

# TOWN OF BOWERS SPECIAL TOWN REFERENDUM

DATE: January 4, 2014  
TIME: 10:00 ~~Am~~ to 2:00 p.m.  
PLACE: Bowers Town Hall  
3308 Main St.  
Bowers, Delaware

Purpose: To allow qualified individuals the opportunity to vote in a Special Town Referendum on a proposed loan in the amount of \$64,000 from the United States Department of Agriculture Rural Utilities Service for certain drainage improvements, modifications, and upgrades in order to improve drainage and mitigate flooding in the Town of Bowers. All individuals shall be permitted to vote in the Special Town Referendum where such individuals either (A) are registered to vote in the Town or (B) present government issued identification showing the individual is eighteen years of age or older and documentation indicating the individual has either been a bona-fide resident of the Town for at least thirty days immediately preceding the day of the referendum or that the individual owns property in the Town. The following resolution scheduling the Special Town Referendum and proposing to borrow the funds was adopted by the Town Council at a special Council meeting held on December 5, 2013:

## TOWN OF BOWERS

### RESOLUTION AUTHORIZING THE BORROWING OF UP TO \$64,000 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE TO FUND DRAINAGE IMPROVEMENTS IN THE TOWN OF BOWERS, SUBJECT TO THE RESULTS OF A SPECIAL TOWN REFERENDUM, AND SETTING A DATE FOR A SPECIAL TOWN REFERENDUM ON THE BORROWING

WHEREAS, the Town Council of the Town of Bowers has determined that it is necessary to perform certain drainage improvements, modifications, and upgrades in order to improve drainage and mitigate flooding in the Town of Bowers ("Drainage Improvements");

WHEREAS, the United States Department of Agriculture Rural Utilities Service ("USDA-RUS") has approved a 40-year loan to the Town in an amount not to exceed \$64,000 at an interest rate not to exceed 2.125% to fund the Drainage Improvements;

WHEREAS, to fund the Drainage Improvements, USDA-RUS has awarded the Town of Bowers a grant of up to \$495,658 (of which \$10,958 is existing funding and \$484,700 is new funding), the State of Delaware through the Department of

Natural Resources and Environmental Control has awarded the Town of Bowers a grant of up to \$81,250, and the Delaware General Assembly through the Community Transportation Fund has awarded the Town of Bowers a grant of up to \$20,000;

WHEREAS, under the terms of the loan, payments will be made on an annual basis in equal quarterly payments through USDA-RUS's preauthorized debt payment process;

WHEREAS, the Town will be entering into a promissory note with USDA-RUS for the loan amount, which promissory note shall be secured by the full faith, credit, and taxing power of the Town;

WHEREAS, section 27 of the municipal Charter of the Town of Bowers (53 *Del. Laws* Chapter 279, as amended) authorizes the Town Council to borrow sums in excess of \$50,000 for permanent municipal improvements when such borrowing is approved by a majority of the members of the Town Council, provided that (A) the Town Council has held a public hearing to hear comments on the proposed borrowing, (B) such borrowing was approved by a majority of those qualified individuals voting in a Special Town Referendum regarding the borrowing, and (C) the total indebtedness of the Town shall not at any time exceed in the aggregate the total sum of ten percent (10%) of the value of the real property situate within the limits of the Town as shown by the last assessment;

WHEREAS, the Town Council has determined that the proposed borrowing would fall within the provisions of section 27 of the Town Charter for funding permanent municipal improvements and together with all other indebtedness of the Town, the total indebtedness of the Town will not exceed ten percent (10%) of the value of the real property situate within the limits of the Town as shown by the last assessment;

WHEREAS, the Town Council approved a "Resolution Proposing the Borrowing of up to \$64,000 from the United States Department of Agriculture Rural Utilities Service to Fund Drainage Improvements in the Town of Bowers" on November 14, 2013, which Resolution set a public hearing date for December 5, 2013;

WHEREAS, a public hearing was noticed pursuant to the terms of section 27 of the Town Charter and held on December 5, 2013 to obtain public comments regarding the proposed borrowing described herein;

WHEREAS, the Town Council has determined that it is in the Town's best interest to borrow these funds in order to complete these critical Drainage Improvements and that a Special Town Referendum should be held regarding the proposed borrowing described herein; and

WHEREAS, passing this Resolution shall ipso facto be considered Council's determination to proceed on this matter should the results of the Special Town Referendum be in favor of the borrowing.

NOW, THEREFORE: BE IT HEREBY RESOLVED by the Town Council of the Town of Bowers, a majority of the members of Council concurring in Council duly met that:

(1) A SPECIAL TOWN REFERENDUM IS HEREBY SCHEDULED TO BE HELD ON JANUARY 4, 2013, BETWEEN THE HOURS OF 10:00 AM AND 2:00 P.M. AT THE BOWERS TOWN HALL;

(2) Notice of this borrowing shall be and hereby is given to the residents and property owners of the Town that the Town Council shall borrow such sum of money for the purposes stated herein, which purposes are permanent municipal improvements, in accordance with the loan terms hereinabove stated, that such loan shall be secured by the full faith, credit, and taxing power of the Town and payable out of the general revenues of the Town over a term of forty (40) years, or until the sum of money borrowed has been repaid in full, in equal quarterly installments each year and with an interest rate not to exceed 2.125%.

(3) Subject to the result of the Special Town Referendum, the Town Council shall borrow an amount not to exceed the sum of SIXTY-FOUR THOUSAND DOLLARS (\$64,000) from the USDA-RUS to finance the Drainage Improvements as authorized by section 27 of the Bowers Charter, with an interest rate not to exceed 2.125%, repayable on an annual basis in equal quarterly installments over a term of forty (40) years, or until the sum of money borrowed has been repaid in full, which proposed borrowing shall be evidenced by a promissory note entered into between the Town and USDA-RUS and secured by the full faith, credit, and taxing power of the Town. Attached hereto as Exhibit A is the promissory note that shall be entered into between the Town and USDA-RUS, subject to any modifications that may be necessary and agreeable to both parties. This borrowing shall be subject to the terms and conditions contained in RUS Bulletin 1780-27 Loan Resolution (Public Bodies), which Resolution was adopted by the Town Council on September 12, 2013.

(4) A copy of this resolution shall be printed in two issues of a newspaper of general circulation in the Town within thirty (30) days prior to the Special Town Referendum, and posted in at least three (3) public places within the Town at least thirty (30) days prior to the Special Town Referendum.

(5) All individuals shall be permitted to vote in the Special Town

Referendum where such individuals either (A) are registered to vote in the Town or (B) present government issued identification showing the individual is eighteen years of age or older and documentation indicating the individual has either been a bona-fide resident of the Town for at least thirty days immediately preceding the day of the referendum or that the individual owns property in the Town.

(5) If the result of the Special Town Referendum is in favor of the borrowing, the Town Council shall thereafter proceed with the proposed borrowing by adopting a final terms resolution authorizing the borrowing.