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ORDINANCE .00  
OR Book 1811 Page 312 - 315

ORDINANCE NO. 19-20-769

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION BOND, SERIES 2020, OR SUCH OTHER APPROPRIATE SERIES DESIGNATION, OF EDGEFIELD COUNTY, SOUTH CAROLINA, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$750,000; FIXING THE FORM AND DETAILS OF THE BOND; AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS LAWFULLY AUTHORIZED DESIGNEE TO DETERMINE CERTAIN MATTERS RELATING TO THE BOND; PROVIDING FOR THE PAYMENT OF THE BOND AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER MATTERS RELATING THERETO.

BE IT ORDAINED BY THE COUNTY COUNCIL OF EDGEFIELD COUNTY, SOUTH CAROLINA, AS FOLLOWS:

SECTION 1. Findings and Determinations. The County Council (the "Council"), of Edgefield County, South Carolina (the "County"), hereby finds and determines:

(a) Pursuant to Section 4-9-10, Code of Laws of South Carolina 1976, as amended (the "SC Code"), and the results of a referendum held in accordance therewith, the Council-Administrator form of government was adopted and the Council constitutes the governing body of the County.

(b) Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended (the "Constitution"), provides that each county shall have the power to incur bonded indebtedness in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law. Such debt must be incurred for a public purpose and a corporate purpose in an amount not exceeding eight percent (8%) of the assessed value of all taxable property of such county.

(c) Pursuant to Title 4, Chapter 15 of the SC Code (the same being and hereinafter referred to as the "County Bond Act"), the governing bodies of the several counties of the State may each issue general obligation Bond to defray the cost of any authorized purpose and for any amount not exceeding their applicable constitutional limit.

(d) The County Bond Act provides that as a condition precedent to the issuance of bonds an election be held and the result be favorable thereto. Title 11, Chapter 27 of the SC Code provides that if an election be prescribed by the provisions of the County Bond Act, but not be required by the provisions of Article X of the Constitution, then in every such instance, no election need be held (notwithstanding the requirement therefor) and the remaining provisions of the County Bond Act shall constitute a full and complete authorization to issue bonds in accordance with such remaining provisions.

(e) The assessed value of all the taxable property in the County for tax year 2018 is \$79,703,347 which excludes exempt manufacturing property in the amount of \$1,051,440. Eight percent of the assessed value is \$6,376,267. As of the date hereof, the outstanding general obligation debt of the County subject to the limitation imposed by Article X, Section 14(7) of the Constitution is \$2,011,744. Thus, the County may incur not exceeding \$4,364,523 of additional general obligation debt within its applicable debt limitation.

(f) It is now in the best interest of the County for the Council to provide for the issuance and sale of a not exceeding \$750,000 principal amount general obligation bond of the County, the proceeds of which will be used to acquire various types of vehicles for use by the County; to pay costs of issuance of the Bond (hereinafter defined); and for such other lawful corporate and public purposes as the Council shall determine.

SECTION 2. Authorization and Details of Bond. Pursuant to the aforesaid provisions of the Constitution and laws of the State of South Carolina (the "State"), there is hereby authorized to be issued a not exceeding Seven Hundred Fifty Thousand Dollars (\$750,000) aggregate principal amount general obligation bond of the County to be designated "(Amount Issued) General Obligation Bond, (appropriate series designation), of Edgefield County, South Carolina" (the "Bond"), for the purpose set forth in Section 1(f).

The Bond shall be issued in fully registered form, shall be registered as to principal and interest in the name of the purchaser thereof; shall be dated as of the date of its delivery or such other date as the County Administrator determines; shall be in the denomination of not exceeding \$750,000; shall bear interest on the unpaid principal balance at the interest rate shown thereon; and shall be payable as determined by the County Administrator.

Interest shall be calculated on a 30-day month and 360-day year basis, unless otherwise agreed upon by the County Administrator and the purchaser of the Bond.

Both the principal of and interest on the Bond shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts.

SECTION 3. Delegation of Authority to Determine Certain Matters Relating to the Bond. Without further authorization, the Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to determine the following relating to the Bond: (a) the par amount of the bond; (b) the payment schedule of the Bond and the respective principal amounts due on such dates; (c) the interest payment dates of the Bond; (d) redemption provisions, if any, for the Bond; and (e) the time and date of sale of the Bond.

The Council further delegates to the County Administrator or his lawfully-authorized designee the authority to receive bids on behalf of Council and the authority to award to the Bond to the low bidder therefor, provided the true interest cost does not exceed 4%. After the sale of the Bond, the County Administrator or his lawfully-authorized designee shall submit a written report to Council setting forth the details of the Bond as set forth in this paragraph.

SECTION 4. Execution of Bond. The Bond shall be executed in the name of the County with the manual or facsimile signature of the Chairman of Council attested by the manual or facsimile signature of the Clerk to Council under the seal of the County to be impressed or affixed thereon.

SECTION 5. Form of Bond. The Bond and the provisions for registration to be endorsed thereon shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 6. Sale of Bond; Form of Notice of Sale. The Bond shall be offered for public sale on the date and at the time designated by the County Administrator and/or his lawfully-authorized designee. A Notice of Sale in substantially the form set forth as Exhibit B attached hereto and incorporated herein by reference shall be distributed to prospective bidders and a summary of such Notice of Sale shall be published in a newspaper of general circulation in the State not less than seven (7) days prior to the date set for such sale.

SECTION 7. Security for the Bond. The full faith, credit and taxing power of the County are hereby irrevocably pledged for the payment of the principal of and interest on the Bond as they respectively mature, and for the creation of such sinking fund as may be necessary therefor. There shall be levied annually by the Auditor of the

County (the "Auditor"), and collected by the Treasurer of the County (the "Treasurer"), in the same manner as other county taxes are levied and collected, a tax, without limit, on all taxable property in the County sufficient to pay the principal of and interest on the Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

The Council shall give the Auditor and Treasurer written notice of the delivery of and payment for the Bond and they are hereby directed to levy and collect annually, on all taxable property in the County, a tax, without limit, sufficient to pay the principal of and interest on the Bond as they respectively mature and to create such sinking fund as may be necessary therefor.

**SECTION 8. Notice of Public Hearing.** The Council hereby ratifies and approves the publication of a notice of public hearing regarding the Bond and this Ordinance, such notice in substantially the form attached hereto as Exhibit C, having been published in *The Advertiser*, a newspaper of general circulation in the County, not less than 15 days prior to the date of such public hearing.

**SECTION 9. Initiative and Referendum.** The Council hereby delegates to the County Administrator or his lawfully-authorized designee the authority to determine whether the Notice prescribed under the provisions of Section 5 of Title 11, Chapter 27 of the Code relating to the initiative and referendum provisions contained in Title 4, Chapter 9, Article 13 of the Code shall be given with respect to this Ordinance. If said Notice is given, the County Administrator or his lawfully-authorized designee is authorized to prescribe the form of the Notice and cause such Notice to be published in a newspaper of general circulation in the County, such notice in the form attached hereto as Exhibit D.

**SECTION 10. Exemption from State Taxes.** Both the principal of and interest on the Bond shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code, from all State, county, municipal, school district, and all other taxes or assessments, except estate or other transfer taxes, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise.

**SECTION 11. Deposit and Use of Proceeds.** The proceeds derived from the sale of the Bond shall be deposited with the Treasurer in a special fund, separate and distinct from all other funds, and applied solely to the purposes for which the Bond is issued.

**SECTION 12. Federal Tax Covenants.** The County hereby covenants and agrees with the holder of the Bond that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bond to become includable in the gross income of the holders for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the "IRC") and regulations promulgated thereunder in effect on the date of original issuance of the Bond. The County further covenants and agrees with the holder of the Bond that no use of the proceeds of the Bond shall be made which, if such use had been reasonably expected on the date of issue of the Bond would have caused the Bond to be an "arbitrage bond," as defined in Section 148 of the IRC, and to that end the County hereby shall:

- (a) comply with the applicable provisions of Sections 103 and 141 through 150 of the IRC and any regulations promulgated thereunder so long as the Bond is outstanding;
- (b) establish such funds, make such calculations and pay such amounts, in the manner and at the times required in order to comply with the requirements of the IRC relating to required rebates of certain amounts to the United States; and
- (c) make such reports of such information at the time and places required by the IRC.

**SECTION 13. Filings with Central Repository.** In compliance with Section 11-1-85 of the South Carolina Code, the County covenants that it will file or cause to be filed with a central repository for further availability in the secondary bond market when requested: (a) a copy of the annual audit of the County within thirty (30) days of the County’s receipt thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event which, in the opinion of the County, adversely affects more than five (5%) of the County’s revenue or its tax base.

**SECTION 14. Designation of Bond.** The County covenants that, in accordance with the provisions of the IRC, the Bond is designated as a “qualified tax-exempt obligation”, as defined in the IRC. The County and all subordinate entities thereof do not anticipate to issue more than \$10,000,000 in tax-exempt bonds or other tax-exempt obligations in 2020 (other than private activity bonds) except for qualified 501(c)(3) Bond. The County represents that the sum of all tax-exempt obligations (other than private activity Bond) issued by the County and all subordinate entities thereof during calendar year 2020 is not reasonably expected to exceed \$10,000,000.

**SECTION 15. Miscellaneous.** The Council hereby authorizes the Chairman of Council, Clerk to Council, County Administrator and County Attorney to execute such documents and instruments as necessary to effect the issuance of the Bond. The Council hereby retains Burr & Forman LLP d/b/a Burr Forman McNair, as bond counsel in connection with the issuance of the Bond.

**SECTION 16. Repeal of Conflicting Ordinances.** All orders, resolutions, ordinances and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the Bond are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

**SECTION 17. Codification.** This Ordinance shall be forthwith codified in the Code of County Ordinances in the manner required by law.

Enacted this 7 day of July, 2020.

(SEAL)

Edgefield County Council

ATTEST

  
Jennifer L. Gilley, Clerk to Council

  
H. Scott Cooper, Chair

First Reading: May 5, 2020  
Second Reading: June 2, 2020  
Third Reading: July 7, 2020  
Public Hearing: June 2, 2020  
Publication of Public Hearing: May 13, 2020