

CITY OF HARRINGTON

RESOLUTION 16-R-16

A RESOLUTION OUTLINING PROPOSED FUNDING OF UP TO \$2,115,000 OF A GENERAL OBLIGATION BOND TO FINANCE THE COST OF WATER SYSTEM 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 make improvements to the City's water system; and

WHEREAS, the City Council has determined that it would be advantageous to finance a portion of the water system improvements in order to accept the offered United States Department of Agriculture (USDA) grant of two hundred one thousand dollars (\$201,000); and

WHEREAS, the City pursuant to Section 16.3 of 69 Del. Laws Ch. 115, as amended, (the "Charter") proposes to issue up to two million one hundred fifteen thousand dollars (\$2,115,000) maximum principal amount of the City's general obligation bonds in order to pay costs of the design and construction of improvements to the water system including larger water mains, fire hydrants, water connections, service laterals, valves, meters, and connections on Liberty Street, South DuPont Highway, and Clark Street; a new supply well, elevated storage tower, and associated control and disinfection systems; and pay the costs of issuance of the bond (collectively, the "Project"); and

WHEREAS, the City has applied for and the USDA has offered the City a grant and loan package for the Project in the amount of a grant for two hundred one thousand dollars (\$201,000) and a loan for two million one hundred fifteen thousand dollars (\$2,115,000); and

WHEREAS, the Charter of the City of Harrington allows for long-term borrowing for certain projects with voter approval under § 16.3.

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 two million one hundred fifteen thousand dollars (\$2,115,000) principal amount to fund the Project; and

BE IT FURTHER RESOLVED that pursuant to Section 16.3.4 (a) of the Charter, notice is hereby given of the following information regarding the loan:

Amount of Borrowing: Total principal amount not to exceed two million one hundred fifteen thousand dollars (\$2,115,000).

Municipal Purpose: Improving the City's water system qualifies as a municipal purpose for which the City Council may make long-term borrowings with voter approval under Section 16.3.1 of the Charter because the Project is for the following purposes:

(1) Erecting, extending, enlarging, maintaining, or repairing any plant, building, machinery, or equipment for the handling, production, manufacture, supply, treatment or distribution of water and the condemning or purchasing of any lands, easements, and rights-of-way which may be required therefore (Section 16.3.1 (b)); and

(2) Paying all expenses deemed necessary for the issuance of said bonds (Section 16.3.1 (e)).

Manner of Securing: The funds are to be borrowed through a general obligation bond of the City of Harrington 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.

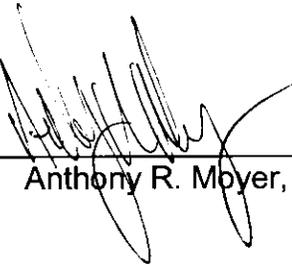
Other Facts Deemed Pertinent: The loan is part of a principal forgiveness/grant and loan package from both DNREC and the USDA and the City must issue the debt in order to receive the principal forgiveness/grant of an aggregate amount of two million sixty-seven thousand one hundred dollars (\$2,067,100).

BE IT FURTHER RESOLVED that a Public Hearing will be held on the matter of this resolution on **September 6, 2016 at 6:30 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 16.3.4 (b) of the Charter; and

BE IT FURTHER RESOLVED that pursuant to Section 16.3.4 (c) following the public hearing, the City Council may pass a second resolution ordering a special election to be held on 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 15th day of August 2016.



Anthony R. Moyer, Mayor

Attest: 

Kelly Blanchies, Clerk of Council

August 15, 2016

Date