



Town of Milton

115 Federal Street, Milton, Delaware 19968

www.milton.delaware.gov

Phone: 302-684-4110 Fax: 302-684-8999

RESOLUTION 2024-007

A RESOLUTION (A) APPROVING ISSUANCE OF UP TO \$579,000 PRINCIPAL AMOUNT GENERAL OBLIGATION BOND (CHANDLER STREET WATER TREATMENT FACILITY IMPROVEMENTS PROJECT), SERIES 2024A-DWSRF, TO THE DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DRINKING WATER STATE REVOLVING FUND, AS REGISTERED OWNER, (B) APPROVING ISSUANCE OF UP TO \$3,850,000 PRINCIPAL AMOUNT GENERAL OBLIGATION BOND (FEDERAL STREET WATER TOWER PROJECT), SERIES 2024B-DWSRF, TO THE DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DRINKING WATER STATE REVOLVING FUND, AS REGISTERED OWNER, AND (C) APPROVING ISSUANCE OF UP TO \$1,785,000 PRINCIPAL AMOUNT GENERAL OBLIGATION BOND (WATER MAIN REPLACEMENT PROJECT), SERIES 2024C-DWSRF, TO THE DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DRINKING WATER STATE REVOLVING FUND, AS REGISTERED OWNER; SETTING FORTH THE FORM AND DETAILS OF THE BONDS; DETERMINING THAT THE BONDS WILL BE SOLD BY PRIVATE SALE AND AUTHORIZING EXECUTION OF FINANCING AGREEMENTS IN CONNECTION WITH THE BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWN FOR THE BONDS; AND AUTHORIZING OTHER NECESSARY ACTION

RECITALS

WHEREAS, the Mayor and Council (collectively, the "Town Council") of The Town of Milton (the "Town") pursuant to Section 33 of 76 Delaware Laws, Chapter 201, as amended (the "Charter"), proposed to the electors of the Town by resolution dated November 6, 2023 (the

“First Resolution”) to borrow, in the aggregate, up to Six Million Two Hundred Fourteen Thousand Dollars (\$6,214,000) principal amount in order to provide funds for the (a) rehabilitation and improvements to the existing Chandler Street Water Treatment Facility to improve monitoring, reliability, efficiency, security, and control (the “Chandler Street Water Treatment Facility Improvements Project”) in the amount of \$579,000, (b) installation of a new 500,000 gallon elevated water storage tower (the “Federal Street Water Tower Project”) in the amount of \$3,850,000, and (c) replacement of approximately 3,900 linear feet of existing water main under the roadways of Carey Street, Walnut Street, Magnolia Street, Bay Avenue, and Mill Street (the “Water Main Replacement Project” and along with the Chandler Street Water Treatment Facility Improvements Project and Federal Street Water Tower Project collectively, the “Projects”) in the amount of \$1,785,000, and fixed a time, date and place for a public hearing on the First Resolution. Notice of hearing on the First Resolution was properly placed in the *Cape Gazette* on November 21, 2023 as required by the Charter; and

WHEREAS, the public hearing was held in accordance with the Charter on December 4, 2023 and the Town Council by affirmative vote of its members thereafter passed a second resolution on December 4, 2023 (the “Second Resolution,” and together with the First Resolution, the “Prior Resolutions”) in which the Town Council determined to proceed with the proposed borrowing as authorized by the Charter and ordered a special election to be held on January 27, 2024 (the “Special Election”) for the purpose of voting for or against the proposed loan; and

WHEREAS, the Special Election was held on January 27, 2024 and notice was properly given for the Special Election in the *Cape Gazette* on December 22, 2023, December 26, 2023, December 29, 2023 and January 2, 2024 and posted in four (4) public places as required by the Charter, whereby a majority of the electors approved the borrowing by voting in the Special Election which was conducted and certified in accordance with the provisions of the Charter and whereby the results of the Special Election were certified by the Board of Special Election on January 27, 2024; and

WHEREAS, the Delaware Department of Health and Social Services, Division of Public Health, in conjunction with the Delaware Department of Natural Resources and Environmental Control (collectively, the “Department”), has authorized three (3) loans (collectively, the “Loans”) to the Town from the Delaware Drinking Water State Revolving Fund (the “Fund”) in a total amount not to exceed Six Million Two Hundred Fourteen Thousand Dollars (\$6,214,000) to fund the (a) Chandler Street Water Treatment Facility Improvements Project, in the amount of \$579,000, bearing interest at an annual rate of two percent (2.0%), with a repayment term of twenty (20) years; (b) Federal Street Water Tower Project, in the amount of \$3,850,000, bearing interest at an annual rate of two percent (2.0%), with a repayment term of twenty (20) years; and (c) Water Main Replacement Project, in the amount of \$1,785,000, bearing interest at an annual rate of two percent (2.0%), with a repayment term of twenty (20) years; and

WHEREAS, Section 33(b) of the Charter authorizes the Town to borrow sums, not exceeding in the aggregate the total sum of 5% of the assessed value of real property and improvements thereon situate within the limits of the Town as shown by the last assessment preceding the creation of the said indebtedness; and

WHEREAS, the Town Council desires to authorize the Mayor and the Town Manager or the Secretary of the Town Council to take such action on behalf of the Town as deemed necessary or desirable to effect the purposes of this Resolution and to consummate the proposed borrowing; and

WHEREAS, pursuant to this Resolution, the Mayor and the Town Manager or the Secretary of the Town Council are authorized and directed to enter into all agreements on behalf of the Town as they shall determine are necessary or appropriate to carry out the intent of this Resolution; and

WHEREAS, the Town now proposes to issue its general obligations bonds in the amounts of up to (a) \$579,000 General Obligation Bond (Chandler Street Water Treatment Facility Improvements Project), Series 2024A-DWSRF (the “2024A Bond”), (b) \$3,850,000 General Obligation Bond (Federal Street Water Tower Project), Series 2024B-DWSRF (the “2024B Bond”), and (c) \$1,785,000 General Obligation Bond (Water Main Replacement Project), Series 2024C-DWSRF (the “2024C Bond” and together with the 2024A Bond and 2024B Bond collectively, the “Bonds”). The Bonds will finance the Projects, as such projects were approved by the electors in the Special Election, and pay the costs associated with issuing the Bonds; and

WHEREAS, the Bonds will be issued under, and subject to, the terms and conditions contained in three (3) Financing Agreements, one for each series of the Bonds, each dated as of the date of closing, by and between the Town and the Fund (collectively, the “Financing Agreements”); and

WHEREAS, the Town Council desires to formalize, ratify and confirm such action by adoption of a formal written resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED AND DETERMINED by the Town Council of The Town of Milton, as follows:

Section 1. Authorization of the Incurrence of Indebtedness as Approved by the Special Election. The Town Council shall borrow the sum of up to Six Million Two Hundred Fourteen Thousand Dollars (\$6,214,000) aggregate principal amount for the Loans in order to provide funds for the Projects, as approved by referendum of the Board of Special Election in the Special Election held on January 27, 2024, by the issuance of the Bonds, which, together with other indebtedness of the Town, does not exceed in the aggregate 5% of the assessed value of real property and improvements thereon situate within the limits of the Town as shown by the last assessment preceding the creation of the said indebtedness.

The interest rate applicable to the Loans is two percent (2.0%), payable semi-annually during each period of construction for each of the Chandler Street Water Treatment Facility Improvements Project, Federal Street Water Tower Project and Water Main Replacement Project. After each of the Chandler Street Water Treatment Facility Improvements Project, Federal Street Water Tower Project and Water Main Replacement Project have been completed, semi-annual payments of interest and principal shall be payable in an amount sufficient to amortize the outstanding principal balance advanced over a twenty (20) year term.

Section 2. Authorization of Issuance of the Bonds. The Town shall issue, pursuant to the Charter, the Prior Resolutions and this Resolution, up to (a) \$579,000 General Obligation Bond (Chandler Street Water Treatment Facility Improvements Project), Series 2024A-DWSRF, (b) \$3,850,000 General Obligation Bond (Federal Street Water Tower Project), Series 2024B-DWSRF, and (c) \$1,785,000 General Obligation Bond (Water Main Replacement Project), Series 2024C-DWSRF, for the purpose of financing the Projects.

Section 3. Form and Terms of the Bonds. The Bonds shall be substantially in the Form of Bond provided in **Exhibit A**, attached hereto, with appropriate omissions, insertions and variations. The actual Bonds will contain the terms of the Bonds as required by Section 33(a)(2)(H) of the Charter.

Section 4. Sale of Bonds. Each of the Bonds shall be sold at a private sale by negotiation to the Delaware Department of Health and Social Services, in conjunction with the Delaware Department of Natural Resources and Environmental Control, Delaware Drinking Water State Revolving Fund pursuant to the terms of the Bonds and the Financing Agreements, as herein defined.

Section 5. Covenant to Pay Debt Service - Pledge of Full Faith, Credit and Taxing Power. The Town hereby covenants with the Department, as registered owner of the Bonds, pursuant to this Resolution as follows: (a) that the Town will include in its budget for each fiscal year during the life of the Bonds, the amount of the debt service on the Bonds issued hereunder which will be payable in each such fiscal year so long as the Bonds shall remain outstanding; (b) that the Town shall appropriate such amounts from its general revenues to the payment of such debt service; (c) that the Town shall duly and punctually pay or cause to be paid the principal of the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof; and (d) for such budgeting, appropriation and payment the Town hereby pledges its full faith, credit and taxing power.

Section 6. Authorization of the Financing Agreements. The Mayor and the Town Manager or Secretary of the Town Council are hereby authorized to execute and deliver each of the Financing Agreements by and between the Town and the Department, setting forth the terms of each of the Loans and the Town's obligation to repay the Loans, which will be evidenced by the execution of such Financing Agreements and the delivery of the Bonds.

Section 7. Further Action. The proper officers of the Town are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Resolution and the Charter in the name and on behalf of the Town.

Section 8. Charter Applicable to the Bonds. This Resolution is adopted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Charter and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

Section 9. Contract with Bondholders. This Resolution constitutes a contract with the Department as registered owner of the Bonds and shall be enforceable in accordance with the provisions of the laws of the State of Delaware.

Section 10. Severability. In case any one or more of the provisions contained in this Resolution or in the Bonds issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution or of said Bonds and this Resolution or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

Section 11. Repealer. All Resolutions and parts of Resolutions heretofore adopted to the extent that the same are inconsistent herewith are hereby repealed.

Section 12. Effective Date. This Resolution shall become effective immediately upon its approval by the Town Council.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ADOPTED AND RESOLVED this 1st day of April, 2024.

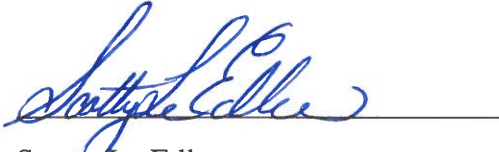


John R. Collier

Mayor

(TOWN SEAL)

Attest:



Scotty Le Edler

Secretary of the Town Council

Exhibit A
Form of Bond

REGISTERED

R-1

\$[_____]

UNITED STATES OF AMERICA
STATE OF DELAWARE
THE TOWN OF MILTON

GENERAL OBLIGATION BOND

([_____]),

SERIES 2024[____]-DWSRF

Final Maturity Date: [_____] , 20__

REGISTERED OWNER: Delaware Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health

PRINCIPAL AMOUNT: [_____] Dollars (\$[_____])

THE TOWN OF MILTON, DELAWARE, a municipal and political subdivision of the State of Delaware (hereinafter referred to as the "Borrower" or the "Town"), for value received hereby acknowledges itself indebted and promises to pay to the DELAWARE DRINKING WATER STATE REVOLVING FUND, or to any other registered owner hereof, the principal sum of [_____] (\$[_____]) or so much thereof as shall actually be advanced to the Borrower by the Drinking Water State Revolving Fund, acting by and through the Delaware Department of Health and Social Services, Division of Public Health (the

“Department”) pursuant to the Financing Agreement dated [_____] , 2024 (the “Financing Agreement”) between the Borrower and the Department.

This Bond is being issued in order to provide funds to finance the [_____] , as more fully described in Exhibit A to the Financing Agreement (the “Project”) and pay certain administrative costs and costs of issuing this Bond.

The Borrower shall pay to the Department, on the principal amount drawn down and outstanding hereunder from the date(s) drawn, interest at the rate of 1.0% per annum and an administrative fee at the rate of 1.0% per annum (collectively, interest and the administrative fee are referred to herein as “Fee”). Such Fee shall accrue starting on the date hereof (the “Closing”) through the Final Maturity Date or prepayment in full hereof. The Borrower shall pay Fee hereunder initially on [_____] , 2024 and semiannually thereafter on each [_____] 1 and [_____] 1 (each, a “Payment Date”). The Borrower shall pay only Fee and no principal during the period commencing with the Closing through and including the Payment Date following the date on which the Project is actually completed, such date currently expected to be [_____] , 20__ as of the Closing (the “Anticipated Project Completion Date”).

The Borrower expects to complete the Project by the Anticipated Project Completion Date (which date shall also be the “Amortization Start Date”). This Anticipated Project Completion Date is subject to an extension if such extension is mutually agreed upon by the Department and the Borrower.

After the Amortization Start Date, Fee and principal shall be payable on the outstanding principal amounts drawn hereunder semiannually, on each Payment Date, commencing on the second Payment Date following the Amortization Start Date (i.e. [_____] , 20__) and continuing on each of the next 39 following Payment Dates, in an amount sufficient to amortize all principal drawn with substantially equal semiannual payments of principal and Fee over twenty (20) years. Once determined, Payment Dates shall remain the same throughout the term of this Bond.

The Amortization Start Date and the projected final maturity date are based on the Anticipated Project Completion Date, as of the Closing, of [_____] , 20__ and are subject to change should the actual completion date of the Project vary from the expected date of completion. Once the Borrower has confirmed the Project is completed and/or notified the Department that no additional funds will be drawn or requested for the Project, the Amortization Start Date will commence.

If by _____, 2024, which is one year from the date of Closing, (i) the Borrower has not drawn down the principal amount of this Bond by more than ten percent (10%) of the Project costs, and (ii) the Department has not received a Notice to Proceed as required by the Financing Agreement, the Department may in its discretion assess a penalty of one percent (1%) of the total principal amount authorized by this Bond (the “Penalty”). Such Penalty may be

drawn by the Department from the principal amount allocated to this Bond. It is within the Department's complete discretion whether to impose the Penalty based upon its review of affirmative steps taken by the Borrower to complete the Project and the totality of the circumstances surrounding any such delay in making draws on the principal amount of this Bond.

Notwithstanding the foregoing, all unpaid principal shall be paid in full on _____, 20___. The Fee hereon shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Both the principal of and Fee on this Bond is payable in lawful money of the United States of America. Principal and Fee on this Bond shall be paid by check or draft mailed or remitted electronically on the payment date to the Registered Owner, as shown on the books and records of the Borrower.

This Bond is authorized and issued pursuant to the Laws of the State of Delaware, including Section 33 of 71 Delaware Laws, Chapter 326, as amended, and resolutions adopted by the Town Council on November 6, 2023 and December 4, 2023, a public hearing held on December 4, 2023, favorable results of a special election conducted on January 27, 2024 and a resolution adopted by Town Council on April 1, 2024.

At the option of the Borrower and upon providing prior written notice to the Registered Owner hereof, as shown on the books and records of the Borrower, this Bond may be prepaid or redeemed in whole or in part, without penalty, at any time, and any prepayment in part of this Bond shall be applied to all or a portion of the principal installments then outstanding as shall be specified by the Borrower. If all or a portion of this Bond is called for redemption, it or the portion so called will cease to bear Fee on the specified redemption date provided that funds for the payment of the principal amount of the portion of this Bond so called for redemption and the accrued Fee thereon to the redemption date are on deposit at the place of payment on the redemption date.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution, statutes or laws of the State of Delaware to exist, be performed or happen, precedent to or in the issuance of this Bond, do exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the Borrower, is within every debt and other limit prescribed by said Constitution, statutes or laws.

This Bond is a valid and legally binding general obligation of the Borrower and, unless paid from other sources, the principal payable hereon will be paid from ad valorem taxes levied upon all real property subject to taxation by the Borrower. The full faith and credit of the Borrower are hereby pledged to the punctual payment of the principal of this Bond according to its terms.

This Bond may be transferred by the Registered Owner hereof in person or by its attorney duly authorized in writing. The Borrower may deem and treat the Registered Owner as the

absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and for all other purposes.

The provisions of this Bond shall be construed and enforced under the laws of the State of Delaware.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Town has caused this Bond to be signed by the Mayor and attested by the Secretary of Town Council of the Town, and the official corporate seal of the Town to be imprinted or impressed hereon, and this Bond to be dated _____, 2024.

(TOWN SEAL)

THE TOWN OF MILTON, DELAWARE

By:



John R. Collier

Mayor

Attest:



Scotty Le Edler

Secretary of the Town Council

[END OF FORM OF BOND]

CERTIFICATE OF SECRETARY OF THE TOWN COUNCIL

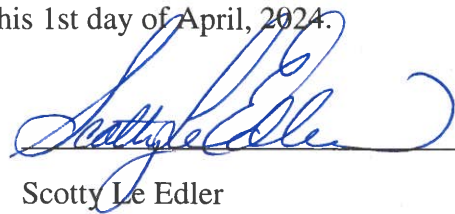
The undersigned, Secretary of the Town Council of The Town of Milton, HEREBY CERTIFIES that:

The foregoing Resolution authorizing the issuance of the (a) General Obligation Bond (Chandler Street Water Treatment Facility Improvements Project), Series 2024A-DWSRF, (b) General Obligation Bond (Federal Street Water Tower Project), Series 2024B-DWSRF, and (c) General Obligation Bond (Water Main Replacement Project), Series 2024C-DWSRF of the Town was duly moved and seconded and adopted by a majority vote of the Town Council of said Town at a duly called and convened public meeting of said body held on April 1, 2024; and that the roll of the Town Council was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
John Collier, Mayor	Yes - approved
Lee Revis-Plank, Vice Mayor	Yes - approved
Scotty Le Edler, Secretary	Yes - approved
Larry Savage, Treasurer	Yes - approved
Randi Meredith, Council Member	Yes - approved
Tom Arkinson, Council Member	Yes - approved
Frederick Harvey, Council Member	Yes - approved

and that such Resolution and the votes thereon have been duly recorded in the minutes.

WITNESS my hand and seal of the Town this 1st day of April, 2024.



Scotty Le Edler

Secretary of the Town Council

(TOWN SEAL)