

TOWN OF BOWERS PUBLIC HEARING

DATE: December 5, 2013

TIME: 7:00 p.m.

PLACE: Bowers Town Hall

3308 Main St.

Bowers, Delaware

Purpose: To receive public comments 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. Under the terms of this loan, this loan will have an annual interest rate not to exceed 2.125% and will be repayable on an annual basis through equal quarterly payments over a term of 40 years. The following resolution proposing to borrow these funds and scheduling a public hearing was adopted by the Town Council at its regular meeting held on November 14, 2013:

TOWN OF BOWERS

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

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; and

WHEREAS, the Town Council has determined that the hereinabove described loan would fall within the provisions of section 27, that it is in the Town's best

interest to borrow these funds in order to complete these critical Drainage Improvements, and that a public hearing should be scheduled and noticed in accordance with the provisions of section 27 of the Town Charter.

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) The Town Council proposes to borrow 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.

(2) Notice of this proposed borrowing shall be and hereby is given to the residents and property owners of the Town that the Town Council proposes to 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) A PUBLIC HEARING to receive public comment for legislative fact-finding is hereby scheduled to be held at the BOWERS TOWN HALL ON December 5, 2013 AT 7:00 P.M.

(4) A copy of this resolution shall be posted in at least three public places in the Town and published in one newspaper of general circulation within the Town, such posting and publication to occur at least fifteen (15) days prior to the date scheduled for the public hearing.

(5) If, at any time following the public hearing, the Town Council determines to proceed with the proposed borrowing by scheduling a Special Town Referendum pursuant to section 27 of the Town Charter, the Town Council shall pass a second resolution, by the affirmative vote of a majority of the members of the Town Council, to proceed with the Special Town Referendum, which second resolution shall ipso facto be considered Council's determination to proceed with the borrowing if the borrowing is approved by those qualified individuals voting in the Special Town Referendum.

AGENDA

Town of Bowers

Town Hall

3308 Main St, Frederica, DE 19946-1260

Thursday December 5, 2013

7:00 PM meeting brought to order

Public Hearing

Public hearing to receive comments from the public on: “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”

New Business

Discussion of public hearing results and consideration and vote on: “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”