

COUNCIL RESOLUTION NO. 2018-04

**A RESOLUTION PROPOSING APPROVING ISSUANCE OF CERTAIN BONDS OR NOTES BY THE ROBBINS HOSE NO. 1 OF DOVER, DELAWARE**

**WHEREAS**, the Robbins Hose Company No. 1 of Dover, Delaware (the "Company") is a fire company organized and existing under the laws of the State of Delaware; and

**WHEREAS**, the Company has provided and continues to provide firefighting services to an area within the City of Dover, Delaware (the "City"); and

**WHEREAS**, the Company has advised the City that the Company proposes to issue up to \$ 635,300.00 of bonds or notes of the Company (the "Bonds") for the purpose of financing a portion of the costs of a new 2018 Pierce Enforcer Pumper/Engine thereon for the Company (the "Project"); and

**WHEREAS**, it is the intent of the Company that the interest on the Bonds qualify for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 150 of the Internal Revenue Code of 1986, as amended (the "Code"); and

**WHEREAS**, pursuant to Sections 103 and 147 of the Code, interest on the Bonds will not qualify for exclusion from gross income of the owners thereof for federal income tax purposes unless the issuance of the Bonds is approved by the applicable elected representative of a governmental unit with which the Company has entered into an agreement, after a public hearing to consider the issuance of the Bonds has been conducted, following reasonable public notice; and

**WHEREAS**, the City and the Company previously entered into an Agreement (the "Agreement") pursuant to which the Company agreed, among other things, to provide exclusive firefighting services to the City; and

**WHEREAS**, notice of the requisite public hearing was published in the Delaware State News, a newspaper of general circulation in the City, and on June 11, 2018, the City Council of the City of Dover conducted a public hearing on behalf of the Company for the purpose of considering the issuance of the Bonds;

**NOW, THEREFORE, BE IT RESOLVED** that the Issuer hereby resolves and declares its intent under Treasury Regulation § 1.150-2 to issue its bonds (the "Bonds") to finance the capital costs of the Project, together with costs of issuance and reasonably required reserves, subject to the following conditions:

1. The maximum principal amount of Bonds expected to be issued to finance the Project is \$635,300.00.
2. Pending issuance of the Bonds, the Issuer may finance the Project with other funds which will be reimbursed with the proceeds of the Bonds, provided that (a) the Bonds shall not be used to reimburse any expenditure paid more than 60 days prior to the present date; (b) the Bonds shall not

be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds, or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and provided further that the limitations of this paragraph 2 shall not apply to qualified “preliminary expenditures” as permitted by Treasury Regulation § 1.150-2(f).

- 3. Issuance of the Bonds shall be subject to documentation acceptable to the officers of the Issuer providing for payment of principal, interest, and redemption price of the Bonds.

**BE IT FURTHER RESOLVED** that the Council of the City of Dover, Delaware, for the sole purpose of qualifying the interest payable on the Bonds of the Company for exclusion from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, does hereby approve the issuance of bonds or notes by the Company in a maximum aggregate principal amount of up to \$635,300.00 for the purpose of financing a portion of the costs of the Project, provided, that such bonds or notes shall be an obligation of the Company and shall never be a debt of the City and the City shall not be liable for any payment on such bonds or notes.

ADOPTED: JUNE 25, 2018

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ROBIN R. CHRISTIANSEN  
MAYOR



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TIMOTHY A. SLAVIN  
COUNCIL PRESIDENT

Actions History

- 06/25/2018 - Introduced - City Council
- 06/11/2018 - City Council - Deferred