

City of Dover

MAYOR AND COUNCIL

COUNCIL RESOLUTION NO. 2014-12

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO [\$4,135,000] GENERAL OBLIGATION BONDS OF THE CITY OF DOVER TO REFINANCE CERTAIN PRIOR DEBT; FINANCE STREET AND STORM WATER INFRASTRUCTURE AT THE GARRISON OAK TECHNOLOGY PARK, RADIO EQUIPMENT FOR POLICE AND FIRE OPERATIONS, AND SELF-CONTAINED BREATHING APPARATUS FOR FIREFIGHTERS; 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 general obligation bonds in one or more series for the municipal purposes set forth herein (the “2014 Bonds”);

WHEREAS, the City has (i) certain Series of 2003 Bonds that can be refunded for savings (the “Prior Bonds”), and (ii) approved certain capital construction projects and improvements and desires to issue the 2014 Bonds to finance the costs of said improvements, including, but not limited to the following:

1. Street and storm water infrastructure at the Garrison Oak Technology Park
2. Radio equipment for Police and Fire operations
3. Self-contained breathing apparatus for firefighters

(collectively, the “Projects”).

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 Bonds. Acting pursuant to the City Charter, the City shall issue its general obligation bonds in the maximum aggregate principal amount not to exceed [\$4,135,000] to finance or refinance a portion of the cost of the Projects.

The monies raised from the sale of the 2014 Bonds (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 costs of planning, constructing, acquiring and equipping the Projects or any portion thereof; interest on the 2014 Bonds and any interim financing during the construction period and for a period of up to one year following the estimated date of

completion; the costs of issuance of the 2014 Bonds and any interim financing; the repayment of temporary loans incurred with respect to the Projects; and the reimbursement of authorized costs previously expended by the City from other funds.

Section 2. Terms of the Bonds. The 2014 Bonds shall be sold in one or more series to PNC Bank, National Association (the "Lender") pursuant to a proposal dated August 20, 2014 (the "Commitment") which is hereby approved by the City and the other terms and conditions to be contained in a Loan Agreement between the City and the Lender (the "Loan Agreement"). The new money 2014 Bonds are anticipated to bear interest at a variable rate during the construction period and may be converted to a fixed rate at the end of the construction period or remain at variable rate. The refunding portion of the 2014 Bonds shall bear interest at a fixed rate not to exceed 0.90%.

Section 3. Security for the Bonds. The full faith and credit of the City shall be pledged to pay principal and interest on the 2014 Bonds.

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 2014.

Section 5. Details of the Bonds. The Mayor and City Treasurer are authorized to determine the details of the 2014 Bonds including the following: the date or dates of the 2014 Bonds; provisions for either serial or term bond; sinking fund or other reserve fund requirements; due dates of the interest thereon; the form of the 2014 Bonds; the denominations and designations of the 2014 Bonds; registration, conversion and transfer provisions; provisions for the receipt, deposit and investment of the proceeds of the 2014 Bonds; provisions for the replacement of a lost, stolen, mutilated or destroyed 2014 Bonds; and provisions for issuing uncertificated obligations and all procedures appropriate for the establishment of a system of issuing uncertificated debt. The 2014 Bonds shall be executed by the manual or facsimile signature of the Mayor and City Treasurer, shall contain an impression of the City Seal of 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 2014 Bonds 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 _____, 2014 pursuant to Chapter 130, Volume 77, Delaware Laws, as amended, adopted a resolution entitled as follows:

“RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO [\$4,135,000] GENERAL OBLIGATION BONDS OF THE CITY OF DOVER TO REFINANCE CERTAIN PRIOR DEBT; FINANCE STREET AND STORM WATER INFRASTRUCTURE AT THE GARRISON OAK TECHNOLOGY PARK, RADIO EQUIPMENT FOR POLICE AND FIRE OPERATIONS AND SELF-CONTAINED BREATHING APPARATUS FOR FIREFIGHTERS; AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH”

“The purpose of the issuance and sale of said bonds is to provide funds (approximately [\$ _____]) to pay a portion of the costs of certain projects including, but not limited to, (a) refinancing certain prior debt; (b) financing (1) street and storm water infrastructure at the Garrison Oak Technology Park, (2) radio equipment for Police and Fire operations, and (3) self-contained breathing apparatus for firefighters; and (c) pay costs of issuance of said bonds.”

“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. McDonnell
City Clerk

ADOPTED this 27th day of October, 2014.

CITY OF DOVER, DELAWARE

Attest:

Melanie K. Kline
Clerk, Doyer City Council

[Signature]
President, Dover City Council

APPROVED by the Mayor of the City of Dover on the ___ day of _____, 2014.

[Signature]
Mayor