

TOWN OF FREDERICA

RESOLUTION 23-R-03

A RESOLUTION OUTLINING FUNDING OF UP TO \$328,000 OF A GENERAL OBLIGATION BOND TO FINANCE THE COST OF MARKET STREET WATER MAIN REPLACEMENT.

WHEREAS, The Town Council of the Town of Frederica has determined that it is in the Town's best interest to make improvements to the Town's water distribution system within Market Street;

WHEREAS, the Town Charter Council has determined that it would be advantageous to finance the Market Street Water Main Replacement (the "Project") in order to accept the Delaware Drinking Water State Revolving Fund principal forgiveness loan of \$328,000;

WHEREAS, pursuant to the Town Charter, Section 29, 83 Del. Laws, c. 373, as amended, proposes to issue up to \$328,000 maximum principal amount of the Town's general obligation bonds in order to pay costs of the design and construction improvements to the aging infrastructure;

WHEREAS, the Town has applied for and DNREC/DHSS has offered the Town a principal forgiveness loan package for the Project in the amount of \$328,000 of which the entire principal amount will be forgiven at the completion of the construction of the Project; and

WHEREAS, the Charter of the Town of Frederica allows for borrowing for certain projects without voter approval under Section 29 of the Charter.

NOW, THEREFORE, BE IT RESOLVED notice is hereby given to the residents and property owners of the Town of Frederica that the Town Council proposes to borrow an amount of money not to exceed \$328,000 principal amount to fund the Project; and

BE IT FURTHER RESOLVED that pursuant to Section 29 of the Charter, notice is hereby given of the following information regarding the loan:

Amount of Borrowing: Total principal amount not to exceed \$328,000

Municipal Purpose: Improving the Town's water system qualifies as a municipal purpose for which the Town Council may make borrowings without voter approval pursuant to the Charter.

Manner of Securing: The funds are to be borrowed through a general obligation bond of the Town of Frederica issued to DNREC/DHSS and secured on full faith and credit and taxing power of the Town to pay the principal and interest on the bond.

Other Facts Deemed Pertinent: The loan is part of a principal forgiveness/grant package from DNREC/DHSS and the Town must issue the debt in order to receive the principal forgiveness/grant of an aggregate amount of \$328,000.

NOW, THEREFORE, BE IT FURTHER RESOLVED that this Resolution was passed by a majority of the Town Council of the Town of Frederica on this 15th day of February, 2023.

William C. Glanden
William C. Glanden, Mayor

2-15-23
Date

Attest: Alice Green
Alice Green, Clerk