

**RESOLUTION NO. R 018 23**

**RESOLUTION APPROVING THE AGREEMENT TO PROVIDE FIREFIGHTING SERVICES AND APPROVING ISSUANCE OF CERTAIN BONDS OR NOTES BY THE DAGSBORO VOLUNTEER FIRE DEPARTMENT, INC.**

WHEREAS, the Dagsboro Volunteer Fire Department, Inc. (the "Fire Department") is a fire company organized and existing under the laws of the State of Delaware; and

WHEREAS, the Fire Department has provided and continues to provide firefighting services to an area within Sussex County, Delaware (the "County") in which no other firefighting services are provided, other than those provided by the Fire Department, and the Fire Department and the County would like to formalize such arrangement by entering into the Agreement to Provide Firefighting Services which is attached hereto as Exhibit A (the "Agreement"); and

WHEREAS, the Fire Department has advised the County Council of Sussex County, Delaware (the "Council") that the Fire Department proposes to issue up to \$1,865,000 of bonds or notes of the Fire Department (the "Bonds") to (1) refund prior debt originally issued to pay the costs for the construction of the one-story fire station located at the corner of Clayton Street and Railroad Avenue, Dagsboro, Sussex County, Delaware (with primary access on Railroad Avenue), having an address of 28331 Clayton Street, Dagsboro, Delaware 19939; and (2) pay issuance costs associated therewith (collectively, the "Project"); and

WHEREAS, it is the intent of the Fire Department 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(e) of the Internal Revenue Code of 1986, as amended (the "Code"), and qualify the Bonds as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code; and

WHEREAS, pursuant to Sections 103 and 147(f) 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 the governmental unit with which the Fire Department has entered into an agreement to furnish firefighting services, after a public hearing to consider the issuance of the Bonds has been conducted, following reasonable public notice; and

WHEREAS, the County and the Fire Department entered into an Agreement dated the date hereof (the "Agreement") pursuant to which the Fire Department agreed, among other things, to provide exclusive firefighting services to the area of the County described therein and such agreement remains in effect as of the date hereof; and

WHEREAS, notice of the requisite public hearing was published on October 16, 2023 on the Sussex County website; and

WHEREAS, on October 24, 2023, the Council conducted a public hearing on behalf of the Fire Department for the purpose of considering the issuance of the Bonds.

*[Remainder of Page Intentionally Left Blank]*

**NOW THEREFORE BE IT RESOLVED THAT:**

(a) The County Council of Sussex County, Delaware, for the sole purpose of qualifying the interest payable on the Bonds of the Fire Department 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 Fire Department in a maximum aggregate principal amount of up to \$1,865,000 for the purpose of financing the costs of the Project, provided, that such financing closes in calendar year 2023, and that such bonds or notes shall be an obligation of the Fire Department and shall never be a debt of the County and the County shall not be liable for any payment on such Bonds.

(b) The County Council of Sussex County, Delaware, and the Fire Department have executed the Agreement referenced above.

(c) Sussex County, Delaware, together with any entities issuing on behalf of the County, will not issue more than \$10,000,000 of tax-exempt obligations (inclusive of the above bonds or notes) in calendar year 2023.

Adopted by Sussex County Council on  
October 24, 2023

  
\_\_\_\_\_  
President of Sussex County Council

**SYNOPSIS:** This Resolution approves of the issuance by the Dagsboro Volunteer Fire Department, Inc. (the "Fire Department") of up to \$1,865,000 of its bonds or notes to (1) refund prior debt originally issued to pay the costs of the construction of the one-story fire station located at the corner of Clayton Street and Railroad Avenue, Dagsboro, Sussex County, Delaware 19939 (with primary access on Railroad Avenue), having an address of 28331 Clayton Street, Dagsboro, Delaware 19939; and (2) pay issuance costs associated therewith.

**FISCAL NOTE:** The bonds and notes of the Fire Department will be debt of the Fire Department and not of the County. The County's approval of the issuance by the Fire Department of bonds or notes of the Fire Department will have no fiscal impact on the County.