



Resolution 16 – 06

A RESOLUTION REQUESTING THAT THE DELAWARE GENERAL ASSEMBLY AMEND THE CHARTER OF THE TOWN OF ELSMERE TO PERMIT IT TO BORROW MONEY TO FUND NEEDED REPAIRS

Proposed By:

Date: June 04, 2016

Results: Passed 6 In Favor, 1 Opposed

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WHEREAS, Sections 405-406.2 of the Charter of the Town of Elsmere limits the ability of the Town of Elsmere to borrow money and those limitations will prevent necessary repairs to critical Town property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Elsmere as follows:

1. Sections 405-406.2 of the Charter of the Town of Elsmere limit the power of the Town of Elsmere to borrow funds both with respect to the amounts that may be borrowed and with respect to when the funds must be repaid and such limitations will prevent the Town of Elsmere from undertaking necessary repairs to Town systems.
2. Under *22 Del. C. Section 811*, the General Assembly of the State of Delaware may amend the Charter of a municipality, including that of the Town of Elsmere.
3. Therefore, the Town of Elsmere hereby requests that the General Assembly of the State of Delaware amend Sections 405-406.2 of the Charter of the Town of Elsmere to read as set forth on Exhibit “A” to this Resolution.

BE IT FURTHER RESOLVED that Resolution 16 - 06 is hereby ratified and approved.

RESOLVED BY THE MAYOR AND COUNCIL THIS 4TH DAY OF JUNE, 2016.

Steven Burg, Mayor

Joann I. Personti, Secretary

Synopsis

Resolution 16 – 06

This Resolution Requests That The Delaware General Assembly Amend The Charter Of The Town Of Elsmere To Permit It To Borrow Money To Fund Needed Repairs.

Fiscal Impact

There is an anticipated fiscal impact associated with this action. However, at this time it is unknown what that may ultimately be. The fiscal impact will depend on how this and future Mayors and Councils will use the authority granted to them by this action.

**EXHIBIT “A:
TO
RESOLUTION 16-06**

§405. Borrowing For Current Expenses.

Whenever the needs of the Town shall require more money than is, at the time, in the Town Treasury from current receipts, the Council shall be authorized and empowered to anticipate current revenue by borrowing such amounts as are needed.

To exercise the power aforesaid, the Council shall adopt a resolution to that effect. The indebtedness created under this provision shall be evidenced by notes of the Town, and the faith and credit of the Town shall be deemed to be pledged thereof.

§406. Power to Incur Bonded Indebtedness.

§406.1 Power to Borrow Money.

The Town of Elsmere may incur indebtedness by issuing either general obligation bonds, notes or certificates of indebtedness secured by the full faith and credit of the Town of Elsmere, or revenue bonds, either in whole or in part of the a total amount not to exceed Twenty Million Dollars in order to provide funds for the erection, extension, enlargement or repair of any plant, machinery, appliances or equipment; for the furnishing of water to the public, for the construction, repair, or improvement of highways, streets or lanes, or the paving, curbing or erection of gutters along the same; for the construction or repair of sewers or sewage disposal equipment; or to defray the cost of the share of the Town of Elsmere in the cost of any permanent municipal improvement.

§406.2 Method of Borrowing Money.

Before the Town of Elsmere may incur indebtedness by the issuance of bonds, notes or other certificates of indebtedness as aforesaid, the borrowing of money shall have been authorized by Council and shall have been approved in the following manner:

- (1) The Council shall by resolution propose to the residents of the Town of Elsmere the purpose or purposes for which the stated amount of money shall be borrowed. The resolution shall state the amount of money desired to be borrowed, the purpose for which it is desired, the manner of securing the same, and all other pertinent facts relating to the loan, including data on total related debt; shall fix a time and place for hearing on the resolution; and shall provide for publication of an announcement of the hearing in a newspaper of general circulation in New Castle County at least one week prior to the hearing date.

- (2) A public hearing shall be held at which time all interested persons wishing to be heard shall be given an opportunity to express their views. Their testimony shall be considered in evidence by the Council.

- (3) The form of the bonds, notes and certificates of indebtedness, the date of payment of interest, the classes, the dates of maturity, and the provisions pertaining to the registration shall be determined by the Council. The Council shall provide in its budget for revenues sufficient to pay the interest and principal on said bonds, notes or certificates of indebtedness at the maturity or maturities therefor. The faith and credit of the Town of Elsmere shall be deemed pledged for the due payment of the principal and interest of general obligation bonds, notes or certificates of indebtedness.