

**TOWN OF FREDERICA
RESOLUTION 25-R-05**

A RESOLUTION OUTLINING FUNDING OF UP TO \$658,000 OF A GENERAL OBLIGATION BOND TO FINANCE THE COST OF THE SUPPLEMENTAL MARKET STREET WATER MAIN PROJECT.

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; and

WHEREAS, the Town Council has determined that it would be advantageous to finance the Supplemental Market Street Water Main Project (the "Project") in order to accept the Delaware Drinking Water State Revolving Fund principal forgiveness loan of \$658,000; and

WHEREAS, pursuant to the Town Charter, Section 29, 83 Del. Laws, c. 373, as amended, the Town proposes to issue up to \$658,000 maximum principal amount of the Town's general obligation bond in order to pay costs of the design and construction improvements to the aging infrastructure; and

WHEREAS, the Town has applied for and the Delaware Department of Health and Social Services ("DHSS") has offered the Town a principal forgiveness loan package for the Project in the amount of

\$658,000 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 \$658,000 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 \$658,000

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 loan is to be secured by a general obligation bond of the Town of Frederica issued to DHSS and the Town hereby pledges its full faith and credit and taxing power to pay the principal of and interest on the bond if repayment becomes necessary due to the Project not being completed.

Other Facts Deemed Pertinent: The loan is part of a principal forgiveness/loan package from DHSS and the Town must issue the debt in order to receive the principal forgiveness/loan of an aggregate principal amount of \$658,000.

BE IT FURTHER RESOLVED that the Frederica Town Council will hold a hearing on this Resolution on September 3, 2025 at 7:00 PM; and

BE IT FURTHER RESOLVED that not less than seven (7) days prior to the date of the meeting of the Town Council of Frederica, the Town Clerk shall post a notice in Frederica Town Hall, 2 West David Street, and shall post copies of the notice in one (1) or more public places in the Town of Frederica and in a newspaper of general circulation in the Town of Frederica advertising to all concerned the date and place where said Resolution has been made available and that the Town Council of Frederica will hold a hearing on the Resolution; and

BE IT FURTHER RESOLVED that any person or entity desiring to speak at the hearing shall attend the Town of Frederica Council meeting on September 3, 2025 at 7:00 PM.

NOW, THEREFORE, BE IT RESOLVED that a majority of the Town Council duly met and adopted the request to pursue this loan; and

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 20th day of August, 2025.

William C. Glanden

William C. Glanden, Mayor

10-1-25

Date

Attest: Denifer French
Denifer French, Acting Clerk