

CITY OF HARRINGTON

RESOLUTION 16-R-10

**A RESOLUTION OUTLINING PROPOSED FUNDING OF UP TO \$776,000 OF
A GENERAL OBLIGATION BOND TO FINANCE THE COST OF SEWER
CAPACITY IMPROVEMENTS AND ESTABLISHING THE TIME AND PLACE
FOR A PUBLIC HEARING THEREON**

WHEREAS, the City Council of the City of Harrington has determined that it is in the City's best interest to increase the capacity of the City's sewer system; and

WHEREAS, the City Council has determined that it would be advantageous to finance a portion of the sewer capacity improvement repairs in order to accept the offered United States Department of Agriculture (USDA) grant of four hundred seventeen thousand dollars (\$417,000); and

WHEREAS, the City pursuant to Section 16.2 of 69 Del. Laws Ch. 115, as amended, (the "Charter") proposes to issue up to seven hundred seventy-six thousand dollars (\$776,000) maximum principal amount of the City's general obligation bonds in order to pay costs of improvements to the sanitary sewer system and pay the costs of issuance of the bond (collectively, the "Project"); and

WHEREAS, as part of the agreement with the Delaware Department of Natural Resources and Environmental Control (DNREC) for financing during the construction of the Project, the City will be using a grant and loan package from the USDA to pay off the DNREC construction loan at the completion of the Project; and

WHEREAS, the City has applied for and the USDA has offered the City a grant and loan package to pay off the remaining loan balance from the DNREC construction loan in the amounts of a grant for four hundred seventeen thousand dollars (\$417,000) and a loan of seven hundred seventy-six thousand dollars (\$776,000) maximum principal amount; and

WHEREAS, the Charter of the City of Harrington allows for long-term borrowing for certain projects without voter approval under § 16.2.

NOW, THEREFORE, BE IT RESOLVED that notice is hereby given to the residents and property owners of the City of Harrington that the City Council proposes to borrow an amount of money not to exceed seven hundred seventy-six thousand dollars (\$776,000) principal amount to fund the Project; and

BE IT FURTHER RESOLVED that pursuant to Section 16.2.2 (a) of the Charter, notice is hereby given of the following information regarding the loan:

Amount of Borrowing: Total principal amount not to exceed seven hundred seventy-six thousand dollars (\$776,000).

Municipal Purpose: Increasing the capacity of the City's sanitary sewer lines qualifies as a municipal purpose for which the City Council may make long-term borrowings without voter approval under Section 16.2.3 of the Charter because the Project is for the following purposes:

- (1) Enlarging, repairing, or replacing any structure for the collection of sanitary sewer (Section 16.2.3 (a)); and
- (2) Paying all expenses deemed necessary for the issuance of said bonds (Section 16.2.3 (d)).

Manner of Securing: The funds are to be borrowed through a general obligation bond of the City of Harrington and issued to the USDA and secured on the full faith and credit and taxing power of the City to pay the principal and interest on the bond.

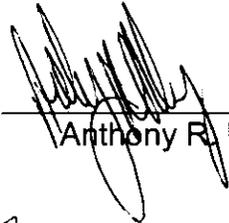
Other Facts Deemed Pertinent: The loan is part of a principal forgiveness/grant and loan package from both DNREC and the USDA and the City must issue the debt in order to receive the principal forgiveness/grant of an aggregate amount of seven hundred twenty-three thousand one hundred twenty dollars (\$723,120). During the construction of the Project, the funds are to be borrowed through a loan and principal forgiveness package from DNREC.

BE IT FURTHER RESOLVED that a Public Hearing will be held on the matter of this resolution on **May 16, 2016 at 7:00 p.m.**, prevailing time, at City Hall, 106 Dorman Street, Harrington, Delaware 19952; and

BE IT FURTHER RESOLVED that notice of such public hearing will be published in a newspaper of general circulation in the City and posted in at least five (5) places in the City not less than ten (10) days nor more than twenty (20) days prior to the date of the public hearing as required in Section 16.2.2 (b) of the Charter; and

BE IT FURTHER RESOLVED that pursuant to Section 16.2.2 (c) following the public hearing, the City Council may pass a second resolution and by the affirmative vote of at least five (5) members, proceed with the proposed borrowing.

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 2nd day of May 2016.



Anthony R. Moyer, Mayor

Attest: 

Kelly Blanchies, Clerk of Council

May 2, 2016

Date