



MAYOR AND COUNCIL

COUNCIL RESOLUTION NO. 2019-06

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$5,700,000 GENERAL OBLIGATION BOND OF THE CITY OF DOVER TO REFINANCE CERTAIN PRIOR DEBT AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH

WHEREAS, the City of Dover (the "City") is authorized pursuant to Section 50, Volume 77, Chapter 130, as amended ("the City Charter") to issue general obligation bonds for the municipal purposes of the City as set forth in a resolution authorizing such issuance; and

WHEREAS, pursuant to the City Charter, the City desires to issue a general obligation bond for the municipal purposes set forth herein (the "2019 Bond"); and

WHEREAS, the City has previously issued its General Obligation Bond, Series 2012 (the "Series 2012 Bond") on May 24, 2012 for the purpose of financing the costs of certain capital construction projects and improvements, including, but not limited to, (a) the construction of a new Dover Library; (b) a street repaving program; (c) improvements to City Hall, including installation of sprinkler system; and (d) the costs of issuance of the Series 2012 Bond; and

WHEREAS, the City has previously issued its General Obligation Bond, Series 2014A (the "Series 2014A Bond") on November 14, 2014 for the purpose of financing the costs of certain capital construction projects and improvements, including, but not limited to, (a) street and storm water infrastructure at the Garrison Oak Technology Park; (b) radio equipment for police and fire operations; (c) self-contained breathing apparatus for firefighters; and (d) the costs of issuance of the Series 2014A Bond; and

WHEREAS, the Series 2012 Bond and Series 2014A Bond (collectively, the "Prior Bonds") can be refunded for savings, and the City desires to issue the 2019 Bond to refund the Prior Bonds (the "Refunding Program").

NOW THEREFORE THE CITY OF DOVER HEREBY ORDAINS (AT LEAST THREE FOURTHS OF THE MEMBERS OF COUNCIL CONCURRING HEREIN):

Section 1. Amount and Purpose of the Bond. Acting pursuant to the City Charter, the City shall issue its general obligation bond in the maximum aggregate principal amount not to exceed \$5,700,000 to finance the cost of the Refunding Program.

The monies raised from the sale of the 2019 Bond (including the investment earnings thereon) after the payment of the costs of issuance, shall be expended only for the purposes authorized herein or as may otherwise be authorized by subsequent action by City Council. Authorized purposes include the refunding

of the Prior Bonds; interest on the 2019 Bond; and the costs of issuance of the 2019 Bond.

Section 2. Terms of the Bond. The 2019 Bond shall be sold to PNC Bank, National Association (the "Lender") pursuant to (a) a proposal dated April 1, 2019, a copy of which is attached hereto and made a part hereof and which is hereby approved by the City, and (b) the other terms and conditions to be contained in a Loan Agreement between the City and the Lender (the "Loan Agreement"). The 2019 Bond shall bear interest at a fixed rate to be determined by the City based on term to maturity, but not to exceed 2.809%.

Section 3. Security for the Bond. The full faith and credit of the City shall be pledged to pay principal of and interest on the 2019 Bond.

Section 4. Qualified Tax-Exempt Obligation. The Bond is hereby designated as a qualified tax-exempt obligation within the meaning of § 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). For purposes of § 265(b)(3) of the Code, the Issuer and all entities that issue on behalf of the issuer do not reasonably anticipate issuing more than \$10,000,000, inclusive of the Bond, of tax-exempt obligations in calendar year 2019.

Section 5. Details of the Bond. The Mayor and City Treasurer are authorized to determine the details of the 2019 Bond including the following: the date of the 2019 Bond; provisions for either serial or term bond; sinking fund or other reserve fund requirements; due dates of the interest thereon; the form of the 2019 Bond; the denomination and designation of the 2019 Bond; registration, conversion and transfer provisions; provisions for the receipt, deposit and use of the proceeds of the 2019 Bond; provisions for the replacement of a lost, stolen, mutilated or destroyed 2019 Bond; and provisions for issuing uncertificated obligations and all procedures appropriate for the establishment of a system of issuing uncertificated debt. The 2019 Bond shall be executed by the manual or facsimile signature of the Mayor and City Treasurer, shall contain an impression of the City Seal or a facsimile thereof and shall be attested by the manual signature of the City Clerk.

Section 6. Further Action. Each of the Mayor, the President of the City Council, the City Treasurer, the City Manager and the City Clerk are authorized and directed to take such other action on behalf of the City, as may be necessary or desirable, to effect the adoption of this Resolution and the issuance and sale of the 2019 Bond and to provide for their security and to carry out the intent of this Resolution, including the publication of notices and advertisements and the execution and delivery of customary closing certificates.

Section 7. Effective Date. This Resolution shall become effective immediately upon its passage. The City Clerk is hereby directed to publish once in a newspaper published in the City a notice in substantially the following form:

"NOTICE IS HEREBY GIVEN that the City Council of The City of Dover, Delaware on May 13, 2019 pursuant to Chapter 130, Volume 77, Delaware Laws, as amended, adopted a resolution entitled as follows:

"A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$5,700,000 GENERAL OBLIGATION BOND OF THE CITY OF DOVER TO REFINANCE CERTAIN PRIOR DEBT AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH"

"The purpose of the issuance and sale of said bond is to provide funds (approximately \$5,700,000) to pay the costs of the Refunding Program, including the refunding of certain prior debt of the City of Dover and the payment of the costs of issuance of said bond."

"Any action or proceeding to contest the validity of said resolution or any of its provisions must be commenced within thirty (30) days after publication of this notice. After expiration of such period of limitation, no right of action or defense founded upon the invalidity of said resolution or any of its provisions shall be asserted, nor shall the validity of said resolution or any of its provisions be open to question in any court upon any ground whatsoever, except in an action or proceeding commenced within such period."

By order of the City Council of the City of Dover

Traci A. McDowell
City Clerk

ADOPTED this 13th day of May, 2019.

CITY OF DOVER, DELAWARE

Attest:

Traci A. McDowell
Clerk, Dover City Council

William R. Hare
President, Dover City Council

APPROVED by the Mayor of the City of Dover on the 13th day of May, 2019.

[Signature]
Mayor