. Accordingly, the Issuer may prepay the Bonds only in accordance with the provisions of the Repayment Agreement and the terms governing prepayments as set forth in the Bonds.

**SECTION 5. Replacement of Mutilated, Lost, Stolen, or Destroyed Bonds.** In case any Bond (a "Bond" being, for purposes of this Section, any one of the Bonds) shall become mutilated or be destroyed, lost or stolen, the Issuer may cause to be executed and delivered a new Bond of like series or subseries, date and tenor and bearing the same or a different number, in exchange and substitution for each Bond mutilated, destroyed, lost or stolen, upon the owner paying the reasonable expenses and charges of the Issuer in connection therewith and, in the case of any Bond being destroyed, lost or stolen, upon the owner filing with the Issuer evidence

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satisfactory to it that such Bond was destroyed, lost or stolen, and furnishing the Issuer with indemnity satisfactory to it. Any Bond so issued in substitution for a Bond so mutilated, destroyed, lost or stolen: (i) may be typewritten, printed or otherwise reproduced in a manner acceptable to the Administration, and (ii) shall constitute an original contractual obligation on the part of the Issuer under this Ordinance whether or not the Bond in exchange for which said new Bond is issued shall at any later date be presented for payment and such payment shall be enforceable by anyone, and any such new Bond shall be equally and proportionately entitled to the benefits of this Ordinance with all other like Bonds, in the manner and to the extent provided herein.

**SECTION 6. Use of Proceeds.** The proceeds of the Bonds shall be held and invested by the Administration in its sole discretion and shall be:

(a) Administered and disbursed by the Administration pursuant to the Repayment Agreement. The proceeds of the Bonds shall be used, when and as required, to pay Development Costs (as defined in the Repayment Agreement), including by refunding the 2004 Bond.

(b) After all or the designated portion of the outstanding 2004 Bond has been refunded, the Refunding Project has been completed and all Development Costs in connection therewith have been paid, any balance of the proceeds of the sale of the Bonds held by the Administration under the Repayment Agreement may be applied to the next maturing principal installment, payment of interest on the Bonds or prepayment of the Bonds, as permitted by the Administration.

**SECTION 7. Covenants.** The Issuer covenants with the Administration and for the benefit of the owners from time to time of the Bonds that so long as the Bonds or installments of principal thereunder shall remain outstanding and unpaid:

(a) The Issuer will duly and punctually pay, or cause to be paid, to the Administration the principal of the Bonds, premium (if any) and interest accruing thereon, at the dates and places and in the manner mentioned in the Bonds from unlimited ad valorem taxes in the event that available funds are inadequate to make such payment.

(b) The Issuer covenants that so long as any of the Bonds are outstanding and not paid, unless other funds are available for payment of principal of, premium, if any, and interest on the Bonds, it shall levy annually, in the manner prescribed by law, ad valorem taxes on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation in rate and amount sufficient to provide for the payment of the principal of and interest on the Bonds as the same become due and payable; and in the event that the revenues available from the taxes so levied in any fiscal year shall prove inadequate for the above purposes, the Issuer shall levy additional taxes in the succeeding fiscal year to make up such deficiency; and the full faith and credit and the unlimited taxing power of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due.

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(c) The Issuer will promptly provide to the Administration (or to any person designated by the Administration) all financial information and operating data concerning the Issuer as may be required by the Administration in its discretion in order to comply with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, as in effect from time to time, applicable to the Administration's Bonds.

**SECTION 8. Ordinance a Contract.** The provisions of this Ordinance shall constitute a contract with the purchasers and owners from time to time of the Bonds, and this Ordinance shall not be repealed, modified or altered in any manner materially adverse to the Administration and interests of such purchasers or owners while the Bonds or any portion thereof remain outstanding and unpaid without the consent of the owners of the Bonds and the Administration.

**SECTION 9. Pledge of Local Government Payments.** As contemplated and authorized by Section 4-229(b) of the Act, the Issuer hereby pledges, assigns and grants a security interest to the Administration, its successors in trust and assigns, in all right, title and interest of the Issuer in and to the Local Government Payments (as defined in the Pledge Agreement), now or hereafter acquired, (i) to secure payment of the principal of, premium, if any, and interest on the Bonds and any other Local Obligations (as defined in the Pledge Agreement) issued and to be issued from time to time by the Issuer under the Program and (ii) to provide for deposits to the capital reserve fund securing the Bonds the amount of the Issuer's portion of any deficiency in such capital reserve fund as the Administration shall require, all as more fully set forth and provided in the Pledge Agreement.

**SECTION 10. Purchase Price of Bonds.** The Bonds shall be sold for cash in accordance with the terms and provisions of this Ordinance at par, or if discount is permitted by law, at such discount as is agreed with the Administration in accordance with the terms and provisions of this Ordinance, and as authorized by Section 4-229(a) of the Act.

**SECTION 11. Sale of Bonds.** The Bonds shall be sold to the Administration under the Program at private sale, as authorized by Section 4-229(a) of the Act. Such private sale is in the interests of the Issuer due, in part, to the competitive interest rates the Administration offers borrowers participating in the Program and the economies of scale achieved by sharing issuance and other costs among borrowers in the Program.

**SECTION 12. Authority to Take Action; Publication and Public Hearing.**

(a) The appropriate officials and employees of the Issuer are hereby authorized and directed to do all acts and things required of them by the provisions of this Ordinance, for the full, punctual and complete performance of all the terms, covenants and provisions of the Bonds, the Program Documents and this Ordinance and to do and perform all acts and to execute, seal and deliver all documents or instruments of writing which may be necessary or desirable to carry out the full intent and purpose of this Ordinance and the Program Documents.

(b) As required by the Act, prior to the issuance of the Bonds, the Issuer shall publish in a newspaper of general circulation in the jurisdiction of the Issuer a notice of the proposed issuance of the Bonds, which notice shall include the proposed amount of the issue, the nature of

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the projects to be financed or refinanced, the time and place of the public hearing, the name of the person(s) and address of the place where written comments may be sent, and the Issuer shall hold a public hearing on the proposed issuance of the Bonds. Such actions may be (or have been) taken prior to or simultaneously with the passage of this Ordinance.

(c) The Issuer shall comply with any publication and/or posting requirements set forth in its Charter that are determined to be applicable to this Ordinance.

### **SECTION 13. Tax Matters**

(a) Any one or more of the Mayor, the Town Administrator and/or the Finance Director shall be the officers of the Issuer responsible for the issuance of the Bonds within the meaning of the Arbitrage Regulations (defined herein). Any one or more of the Mayor, the Town Administrator and/or the Finance Director shall also be the officers of the Issuer responsible for the execution and delivery (on the date of issuance of the Bonds) of a certificate of the Issuer (the "Section 148 Certificate") which complies with the requirements of Section 148 ("Section 148") of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder (the "Arbitrage Regulations"), and such official or officials are hereby directed to execute the Section 148 Certificate and to deliver the same to the Administration on the date of the issuance of the Bonds. The Section 148 Certificate may be contained within any of the Program Documents at the discretion of the Administration.

(b) The Issuer shall set forth in the Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any monies, securities or other obligations to the credit of any account of the Issuer which may be deemed to be proceeds of the Bonds pursuant to Section 148 or the Arbitrage Regulations (collectively, "Bond Proceeds"). The Issuer covenants that the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the Issuer's reasonable expectations on the date of issuance of the Bonds and will be, to the best of the certifying officials' knowledge, true and correct as of that date.

(c) The Issuer covenants and agrees with each of the holders of any of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 and the regulations thereunder which are applicable to the Bonds on the date of issuance of the Bonds and which may subsequently lawfully be made applicable to the Bonds.

(d) The Issuer further covenants that it shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds thereof, and take such other and further actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. All officers, employees and agents of the Issuer are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the Issuer's compliance with, the covenants set forth in this Section.

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(e) Any one or more of the Mayor, the Town Administrator, and/or the Finance Director, on behalf of the Issuer, may make such covenants or agreements in connection with the issuance of Bonds issued hereunder as such officer(s) shall deem advisable in order to assure the registered owners of such Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes, and such covenants or agreements shall be binding on the Issuer so long as the observance by the Issuer of any such covenants or agreements is necessary in connection with the maintenance of the exclusion of the interest on such Bonds from gross income for federal income tax purposes. The foregoing covenants and agreements may include such covenants or agreements on behalf of the Issuer regarding compliance with the provisions of the Code as such officer(s) shall deem advisable in order to assure the registered owners of such Bonds that the interest thereon shall be and remain excludable from gross income for federal income tax purposes, including (without limitation) covenants or agreements relating to the investment of the proceeds of such Bonds, the payment of rebate (or payments in lieu of rebate) to the United States, limitations on the times within which, and the purpose for which, such proceeds may be expended, or the use of specified procedures for accounting for and segregating such proceeds. Such officer(s) may also make on behalf of the Issuer any elections, designations or determinations authorized or permitted by the Code or the Arbitrage Regulations.

#### **SECTION 14. Effective Date; Miscellaneous.**

(a) Pursuant to Section 4-232(c) of the Act, this Ordinance shall take effect from the date of its passage by the Council of the Issuer (the "Council") and its approval by the Mayor, and it is the intent hereof that the laws of the State of Maryland shall govern its construction and the construction of the Bonds. Any copy of this Ordinance duly certified by the Town Administrator or the Town Administrator's successor in office shall constitute evidence of the contents and provisions hereof.

(b) Any reference to an official of the Issuer in this Ordinance shall be deemed to include any such official serving in an "acting" capacity (e.g., the Acting Town Administrator of the Issuer or the Acting Finance Director of the Issuer). Any reference to an official of the Issuer in this Ordinance shall be deemed to include references to such official if generally known by another title; titles of officials as used in this Ordinance correspond to the titles used in the Charter or the Town Code of the Issuer (the "Town Code").

(c) In the event the position of any official who is referred to by title in this Ordinance is vacant at the time any action authorized to be taken by such official in accordance with the provisions of this Ordinance shall occur, and no person has been appointed to such position (including in an "acting" capacity) and is incumbent in such position, references in this Ordinance to such official shall be deemed to refer to any other appropriate official of the Issuer charged with such responsibilities under the Charter or the Town Code or, to the extent not so provided for in the Charter or the Town Code, as designated by the Council. Written evidence of any such designation shall be provided to the Administration. Notwithstanding the foregoing sentence, in the event two or more officials are charged with responsibility for taking any actions in accordance with the provisions of this Ordinance and only one such position is filled at the applicable time, any such action may be taken solely by the remaining official.

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(d) References in this Ordinance to the phrase "to finance", "to pay" or "to fund" or similar phrases shall be deemed to refer to and include "to reimburse" or similar phrases.

(e) Any one or more of the Mayor, the Town Administrator and/or the Finance Director is hereby authorized and empowered to take any action necessary to effect the Refunding Project including, without limitation, determining in consultation with the Administration the date on which the 2004 Bond shall be prepaid and giving any required notices of redemption or prepayment in connection therewith.

(f) The title of this Ordinance shall be deemed to be, and is, a fair summary of this Ordinance for all purposes.

(g) Pursuant to Section 4-232(b) of the Act, this Ordinance shall be subject to petition to referendum by the qualified voters of the Issuer in accordance with Section C3-12 of the Charter provided that the petition is filed not later than 20 days after this Ordinance is passed by the Council. The provisions of Section C3-12 of the Charter allowing for a referendum petition to be filed before the expiration of twenty (20) calendar days following the approval of any ordinance by the Mayor or passage of any ordinance over the Mayor's veto shall be disregarded and the provisions of Section 4-232(b) of the Act shall control the period in which any referendum petition must be filed.

(h) The provisions of this Ordinance shall be liberally construed in order to effectuate the transactions contemplated hereby.

[CONTINUED ON FOLLOWING PAGE]

INTRODUCED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

PASSED \_\_\_\_\_ AS INTRODUCED \_\_\_\_\_ AS AMENDED [CHECK APPLICABLE LINE] BY THE COUNCIL OF BERLIN BY A VOTE OF \_\_\_\_\_ (YEAS), \_\_\_\_\_ (NOS), \_\_\_\_\_ (ABSTENTIONS) THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

\_\_\_\_\_  
LAURA ALLEN  
TOWN ADMINISTRATOR

\_\_\_\_\_  
ELROY BRITTINGHAM, SR.  
VICE PRESIDENT OF THE COUNCIL

APPROVED BY THE MAYOR THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015:

\_\_\_\_\_  
WM. GEE WILLIAMS, III  
MAYOR

EFFECTIVE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

Exhibit A. – Form of Bond

#175026;50016.020

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**United States of America  
State of Maryland  
Mayor and Council of Berlin  
Infrastructure Bond, 2015 Series A**

No. R-1

\$ \_\_\_\_\_

Mayor and Council of Berlin, a municipal corporation duly organized and existing under the Constitution and laws of the State of Maryland (the "Issuer"), hereby promises to pay to the

Maryland Community Development Administration

or its registered assigns, the principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), plus interest on each unpaid principal installment at the rates per annum set forth under the column designated "Coupon" on Exhibit A attached hereto for each principal installment, in lawful money of the United States of America, as follows: (a) interest on the outstanding and unpaid principal of this bond shall be due and payable in semiannual payments commencing on \_\_\_\_\_, 20\_\_, and continuing on the first day of [November] and [May] in each year thereafter until final maturity; (b) principal of this bond shall be paid commencing on \_\_\_\_\_ and on \_\_\_\_\_ in each year thereafter until final maturity in the aggregate amount of principal installments as set forth on Exhibit A. Payment of the principal hereof and the interest due hereon shall be made by check mailed to the address of the registered owner of this bond as shown on the registration books maintained by the Issuer, or in such other manner and to such other address as the registered owner of this bond may designate. If any payment of the principal of or interest on this bond shall be due on a day other than a Business Day (defined herein), such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date. A "Business Day" is any day other than a Saturday, Sunday or legal holiday in the State of Maryland observed as such by the Issuer.

In the event any payment hereon (whether principal, interest or both) is not paid when due and payable, such payment shall continue as an obligation of the Issuer and shall bear interest until paid at the rate or rates of interest borne by this bond.

This bond, designated as "Mayor and Council of Berlin Infrastructure Bond, 2015 Series A" (this "Bond"), is a general obligation of the Issuer, and has been duly issued by the Issuer for the purpose of providing all or a portion of the funds necessary for (i) refinancing costs of certain projects identified in the Ordinance referred to herein as (A) Electric System Service Upgrades and Improvements and (B) Electric System Siting and Permitting of Power Plant, (ii) funding a

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portion of a capital reserve fund, and (iii) paying issuance costs and other costs related to this Bond. Unless paid from other sources, the Issuer covenants that so long as any portion of this Bond is outstanding and not paid, it shall levy annually, in the manner prescribed by law, ad valorem taxes on all real and tangible personal property within its corporate limits subject to assessment for unlimited taxation in rate and amount sufficient to provide for the payment of the principal of and interest on this Bond as the same become due and payable.

This Bond is issued pursuant to the authority of Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended, Sections C7-19, C7-19.1 and C7-21 of the Charter of the Issuer, and Ordinance No. \_\_\_\_\_ of the Issuer passed by the Council of the Issuer on \_\_\_\_\_, 2015, approved by the Mayor of the Issuer on \_\_\_\_\_, 2015 and effective on \_\_\_\_\_, 2015 (the "Ordinance"). The full faith and credit of the Issuer are hereby irrevocably pledged to the payment of the principal of this Bond and the interest to accrue hereon.

This Bond is issued in connection with the Local Government Infrastructure Financing Program of the Community Development Administration, a governmental unit within the Division of Development Finance of the Department of Housing and Community Development, a principal department of the government of the State of Maryland (the "Administration"). This Bond is subject to the terms and conditions of the Repayment Agreement dated as of \_\_\_\_\_, between the Issuer and the Administration (the "Repayment Agreement").

This Bond is not subject to prepayment by the Issuer prior to [June] 1, 20\_\_\_\_. On or after \_\_\_\_\_, this Bond is subject to prepayment by the Issuer at the prepayment prices, expressed as a percentage of the principal amount to be prepaid, plus accrued interest, if any, to the prepayment date, on the principal amount thereof, and during the periods (both dates inclusive) listed below:

Period	Price
_____ through _____	%
_____ through _____	
_____ through thereafter	

Notice of prepayment shall be given, the date of prepayment determined, and all prepayments of this Bond shall be applied in accordance with the provision of the Repayment Agreement.

The Issuer may treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving payment thereof and for all other purposes whatsoever, and shall not be affected by any notice to the contrary, except as provided below.

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

This Bond is assignable and upon such assignment the assignor shall promptly notify the Issuer by certified mail, and the assignee shall surrender this Bond to the Issuer for transfer on the registration records and verification of the portion of the principal amount hereof and interest hereon paid or unpaid, and every such assignee shall take this Bond subject to such condition. In connection with any transfer of this Bond, the Issuer may make a charge sufficient to reimburse it for any tax, or other governmental charge required to be paid with respect to such transfer and any reasonable fees or expenses of the Issuer incurred in connection with such transfer.

Principal of this Bond is paid in annual installments and this Bond is subject to partial redemption without any notation of such payment being made on this Bond or the surrender of this Bond for cancellation and the issuance of a new Bond or Bonds in the amount of the unpaid principal hereof. Accordingly, the outstanding principal of this Bond may be less than the stated face amount hereof and any purchaser or transferee of this Bond should contact the Issuer and the prior owner of this Bond to ascertain the outstanding face amount hereof.

As declared by Section 4-231(c) of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, this Bond shall have and possess all the attributes of negotiable instruments as provided in Section 19-224 of the Local Government Article of the Annotated Code of Maryland, as amended. This Bond is issued with the intent that the laws of the State of Maryland shall govern its construction.

No recourse shall be had for the payment of the principal of, the interest on, or for any claim based hereon or on the Ordinance against any elected or appointed official or employee, past, present or future of the Issuer or any agency thereof; and any such recourse, claim or liability is expressly waived by acceptance by the owner of the delivery of this Bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this Bond does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter of the Issuer and the proceedings of the Issuer.

Underlining = Indicates material added by amendment after introduction  
~~Strike-through~~ = Indicates material deleted by amendment after introduction

IN WITNESS WHEREOF, Mayor and Council of Berlin has caused this Bond to be signed in its name by the manual or facsimile signature of its Mayor and its corporate seal to be affixed hereto and attested by the manual signature of the Town Administrator, as of the \_\_\_\_\_, 2015.

ATTEST:

MAYOR AND COUNCIL OF BERLIN

\_\_\_\_\_  
Town Administrator

By: \_\_\_\_\_

Mayor

Underlining = Indicates material added by amendment after introduction  
~~Strike through~~ = Indicates material deleted by amendment after introduction

BOND PAYMENT SCHEDULE

[Use the following paragraph (with necessary modifications) to clarify the amount to be paid under the schedule prepared by the Financial Advisor.]

[Repayment Schedule to be Inserted.]

Each installment of Principal and Interest or Interest alone shall be the aggregate of amounts set forth in this Exhibit A for the date of such payment as shown under the heading designated "Debt Service."

Underlining = Indicates material added by amendment after introduction  
~~Strike through~~ = Indicates material deleted by amendment after introduction

**RESOLUTION NO. 2015-08**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN,  
SETTING FORTH THE TOWN OF BERLIN, MARYLAND'S COMMITMENT TO  
OBESITY PREVENTION AND DESIRE TO BE A DESIGNATED H.E.A.L.  
COMMUNITY.**

WHEREAS, in January 2013, the Maryland Municipal League entered into a memorandum of understanding with the Institute for Public Health Innovation to work collaboratively on the HEAL Cities & Towns Campaign; and

WHEREAS, the Town of Berlin (the "Town") has the ability to affect the health of its residents; and

WHEREAS, planning and constructing a built environment that encourages walking, biking, and other forms of physical activity can promote health; and

WHEREAS, high rates of costly chronic disease among both children and adults are correlated to environments with few or no options for healthy eating and active living; and

WHEREAS, more than half of Maryland's adults are overweight or obese and therefore at risk for many chronic conditions including diabetes, heart disease, cancer, arthritis, stroke, and, hypertension; and

WHEREAS, one in three youth in Maryland is overweight or obese; and

WHEREAS, more children are being diagnosed with diseases linked to overweight and obesity previously seen only in adults, such as Type 2 diabetes and heart disease; and

WHEREAS, the current generation of children are expected to have shorter lives than their parents due to the consequences of obesity; and

WHEREAS, obesity takes a tremendous toll on the health, productivity of all Marylanders;

WHEREAS, the annual cost to Maryland—in medical bills, workers compensation and lost productivity— for overweight, obesity, and physical inactivity exceeds \$3 billion;

WHEREAS, teens and adults who consume one or more sodas or sugar sweetened beverages per day are more likely to be overweight or obese;

WHEREAS, supporting the health of residents and the local workforce would decrease chronic disease and health care costs and increase productivity; and

WHEREAS, the Town has initiated programs and joined with several area organizations to promote healthy and active lifestyles, including:

- Implemented a committee of volunteer employees to address Workplace Wellness.
- Enhanced Town parks' facilities including creation of a low-impact walking trail, addition of fitness stations along the walking trail in Stephen Decatur Park, as well as complete replacement and upgrade of basketball courts and addition of horseshoe pits in Dr. William Henry Park;
- Built sidewalks along several Town streets which previously had no safe pedestrian walkways;

- Worked closely with the State Highway Administration to add and improve sidewalks along state controlled streets and roadways as well as the installation of a countdown crosswalk on Rt. 113 to increase bicycle and pedestrian safety when crossing;
- With community-wide participation, developed and began implementation of the 2016-2018 Strategic Plan which includes, as the number one priority, an increase in parks and recreation facilities;
- Supported the Lower Shore Land Trust in their development of a Walkable/Bikeable Berlin Plan;
- Entered into a Memorandum of Understanding with the Lower Shore Land Trust to support their applications for grant funds and to submit grant applications on their behalf where appropriate, including the 2015 Maryland Bikeways Program;
- Contracted with Worcester Youth and Family Counseling to provide a youth program, known as the "Berlin Youth Club", which provides education and activities including healthy-eating and fitness;
- Provided materials to the Berlin Library for their Community Garden, which provides fresh vegetables to programs providing food to those in need;
- Passed an Ordinance permitting and regulating the keeping of chickens on residential properties;
- Hosted the Worcester County Health Department's "Just Walk, Berlin" program in Stephen Decatur Park on annual basis since 2012.

NOW, THEREFORE, LET IT BE RESOLVED that the Town of Berlin Council hereby recognized that obesity is a serious public health threat to the health and wellbeing of adults, children and families in Berlin and a commitment is needed to put healthy choices within reach of all residents. While individual lifestyle changes are necessary, individual effort alone is insufficient to combat obesity's rising tide. Significant societal and environmental changes are needed to support individual efforts to make healthier choices. To that end, the Town of Berlin, Maryland adopts this Healthy Eating Active Living resolution:

### **Physical Activity, Active Transportation, and Land Use**

BE IT FURTHER RESOLVED that the Town of Berlin personnel responsible for the design and construction of parks, neighborhoods, streets, and business areas should make every effort to:

- Adhere to the Comprehensive Plan to:
  - Meet the stated goals and objectives that include bikeability and walkability; and
  - Strongly encourage new development to consider and incorporate bikeable and walkable connectivity to the rest of the Town and outlying areas.
- Design Streets/Roads to be safe for all users (motorists, bicycles, pedestrians, disabled) using the following strategies:
  - Work with the State Highway Administration paint bike lanes/shared use ("sharrows") when re-paving/painting state controlled streets and roads;
  - Paint bike lanes/shared use ("sharrows") when re-paving/painting municipally controlled streets;
  - Adopt a policy to stripe crosswalks when re-paving/painting roads; and
  - Create bike parking areas in our downtown and other areas including bike racks, "fix-it" kits and access to water sources for refilling water bottles.
- Use Development Tools, including Development Agreements, to:
  - Require developers to include usable space for physical activity and recreation.
- Work toward achieving the goals of Berlin's 2016-2018 Strategic Plan, including:

- Develop new organized recreation program plans to provide residents with opportunities for physical activity;
- Work with the Worcester County Health Department to expand the “Just Walk, Berlin” Program;
- Create regularly scheduled fitness programs in the Town parks; and
- Lead by example through establishing a regular walk around the Town with elected and appointed officials.

### **Access to Affordable Nutritious Foods**

BE IT FURTHER RESOLVED that the Town of Berlin personnel responsible for the design and construction of parks, neighborhoods, streets, and business areas should make every effort to:

- Attract/Promote Healthy Food Retail through merchant meetings, by offering guidelines and by providing “Berlin HEAL Program” participant decals for Corner/Grocery Stores using the following strategies:
  - Encourage food retail establishments to promote healthy food offerings;
  - Encourage food retail establishments to offer “shelf” tours, particularly to elementary and middle school age children and their parents/guardians, highlighting healthy food options for busy families; and
  - Encourage food retail establishments to buy and promote locally grown produce and meats.
- Attract/Promote Healthy Food Retail through merchant meetings, by offering guidelines and by providing “Berlin HEAL Program” participant decals for Restaurants using the following strategy:
  - Encourage menu labeling with nutrition facts; and
  - Encourage establishments to buy and promote locally grown produce and meats
- Develop/Promote Community Gardens, Urban Agriculture, and/or Urban Farming using the following strategies:
  - Work toward identifying an area(s) for community gardening plots, using town-owned land where feasible;
  - Identify a partner organization/agency to oversee a community gardening program; and
  - Increase the Town’s assistance with the Berlin Library’s community garden.
- Offer healthy snacks at Town sponsored events as appropriate, such as:
  - Fruit, pretzels, and bottled water during Free Movie Nights; and
  - Bottled water during Clean-Up Berlin Day.

### **Municipal Workplace Wellness**

BE IT FURTHER RESOLVED that in order to promote wellness within the Town of Berlin, and to set an example for other businesses, the Town of Berlin pledges to adopt and implement a workplace wellness policy that will:

- Provide promotion of available programs offered through Town-contracted health insurance or other organization(s) and encourage employee participation;
- Provide health screening in cooperation with the Worcester County Health Department, Atlantic General Hospital, or other organizations/agencies; and

- Encourage physical activity in the municipal workplace by allowing and encouraging walking meetings.

### Implementation

BE IT FURTHER RESOLVED that the head of each affected agency or department should report back to the Town Council annually regarding steps taken to implement the Resolution, additional steps planned, and any desired actions that would need to be taken by the Council.

BE IT FURTHER RESOLVED that Town Staff shall work with HEAL Cities & Towns Campaign Staff to explore HEAL policies and to identify those policies that are suitable for the Town of Berlin's unique local circumstances.

BE IT FURTHER RESOLVED that Staff will report back to this Council with recommendations not later than 120 days from the date of this Resolution.

ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015 BY THE MAYOR AND COUNCIL OF THE TOWN OF BERLIN BY AFFIRMATIVE VOTE OF \_\_\_\_ TO \_\_\_\_ OPPOSED WITH \_\_\_\_ ABSTAINING.

\_\_\_\_\_  
Wm. G. Williams, III, Mayor

\_\_\_\_\_  
Elroy Brittingham, Sr. Vice President

ATTEST: \_\_\_\_\_  
Laura Allen  
Town Administrator

# Town Administrator's Report

## TOWN ADMINISTRATOR'S REPORT

June 8, 2015

### Purchase Orders (numeric order)

201502064

Cross Match Technologies, Inc.

\$9,951.43

Fingerprint Machine Replacement

01-4200-4092

201502381

\$2,306.52

Harris Corporation

Maintenance contract portable radios 6/1/15 – 5-31-16

01-4200-4060

201502536

\$2,407.83

Hill's Electric Motor Service

Broad Street pump (Emergency)

24-4365-4041

201502553

\$1,183.20

Recording Equipment for new telephone system

01-4200-4022

201502555

\$1,055.00

Crown Point Technologies

Skills Manager – Annual Support & Maintenance

01-4200-4060

201502724

\$3,933.90

Storage battery Systems, Inc.

Replacement batteries for the Power Plant 48 volt DC System

Freight Charges

10-4220-4041

201502725

\$9,952.00

ERMCO

500K VA Padmount Transformer 120/208 secondary. Backup transformer for all phase 3 padmounted transformers.

01-4200-4022

201502737

\$1,788.00

Arts & Entertainment – Main Street

Reimbursement for two movie nights held in Henry Park and Stephen Decatur Parks

01-4500-4060

## TOWN ADMINISTRATOR'S REPORT

June 8, 2015

### Purchase Orders (numeric order)

201502751

\$40,100.00

N R Harrison

Blacktop entire existing parking lot and additional area behind shop entrance to substation. Scope of work is removing old and installing 3.5 inches of new blacktop.

10-4210-4092