

CITY OF HARRINGTON

RESOLUTION 16-R-09

A RESOLUTION OUTLINING PROPOSED FUNDING OF UP TO \$1,462,925 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 Delaware Department of Natural Resources and Environmental Control (DNREC) principal forgiveness of three hundred six thousand one hundred twenty dollars (\$306,120); and

WHEREAS, the City pursuant to Section 16.2 of 69 Del. Laws Ch. 115, as amended, (the "Charter") proposes to issue up to one million four hundred sixty-two thousand nine hundred twenty-five dollars (\$1,462,925) 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, the City has applied for and DNREC has offered the City a loan for the construction costs of the Project in the amount of one million four hundred sixty-two thousand nine hundred twenty-five dollars (\$1,462,925) with three hundred six thousand one hundred twenty dollars (\$306,120) of the outstanding loan balance to be principally forgiven at the completion of the Project; and

WHEREAS, as part of the agreement with DNREC, the City will be using a grant and loan package from the United States Department of Agriculture (USDA) to pay off the DNREC construction loan at the completion of the Project; 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 one million four hundred sixty-two thousand nine hundred twenty-five dollars (\$1,462,925) 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 one million four hundred sixty-two thousand nine hundred twenty-five dollars (\$1,462,925).

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 issued to DNREC and secured on the full faith and credit and taxing power of the City to pay the principal and interest on the bond.

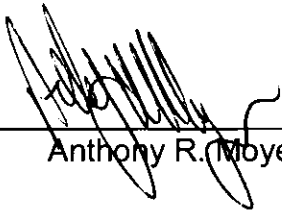
Other Facts Deemed Pertinent: The loan is part of a principal forgiveness/grant and loan package from both DNREC and the USDA and the City must issue the debt in order to receive the principal forgiveness/grant of an aggregate amount of seven hundred twenty-three thousand one hundred twenty dollars (\$723,120).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

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 25, 2016

Date