

**CITY OF HARRINGTON**

**RESOLUTION 15-R-09**

**A RESOLUTION AUTHORIZING FUNDING OF UP TO \$2,638,902 OF GENERAL OBLIGATION BONDS TO REFINANCE FOUR EXISTING WATER AND SEWER PROJECT BONDS AND ESTABLISHING THE TIME AND PLACE FOR A SPECIAL ELECTION THEREON**

**WHEREAS**, the City of Harrington (the "City") has previously issued the following bonds to finance water and sewer system projects (collectively, the "Debt"):

<u>Project Description</u>	<u>Amount</u>	<u>Interest Rate</u>
Wastewater Treatment Plant Upgrade	\$2,000,000	4.50%
Farmington Sewer Extension	\$779,300	4.50%
Emergency Water Main	\$497,000	3.25%
Clark Street Water Main	\$210,000	4.50%

**WHEREAS**, the City Council of the City of Harrington (the "City Council") has determined that it is in the City's best interest to refinance the remaining principal balances of the Debt to a lower interest rate, which will save the City thirty-nine thousand twenty-six dollars (\$39,026) in debt service annually and nine hundred ten thousand two hundred sixty-seven dollars (\$910,267) over the remaining terms of the Debt; and

**WHEREAS**, the City has been approved for refinancing the remaining principal balances of the Debt by the Clean Water Advisory State Revolving Fund in the following amounts:

<u>Project Description</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Term (Years)</u>
Wastewater Treatment Plant Upgrade	\$1,482,350	2%	21
Farmington Sewer Extension	\$596,106	2%	26
Emergency Water Main	\$383,647	2%	24
Clark Street Water Main	\$176,799	2%	28

**WHEREAS**, § 16:3 of 69 Del. Laws Ch. 115, as amended, (the "Charter") allows for long-term borrowing for any proper municipal purpose with voter approval; and

**WHEREAS**, the City Council adopted Resolution 15-R-08 on July 20, 2015 (the "Initial Resolution"), which gave notice to the residents and property owners that the City proposed to issue up to an aggregate of two million six hundred thirty-eight thousand nine hundred two dollars (\$2,638,902) maximum principal amount through the issuance of four general obligation bonds (the

"Bonds") of the City to refinance the Debt and pay the costs of issuance of the bonds and provided the following information regarding refinancing of the Debt:

Amount of Borrowing: Four bonds for an aggregate principal amount not to exceed two million six hundred thirty-eight thousand nine hundred two dollars (\$2,638,902).

Municipal Purpose: Refinancing water and sewer bonds qualifies as a municipal purpose for which the City Council may make long-term borrowings with voter approval under § 16.3.1 of the Charter because the project is for the following purposes:

- (1) Refinancing the Debt, which the Debt was for enlarging, maintaining, or repairing any plant, building, machinery, or equipment for the handling, production, manufacture, supply, treatment or distribution of water and sanitary sewer system (§ 16.3.1 (b)); and
- (2) Paying all expenses deemed necessary by the City Council for the issuance of said bonds or certificate of indebtedness (§ 16.3.1 (e)).

Manner of Securing: The funds are to be borrowed through four general obligation bonds of the City of Harrington issued to the Clean Water Advisory State Revolving Fund and secured on the full faith and credit and taxing power of the City to pay the principal and interest on the bond.

Other Facts Deemed Pertinent: The bonds will allow the City to refinance four existing bonds with current interest rates of 3.25% to 4.5% to a lower interest rate of 2% in order to save money on debt service. The terms of the existing bonds will not be extended. The annual debt service savings will be used for water and sewer system infrastructure projects.

**WHEREAS**, pursuant to the Initial Resolution, notice of a public hearing on August 17, 2015 on the proposed borrowing was published and posted as required in § 16.3.4 (b) of the Charter as follows:

- Published August 2, 2015 in the Delaware State News
- Posted August 3, 2015 at City Hall, Harrington Public Library, Harrington Parks & Recreation, Post Office, Byler's (Liberty Plaza), and on the City's website
- Published August 5, 2015 in the Harrington Journal

**NOW, THEREFORE, BE IT RESOLVED** that having conducted the public hearing, after notice, in accordance with § 16.3.4 (c) of the Charter, the City Council hereby determines to proceed with the proposed borrowings and

issuance of the Bonds in an aggregate amount not to exceed two million six hundred thirty-eight thousand nine hundred two dollars (\$2,638,902) principal amount to fund the refinance of the Debt; and

**BE IT FURTHER RESOLVED** that the City Council hereby orders that a special election be held on September 15, 2015 (the "Special Election") for the purpose of voting for or against the proposed borrowings. The Special Election shall be conducted at the Price Community Center, 103 Dorman Street, Harrington, Delaware, and the polls shall open at 12:00 p.m. and shall close at 7:00 p.m.; and

**BE IT FURTHER RESOLVED** that at such Special Election, any person entitled to vote in the regular municipal election if it were held on the date of the Special Election shall be entitled to one vote. Pursuant to § 6.2 of the Charter, those entitled to vote in a regular municipal election shall include any person who on the date of the election is a resident of the City, a United States citizen, is eighteen (18) years of age or older, and is registered under state law. A "resident" shall mean any person who has been residing in the City prior to the date of the election; and

**BE IT FURTHER RESOLVED** that absentee ballots will be accepted by contacting the Clerk of Council, or her designee, and by following the rules set forth by § 6.6.2 of the Charter of the City of Harrington and Chapter 16, Elections, of the Code of the City of Harrington; and

**BE IT FURTHER RESOLVED** that the City Council hereby directs that notice of such Special Election be published and posted as required by the Charter, § 16.3.4(d)(1)-(2) by:

- (i) publication once a week for three successive weeks prior to the date of the Special Election in a newspaper of general circulation in the City; and
- (ii) posting in at least three (3) public places in the City.

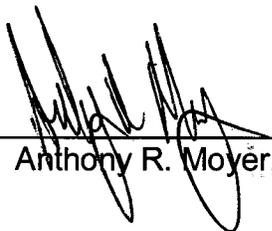
**BE IT FURTHER RESOLVED** that pursuant to § 16.3.4(g), the Mayor, by and with the advice and consent of the majority of the City Council, shall appoint three (3) persons to act as a Board of Special Election (the "Board of Special Election") with respect to the Special Election; and

**BE IT FURTHER RESOLVED** that the Board of Special Election shall keep a true and accurate list of all person voting in the Special Election and shall count the votes for and against the proposed borrowings and shall announce the results thereof. The Board of Special Election shall make a certificate of the number of votes cast for and against the proposed borrowings and the number of

void votes and shall deliver the same to the City Council. The certificate shall be retained with the papers of the City; and

**BE IT FURTHER RESOLVED** that pursuant to § 16.3.4 of the Charter, the City Council hereby directs that the Clerk of Council cause the notices of the Special Election to be published and posted as provided herein and by the Charter and to take such other actions as are necessary or appropriate and in the best interest of the City to effectuate the resolutions adopted above and the requirements of the Charter.

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that this Resolution was passed by a majority of the City Council of the City of Harrington on this 17<sup>th</sup> day of August 2015.

  
\_\_\_\_\_  
Anthony R. Moyer, Mayor

Attest:   
\_\_\_\_\_  
Kelly Blanchies, Clerk of Council

August 17, 2015  
\_\_\_\_\_  
Date

<u>Council Member</u>	<u>Vote</u>
Vice Mayor Duane E. Bivans	<u>Yes</u>
Fonda Coleman	<u>Yes</u>
Eric Marquis	<u>Yes</u>
Amy L. Minner	<u>Yes</u>
Charles W. Porter	<u>Yes</u>
Kenneth W. Stubbs	<u>Yes</u>