

Jason M. Springs  
District #1

Roger M. Poston  
District #2

Alphonso Bradley  
District #3

Mitchell Kirby  
District #4

Kent C. Caudle  
District #5

Russell W. Culberson  
District #6

Waymon Mumford  
District #7

James T. Schofield  
District #8

Willard Dorriety, Jr.  
District #9

AGENDA  
FLORENCE COUNTY COUNCIL  
SPECIAL CALLED MEETING  
COUNTY COMPLEX  
180 N. IRBY STREET  
ROOM 604  
FLORENCE, SOUTH CAROLINA  
THURSDAY, SEPTEMBER 25, 2014  
8:00 A. M.

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I. **CALL TO ORDER:** JAMES T. SCHOFIELD, CHAIRMAN

II. **INVOCATION:** MITCHELL KIRBY, SECRETARY/CHAPLAIN

III. **PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG:**  
WAYMON MUMFORD, VICE CHAIRMAN

IV. **WELCOME:** JAMES T. SCHOFIELD, CHAIRMAN

V. **PUBLIC HEARINGS:** [1]

Council will hold public hearing on the following:

**ORDINANCE NO. 05-2014/15**

An Ordinance To Amend Ordinance No. 01-2014/15 In Order to Increase The Millage Rates Previously Levied For Fire Protection Services And Other Matters Related Thereto.

VI. **ORDINANCES IN POSITION:**

A. **ORDINANCE NO. 05-2014/15 – THIRD READING** [2]

An Ordinance To Amend Ordinance No. 01-2014/15 In Order to Increase The Millage Rates Previously Levied For Fire Protection Services And Other Matters Related Thereto.

**B. ORDINANCE NO. 07-2014/15 – SECOND READING**

**[5]**

An Ordinance To Provide For The Issuance And Sale Of Not Exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000) General Obligation Bond Anticipation Notes Of Florence County, South Carolina, To Prescribe The Purposes For Which The Proceeds Shall Be Expended, Covenanting To Issue A General Obligation Bond Of The Florence County Fire District Sufficient To Make Payment Of Said Bond Anticipation Note, To Provide For The Payment Thereof, And Other Matters Relating Thereto.

**VII. EXECUTIVE SESSION:**

Pursuant to Section 30-4-70 of the South Carolina Code of Laws 1976, as amended.

**VIII. ADJOURN:**

**FLORENCE COUNTY COUNCIL  
SPECIAL CALLED MEETING**

September 25, 2014

**AGENDA ITEM:** Public Hearings

**DEPARTMENT:** County Council

**ISSUE UNDER CONSIDERATION:**

Council will hold public hearing to receive public comment with regard to the following:

**ORDINANCE NO. 05-2014/15**

An Ordinance To Amend Ordinance No. 01-2014/15 In Order to Increase The Millage Rates Previously Levied For Fire Protection Services And Other Matters Related Thereto.

**FLORENCE COUNTY COUNCIL  
SPECIAL CALLED MEETING**

September 25, 2014

**AGENDA ITEM:** Third Reading of Ordinance No. 05-2014/15

**DEPARTMENT:** Administration  
Finance

**ISSUE UNDER CONSIDERATION:**

(An Ordinance To Amend Ordinance No. 01-2014/2015 In Order to Increase The Operating Millage Rate Previously Levied For Fire Protection Services, To Reduce The Debt Service Millage Rate Previously Levied For Fire Protection Services, And Other Matters Related Thereto.)

**POINTS TO CONSIDER:**

1. County Council previously adopted Ordinance 01-2014/2015 which established the fire protection operating millage rate at 20.5 mills and the fire protection debt service millage rate at 1.9 mills.
2. These millage rates were based on the inclusion of the assessed value of the property in the West Florence Rural Fire District in the new consolidated Florence County Fire District.
3. The South Carolina Legislature has now created a special purpose district encompassing the West Florence Rural Fire District; thereby removing the assessed value of this property from the new consolidated district.
4. Therefore, in order to fund the appropriated budget for the remaining portion of the consolidated district, the operating millage rate previously levied needs to be increased to provide sufficient revenue.
5. In addition, Ordinance 07-2014/2015 is currently being considered by Council. This Ordinance approves the issuance of a bond anticipation note (BAN) which would refinance the existing general obligation bonds previously issued for fire protection purposes. This BAN therefore removes the need for debt service millage for fire protection purposes in FY2014/15.
6. Ordinance 05-2014/2015 would increase the operating millage rate to 27.5 mills and reduce the

**FUNDING FACTORS:**

The increase in the operating millage rate will provide sufficient revenue to fund the budgets for the remaining departments in the consolidated district at the current level of appropriation.

**OPTIONS:**

1. *(Recommended)* Approve Third Reading of Ordinance No. 05-2014/15.
2. Provide An Alternate Directive.

**ATTACHMENT:**

1. Copy of Ordinance No. 05-2014/15

Sponsor(s) : County Council  
 Introduction : September 4, 2014  
 Committee Referral : N/A  
 Committee Consideration Date : N/A  
 Committee Recommendation : N/A  
 Second Reading : September 18, 2014  
 Public Hearing : September 25, 2014  
 Third Reading : September 25, 2014  
 Effective Date : September 25, 2014

I, \_\_\_\_\_,  
 Council Clerk, certify that the  
 ad for a Public Hearing on this  
 Ordinance ran on: \_\_\_\_\_.

**ORDINANCE NO. 05-2014/2015**

**COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR FLORENCE COUNTY**

[An Ordinance To Amend Ordinance No. 01-2014/2015 In Order to Increase The Operating Millage Rate Previously Levied For Fire Protection Services, To Reduce The Millage Rate Previously Levied For Fire Protection Services, And Other Matters Related Thereto.]

**WHEREAS:**

1. County Council previously adopted Ordinance 01-2014/2015 which established the fire protection operating millage rate at 20.5 mills and the fire protection debt service millage rate at 1.9 mills; and
2. These millage rates were based on the inclusion of the assessed value of the property in the West Florence Rural Fire District in the new consolidated Florence County Fire District; and
3. The South Carolina Legislature has now created a special purpose district encompassing the West Florence Rural Fire District; thereby removing the assessed value of this property from the new consolidated district; and
4. In order to fund the appropriated budget for the remaining portion of the consolidated district, the operating millage rate previously levied needs to be increased to provide sufficient revenue.
5. County Council is considering the issuance of a bond anticipation note to refinance the existing general obligation bonds previously issued for fire protection purposes, thereby removing the need for debt service millage for fire protection purposes in FY2014/15.

**NOW THEREFORE BE IT ORDAINED BY THE FLORENCE COUNTY COUNCIL DULY ASSEMBLED THAT:**

1. The Florence County Council hereby amends Section 1d. of Ordinance 01-2014/2015 by removing the following line:

|                        | Operating   |             |             | Operating   |                      |             |
|------------------------|-------------|-------------|-------------|-------------|----------------------|-------------|
|                        | Mills       | Debt Mills  | Total       | Mills       | Estimated Debt Mills | Total       |
|                        | <u>FY14</u> | <u>FY14</u> | <u>FY14</u> | <u>FY15</u> | <u>FY15</u>          | <u>FY15</u> |
| Florence Fire District | N/A         | N/A         | N/A         | 20.5        | 1.9                  | 22.4        |

And replacing it with the following line:

|                               | <u>Operating</u><br><u>Mills</u><br><u>FY14</u> | <u>Debt Mills</u><br><u>FY14</u> | <u>Total</u><br><u>FY14</u> | <u>Operating</u><br><u>Mills</u><br><u>FY15</u> | <u>Estimated</u><br><u>Debt Mills</u><br><u>FY15</u> | <u>Total</u><br><u>FY15</u> |
|-------------------------------|---|----------------------------------|-----------------------------|---|--|-----------------------------|
| <b>Florence Fire District</b> | N/A   | N/A                              | N/A                         | 27.5  | 0.0  | 27.5                        |

2. The Florence County Council hereby amends Section 1e. of Ordinance 01-2014/2015 by removing the following line:

37 Fire and First Responder Fund\* \$ 4,987,410

And replacing it with the following line:

37 Fire and First Responder Fund\* \$ 3,803,919

3. All provisions in other County Ordinances or Resolutions in conflict with this Ordinance are hereby repealed.

4. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application and to this end, the provisions of this Ordinance are severable.

ATTEST:

SIGNED:

\_\_\_\_\_  
Connie Y. Haselden  
Clerk to Council

\_\_\_\_\_  
James T. Schofield, Chairman  
Florence County Council

\_\_\_\_\_  
Approved as to Form & Content  
D. Malloy McEachin, Jr., County Attorney

COUNCIL VOTE:  
OPPOSED:  
ABSENT:

**FLORENCE COUNTY COUNCIL  
SPECIAL CALLED MEETING**

September 25, 2014

**AGENDA ITEM:** Second Reading of Ordinance No. 07-2014/15

**DEPARTMENT:** Administration  
Finance

**ISSUE UNDER CONSIDERATION:**

(An Ordinance To Provide For The Issuance And Sale Of Not Exceeding Three Million Five Hundred Thousand Dollars (\$3,500,000) General Obligation Bond Anticipation Notes Of Florence County, South Carolina, To Prescribe The Purposes For Which The Proceeds Shall Be Expended, Covenanting To Issue A General Obligation Bond Of The Florence County Fire District Sufficient To Make Payment Of Said Bond Anticipation Note, To Provide For The Payment Thereof, And Other Matters Relating Thereto.)

**POINTS TO CONSIDER:**

1. There are currently four outstanding bonds for three former fire districts with a total principal balance outstanding of approximately \$2,500,000 which could be refinanced with a new bond.
2. Two other fire departments have loans outstanding totaling approximately \$400,000 which could also be refinanced by this same bond.
3. Due to the need to process and mail property tax notices in the next few weeks, there is insufficient time to issue a new general obligation bond to refinance these existing bonds and loans. However, a bond anticipation note can be issued, which would then need to be paid off by a new general obligation bond to be issued some time during 2015.
4. By issuing this bond anticipation note, it will be unnecessary to levy millage for debt service on the existing fire district bonds this year; thereby reducing the current estimated millage levy by 3.5 mills.
5. It may also be possible to fund potential litigation expenses from this bond as well.

**FUNDING FACTORS:**

If this bond anticipation note is approved and issued, the estimated 3.5 mill levy for fire district debt service will be unnecessary this year. This note would then be repaid with the issuance of a general obligation bond for which millage would need to be levied beginning next year.

**OPTIONS:**

1. *(Recommended)* Approve Second Reading of Ordinance No. 07-2014/15.
2. Provide An Alternate Directive.

**ATTACHMENT:**

1. Copy of Ordinance No. 07-2014/15

|                              |                      |                                  |
|------------------------------|----------------------|----------------------------------|
| Sponsor(s)                   | : Finance            | I, _____,                        |
| First Reading                | : September 18, 2014 | Council Clerk, certify that this |
| Committee Referral           | : N/A                | Ordinance was advertised for     |
| Committee Consideration Date | : N/A                | Public Hearing on _____.         |
| Committee Recommendation     | : N/A                |                                  |
| Second Reading               | : September 25, 2014 |                                  |
| Public Hearing               | :                    |                                  |
| Third Reading                | :                    |                                  |
| Effective Date               | :                    |                                  |

**ORDINANCE NO. 07-2014/15**

**COUNCIL-ADMINISTRATOR FORM OF GOVERNMENT FOR FLORENCE COUNTY**

**AN ORDINANCE**

**TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) GENERAL OBLIGATION BOND ANTICIPATION NOTES OF FLORENCE COUNTY, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, COVENANTING TO ISSUE A GENERAL OBLIGATION BOND OF FLORENCE COUNTY, SOUTH CAROLINA, SUFFICIENT TO MAKE PAYMENT OF SAID BOND ANTICIPATION NOTE, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.**

DRAFT



BE IT ORDAINED BY FLORENCE COUNTY COUNCIL, AS FOLLOWS:

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

- (a) By actions previously taken, County Council has approved and the County has issued the following general obligation bonds of the County for the purpose of acquiring, constructing, furnishing, and equipping fire protection facilities in the County (together, the "Fire District Bonds"): (1) the original principal amount \$600,000 General Obligation Bond, Series 2008 (Windy Hill Fire District) currently outstanding in the principal amount of \$400,093.60; (2) the original principal amount \$1,500,000 General Obligation Bond, Series 2009 (Howe Springs Fire District) currently outstanding in the principal amount of \$809,570.03; (3) the original principal amount \$900,000 General Obligation Bond, Series 2010 (Windy Hill / Olanta Rural Volunteer Fire District) currently outstanding in the principal amount of \$568,065.92; and (4) the original principal amount \$925,000 General Obligation Bond, Series 2012 (Johnsonville Rural Fire District) currently outstanding in the principal amount of \$755,050.96. Each of the Fire District Bonds is a general obligation bond of the County, but is payable from a levy in the county fire district for which it was levied (such county fire districts, together the "Prior County Fire Districts"). The total principal amount outstanding on the Fire District Bonds is approximately \$2,532,780.51.
- (b) By Ordinance 17-2013/14, County Council abolished the Prior Fire Districts and simultaneously, by Ordinance 18-2013/14 created the Florence County Fire District (the "District"), which comprises the same area as the Prior Districts.
- (c) Because the Prior County Fire Districts have been dissolved, it has been the intention of County Council upon advice of administration and the County's attorneys to consolidate the Fire District Bonds into a single general obligation bond of the County, supported by the County's full faith, credit, and taxing power, but payable from an annual levy of taxes within the District.
- (d) Presently, the boundaries of the District are unclear as a portion of the District, after its creation, was placed in a special purpose district created by the South Carolina General Assembly under Act 183 of 2014. Such action is being challenged in the South Carolina Court of Common Pleas, and it is anticipated that the question of the exact boundaries of the District will be resolved by the summer of 2015.
- (e) Pending such resolution, and because, and in light of the fact that some action must be taken to restructure the Fire District Bonds in light of the dissolution of the Prior County Fire Districts, County Council has determined to issue a bond anticipation note of the County (the "BAN") pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended (the "BAN Act"). Proceeds of the BAN will be used to pay the costs of: (1) refunding the Fire District Bonds (the "Refunding"); (2) purchasing certain equipment for use by the fire departments located within the District (the "Equipment"); and (3) paying costs of issuance associated with the BAN. The estimated cost of the Refunding and the Equipment, inclusive of the costs incident to the financing thereof, will not exceed 3,500,000.

- (f) In order to defray on a permanent basis the cost of the Refunding and the Equipment, County Council has determined to issue a general obligation bond (the "Bond") in the principal amount of not exceeding \$3,560,000 and to use the proceeds of the sale of the Bond and investment earnings thereon to pay all principal of and interest on the BAN when due and costs related to the issuance of the Bond.
- (f) The BAN Act provides that a county that is authorized to issue bonds, may, pending the sale and issuance thereof, borrow in anticipation of the proceeds of the bonds and execute a note or notes therefor expressed to mature not later than one year from the date of issuance.
- (g) Pursuant to the provisions of Sections 4-15-10 to 4-15-180, inclusive, Code of Laws of South Carolina, 1976, as amended, and supplemented by Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended (collectively, the "Enabling Act"), the County is authorized to issue a general obligation bond for any 'authorized purpose' as therein defined. The application of the proceeds of bonds to pay all principal of and interest on the BAN constitutes a valid use of the proceeds of bonds issued under the County Bond Act.
- (h) Pursuant to the provisions of paragraph (7) of Section 14 of Article X of the South Carolina Constitution, the County is authorized to issue general obligation debt which is incurred pursuant to and within the limitations described by Section 12 of Article X. In accordance with the provisions of Section 12 of Article X and pursuant to the provisions of this Ordinance, the Council shall impose upon all taxable property within the District an ad valorem tax in an amount designed to provide debt service on the Bond authorized hereby. Further, pursuant to the provisions of Section 12 and paragraph (7) of §14 of Article X, debt incurred in this manner is not to be considered in computing the general obligation debt limit of the County.

**SECTION 2. Authorization and Details of Bond.** Pursuant to the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued a general obligation bond of the County in a total amount not exceeding \$3,560,000 to obtain funds to defray the cost of the Refunding and the Equipment, including any financial and legal fees relating thereto and other incidental costs of issuing the Bond. The Bond shall be designated with appropriate series description and designation and be further described as a bond of Florence County, South Carolina (Florence County Fire District).

The full faith, credit, resources and taxing power of the County will be pledged irrevocably for the payment of the principal of and interest on the Bond as it shall mature and to create such sinking fund as may be necessary therefor. Pursuant to the provisions of Section 12 of Article X of the Constitution there shall be levied an ad valorem tax upon all taxable property located within the District sufficient to pay the principal of and interest on the Bond as the same become due and to create such sinking fund as may be necessary therefor.

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

The details of the Bond, including denominations, date, maturities, provisions for payment and redemption, designation of paying agent/registrar, provisions respecting transfer, assignment, and related registration matters, the form of the Bond, provisions for notice and sale and all other such matters shall be

determined by County Council in a subsequent ordinance. The Bond may also be issued as part of another issue, if such be convenient.

**SECTION 3. Authority to Issue Bond Anticipation Note.** The County Administrator of the County (the "County Administrator") is hereby authorized to cause the issuance of a bond anticipation note ("BAN"), in principal amount not exceeding \$3,500,000 pursuant to the BAN Act in anticipation of the issuance of the Bond in the form and manner set forth herein. The County Administrator is further authorized to determine the exact principal amount of the BAN, not to exceed \$3,500,000, based on the amounts required for the Refunding and the Equipment and to pay all costs of issuance associated with the BAN, and to determine any other details of the BAN not inconsistent with the terms of this Ordinance.

**SECTION 4. Exemption from State Taxes.** Both the principal of and interest on the BAN shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws of South Carolina, 1976, as amended, from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes, but the interest on the BAN may be included for certain franchise fees or taxes.

**SECTION 5. Details of Bond Anticipation Note.** The BAN shall be subject to the following particulars:

(a) The BAN shall be dated and bear interest from the date of delivery thereof, payable upon the stated maturity thereof and shall mature on such date as selected by the County Administrator, without privilege of prepayment. The BAN may be issued in denominations of \$5,000 and integral multiples thereof.

(b) The principal of and interest on the BAN 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. The Clerk to County Council shall serve as the Registrar for the BAN (the "Registrar") and the County Treasurer shall serve as the Paying Agent for the BAN (the "Paying Agent") at their respective Administrative Office and shall fulfill all functions of the Registrar and Paying Agent, respectively, enumerated herein.

(c) The County Administrator is authorized to request proposals for the purchase of the BAN, which shall be solicited from at least three (3) institutions selected by the County Administrator. Unless all bids are rejected, the County Administrator is authorized to award BAN issued pursuant to this Section 5(c) to the bidder offering to purchase the BAN at the lowest net interest cost to the County at a price of not less than par. Net interest cost will be determined by deducting premium, if any, from the interest on the BAN, until maturity.

(d) The form of the BAN and registration provisions to be endorsed thereon shall be substantially as set forth in Exhibit A attached hereto and made a part of this Ordinance.

**SECTION 6. Registration, Transfer and Exchange.**

(a) The County shall cause books (herein referred to as the "registry books") to be kept at the offices of the Registrar, for the registration and transfer of the BAN. Upon presentation at its office for such purpose the Registrar shall register or transfer, or cause to be registered or transferred, on such registry books, the BAN under such reasonable regulations as the Registrar may prescribe.

(b) The BAN shall be transferable only upon the registry books of the County, which shall be kept for such purpose at the principal office of the Registrar, by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such BAN the Registrar on behalf of the County shall issue in the name of the transferee a new fully registered BAN, of the same aggregate principal amount, interest rate and maturity as the surrendered BAN. Any BAN surrendered in exchange for a new registered BAN pursuant to this Section shall be cancelled by the Registrar.

(c) The County and the Registrar may deem or treat the person in whose name any fully registered BAN shall be registered upon the registry books as the absolute owner of such BAN, whether such BAN shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such BAN and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such BAN to the extent of the sum or sums so paid, and neither the County nor the Registrar shall be affected by any notice to the contrary. In all cases in which the privilege of transferring BAN is exercised, the County shall execute and the Registrar shall authenticate and deliver BAN in accordance with the provisions of this Ordinance. Neither the County nor the Registrar shall be obliged to make any such transfer of BAN during the period beginning on the day after the fifteenth calendar day preceding the maturity date thereof.

(d) In the event the BAN is mutilated, lost, stolen or destroyed, the County may execute a new BAN of like date and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated BAN, such mutilated BAN shall first be surrendered to the County, and in the case of any lost, stolen or destroyed BAN, there shall be first furnished to the County evidence of such loss, theft or destruction satisfactory to the County, together with indemnity satisfactory to it; provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such BAN shall have matured, instead of issuing a duplicate BAN, the County may pay the same without surrender thereof. The County may charge the holder of such BAN with its reasonable fees and expenses in this connection.

**SECTION 7. Security for Bond Anticipation Note; Application of Proceeds of Bond.** For the payment of the principal of and interest on the BAN as the same shall fall due, the full faith, credit, resources and taxing power of the County shall be pledged. In addition thereto, so much of the principal proceeds of the Bond when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the BAN; and, further, the County covenants and irrevocably pledges to effect the issuance of the Bond or, in the alternative, to refund or renew the outstanding BAN in order that the proceeds thereof will be sufficient to provide for the retirement of any BAN issued pursuant hereto.

**SECTION 8. Deposit and Use of Proceeds.** The proceeds derived from the sale of the BAN issued pursuant to this Ordinance shall be paid to the Treasurer of Florence County, South Carolina, to be deposited in a BAN Account Fund for the County, and shall be expended and made use of by County Council as follows: first, to pay the costs of the Refunding; second, to pay costs of issuance associated with the BAN, and third to pay the cost of acquiring the Equipment. Pending the use of proceeds of the BAN, the same shall be invested and reinvested by the Treasurer of Florence County, South Carolina, in such investments as are authorized by the Code of Laws of South Carolina, 1976, as amended, with respect to funds of the counties of the State of South Carolina. All earnings from such investments shall be applied, at the direction of County Council, either (1) to defray the cost of the Equipment, or (2) to pay costs of issuance associated with the BAN, or (3) to pay interest on the BAN.

**SECTION 9. Defeasance.** If the BAN issued pursuant to this Ordinance, and all interest thereon, shall have been paid and discharged, then the obligations of the County under this Ordinance and all other rights granted hereby shall cease and determine. The BAN shall be deemed to have been paid and discharged within the meaning of this Section under each of the following circumstances, viz.:

(1) The Paying Agent or a financial institution appointed as escrow agent (the "Escrow Agent"), shall hold, at the stated maturity of the BAN, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the principal of and interest thereon; or

(2) If default in the payment of the principal of the BAN or the interest thereon shall have occurred, and thereafter tender of such payment shall have been made, and at such time as the Paying Agent or Escrow Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the County shall elect to provide for the payment of the BAN prior to its stated maturity and shall have deposited with the Paying Agent or Escrow Agent in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with said Paying Agent or Escrow Agent at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on the BAN on their maturity date.

Neither the Government Obligations nor moneys deposited with the Paying Agent or Escrow Agent pursuant to this Section nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said BAN; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said BAN on the maturity date thereof, and interest earned from such reinvestments not required for the payment of the principal of and interest on the BAN may be paid over to the County, as received by the Paying Agent or Escrow Agent, free and clear of any trust, lien or pledge.

For purposes of this Section 9, "Government Obligations" means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

**SECTION 10. Tax Law Matters.**

(a) The County will comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the tax-exempt status of the BAN, including without limitation, (i) the requirement to file the information report 8038-G with the Internal Revenue Service, and (ii) the requirement to rebate certain arbitrage earnings to the United States Government pursuant to Section 148(f) of the Code. In this connection, the County covenants to execute any and all agreements, certificates and other documentation as it may be advised by bond counsel will enable it to comply with this Section, and such agreements, certificates and other documentation may be executed by an Authorized Officer and by the County Administrator of the County or either of them.

Careful consideration has been given to the time in which the expenditures of proceeds of the BAN will be made. It has been ascertained that all of the money received from the proceeds of the BAN will be expended within the limitations imposed by Section 148 of the Code and the Treasury regulations promulgated pursuant thereto. Accordingly, County Council will be able to certify upon reasonable grounds that the BAN herein provided for is not an "arbitrage bond" within the meaning of Section 148 of the Code.

(b) The County hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the BAN to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of BAN. Without limiting the generality of the foregoing, the County represents and covenants that:

(i) All property provided by the net proceeds of the BAN will be owned by the County in accordance with the rules governing the ownership of property for federal income tax purposes.

(ii) The County shall not permit the proceeds of the BAN or any facility financed with the proceeds of the BAN to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(iii) The County is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the BAN that do not conform to the guidelines set forth in Revenue Procedure 97-13.

(iv) The County will not sell or lease any property provided by the BAN to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exemption of the BAN.

(v) The BAN will not be federally guaranteed within the meaning of Section 149(b) of the Code. The County has not entered into any leases or sales or service contract with any federal government agency and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the BAN.

**SECTION 11. Authorization to Issue Bond for Purposes of Section 4-9-1220 of South Carolina Code.**

Inasmuch as the determination to issue the Bond is required for the issuance of the BAN and is security therefor, this ordinance is intended by County Council to be an "ordinance authorizing the issuance of bonds," enacted as of the date of third reading hereof, for purposes of Section 4-9-1220 of the Code of Laws of South Carolina, 1976, as amended.

**SECTION 12. Miscellaneous.**

(a) County Council hereby authorizes the Chairman of County Council, the County Administrator, the Clerk to County Council, and the County Finance Director to execute such documents and instruments as may be necessary to effect the issuance of the BAN; including, but limited to, such documents as are required by Section 10 hereof.

(b) All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict herewith or the proceedings authorizing the issuance of the BAN are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its adoption.

*[Signatures appear on the following page]*

ATTEST:

\_\_\_\_\_  
Connie Y. Haselden, Council Clerk

\_\_\_\_\_  
James T. Schofield, Chairman

\_\_\_\_\_  
Approved as to Form and Content  
D. Malloy McEachin, Jr. County Attorney

COUNCIL VOTE:  
OPPOSED:  
ABSENT:

DRAFT

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
FLORENCE COUNTY, SOUTH CAROLINA  
BOND ANTICIPATION NOTE OF 2014

No. 1 \$ \_\_\_\_\_

INTEREST RATE                      MATURITY DATE                      ORIGINAL ISSUE DATE                      CUSIP  
\_\_\_\_\_ %

Registered Holder:

Principal Amount: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Florence County, South Carolina (the "County") hereby acknowledges itself indebted, and for value received promises to pay to the registered owner hereof (named above) or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS at the Administrative Office of the County in the County of Florence, State of South Carolina on the \_\_\_\_ day of \_\_\_\_\_, 2014, and to pay interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, on said principal sum from the date hereof, at the rate of \_\_\_\_ per centum (\_\_\_\_%) per annum, payable upon the maturity of this note. This note is not subject to prepayment prior to its maturity.

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

This note is a Bond Anticipation Note (the "Note"), issued by the County, pursuant to the authorization of Title 11, Chapter 17, Code of Laws of South Carolina, 1976, as amended, in anticipation of the receipt of the proceeds to be derived from the \$ \_\_\_\_\_ general obligation bond of the County (the "Bond") to be issued pursuant to and in accordance with the provisions of the Constitution and Laws of the State of South Carolina including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; Title 4, Chapter 15 of the Code of Laws of South Carolina 1976, as amended, and an ordinance duly adopted by County Council of the County on \_\_\_\_\_, 2014 (the "Ordinance"). The full faith, credit, resources and taxing power of the County and the proceeds to be derived from the sale of Bond are pledged for the payment of the principal of and interest on this Note.

This Note and the interest hereon are exempt from all state, county, municipal, school district, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes, but the interest hereon may be included as franchise fees or taxes.



IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Statutes of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note do exist, have happened, and have been performed in regular and due time, form and manner, and the amount of this Note does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, Florence County, South Carolina, has caused this Note to be manually signed by the Chairman of County Council, attested by the manual signature of the Clerk to County Council, the seal of the County impressed hereon and this Note to be dated the \_\_\_\_ day of \_\_\_\_\_, 2014.

FLORENCE COUNTY, SOUTH CAROLINA

(SEAL)

By: \_\_\_\_\_  
Chairman, Florence County Council

Attest:

\_\_\_\_\_  
Clerk to County Council

DRAFT

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the issue described in the within mentioned Ordinance.

REGISTRAR

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_, 20\_\_\_\_

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT -

TEN ENT - as tenants by the entireties

\_\_\_\_\_  
(Cust) Custodian (Minor)

JT TEN - as joint tenants with right of survivorship and not as tenants in common

under Uniform Gifts to Minors Act \_\_\_\_\_  
(state)

Additional abbreviations may also be used though not in above list.

DRAFT

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Transferee)

the within bond and does hereby irrevocably constitute and appoint attorney

to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed

\_\_\_\_\_  
(Authorized Officer)

(Signature must be guaranteed by a participant in the Securities Transfer Agents Medallion Program (STAMP))

Notice: The signature to the assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

DRAFT

STATE OF SOUTH CAROLINA

COUNTY OF FLORENCE

I, the undersigned, Clerk to Florence County Council ("County Council"), the governing body of Florence County, South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of an Ordinance adopted by the County Council on October 16, 2014. The Ordinance was read at three public meetings of the County Council on three separate days, September 18, 2014, September 25, 2014, and October 16, 2014. An interval of at least seven days occurred between second and third readings of the Ordinance. At each such meeting, a quorum of the County Council was present and remained present throughout the meeting.

The meetings held on September 18, 2014 and October 16, 2014 were regular meetings of the County Council, for which notice had been previously given pursuant to and in conformity with Chapter 4, Title 30 of the Code of Laws of South Carolina 1976, as amended (the "Freedom of Information Act").

The meeting held on September 25, 2014 was a duly called special meeting of County Council, for which notice had been previously given pursuant to and in conformity with the Freedom of Information Act. As required by the Freedom of Information Act, notice of said meeting (including the date, time, and place thereof, as well as an agenda) was posted prominently in the administrative offices of the County at least twenty-four hours prior to said meeting. In addition, the local news media and all persons requesting notification of meetings of the County Council were notified of the time, date, and place of such meeting, and were provided with a copy of the agenda therefore at least twenty-four hours in advance of such meeting.

The original of the Ordinance is duly entered in the permanent records of County Council, in my custody as Clerk.

The Ordinance is now of full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of Florence County, South Carolina, this \_\_\_\_\_ day of October, 2014.

(SEAL)

\_\_\_\_\_  
Clerk to Florence County Council,  
Florence County, South Carolina