

RESOLUTION 09-23-01

TO AUTHORIZE A LEASE-PURCHASE FINANCING IN AN AMOUNT NOT EXCEEDING TWO MILLION TWO HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$2,255,000), AND OTHER MATTERS RELATING THERETO

WHEREAS, the City of Hartsville, South Carolina (the “*City*”) is a municipal corporation of the State of South Carolina, located in Darlington County, South Carolina, and as such possesses all general powers granted to municipal corporations;

WHEREAS, the City has determined that the need exists to acquire vehicles (public safety, fire and public works), obtain information technology equipment (software and hardware), and make improvements to the City’s waterpark facility, all generally described on Exhibit A attached hereto (collectively, the “*Equipment*”);

WHEREAS, the Equipment shall be acquired by and titled (as applicable) in the name of the City; and

WHEREAS, the City has determined to negotiate with financial institutions and receive proposals to finance the Equipment.

BE IT THEREFORE RESOLVED, as follows:

1. The City, acting through the City Council of the City of Hartsville, as the governing body of the City (the “*City Council*”) hereby determines to finance the acquisition of the Equipment (the “*Financing*”). The City Council hereby authorizes the City Manager of the City (the “*City Manager*”) to negotiate the Financing with certain financial institutions and award the Financing to the lessor that the City Manager, in his sole discretion, determines. To the extent the City Manager has already begun such negotiations, all such actions associated therewith are ratified and approved in their entirety. The Financing may be separated into multiple series of obligations, which may be issued on tax-exempt and/or taxable basis as determined by legal counsel to the City. The amount of the Financing, including any costs of issuance associated therewith, shall not exceed \$2,255,000 (the “*Lease Amount*”) and the final Lease Amount, term, closing date, and other material terms for the Financing shall be determined by the City Manager. However, in no event shall the interest rate on the Financing exceed 6.50% per annum or the term of the Financing exceed eleven years.

2. All financing contracts and all related documents for the closing of the Financing (the “*Financing Documents*”) shall be consistent with the foregoing terms. The City Manager is hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable to carry out the Financing as contemplated by the provisions of this resolution (this “*Resolution*”).

3. The City Manager is hereby directed and authorized to hold executed copies of the Financing Documents until the conditions for delivery of the Financing Documents have been completed to his satisfaction. The Financing Documents shall be in such final forms as the

City Manager shall approve, with the City Manager's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the final form of any of the Financing Documents.

4. The City shall not take or omit to take any action the taking or omission of which shall cause its interest payments on the Financing to be includable in the gross income for federal tax purposes of the registered owners of the Financing. To the extent the City does not intend to issue more than \$10 million of tax-exempt obligations in calendar year 2023, the City hereby designates the Financing as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

5. The City intends that the adoption of this Resolution will be a declaration of the City's official intent under United States Department of the Treasury Regulation Section 1.150-2 to reimburse expenditures for the Equipment that are to be financed from the proceeds of monies received under the Financing. To that end, the City Council determines and declares as follows:

(a) The City reasonably expects that some portion of the expenditures incurred for the Equipment and the issuance of the Financing will be paid prior to the issuance of the Financing;

(b) The City intends and reasonably expects to reimburse itself for all such expenditures paid by it with respect to the Equipment prior to the issuance of the Financing from the proceeds of the Financing, and such intention is consistent with the budgetary and financial circumstances of the City; and

(c) All of the costs to reimbursed from the proceeds of the Financing will be for costs incurred in connection with the issuance of the Financing, or will, at the time of payment thereof, be properly chargeable to the capital account associated with the Equipment (or would be so chargeable with a proper election) under general federal income tax principles.

6. The City understands that certain costs of issuance are associated with the Financing and the City covenants and agrees that all such costs will be timely paid upon the closing of the Financing Documents and may be included in the Lease Amount.

7. All prior actions of City officers in furtherance of the purposes of this Resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this Resolution are hereby repealed, to the extent of the conflict. This Resolution shall take effect immediately.

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DONE, RATIFIED AND ADOPTED this 12th day of September 2023.

**CITY OF HARTSVILLE,
SOUTH CAROLINA**

(SEAL)

Casey Hancock, Mayor

Attest:

Andrea D. Crenshaw, CMC, City Clerk

EXHIBIT A

<u>Description of Equipment</u>	<u>Department</u>
Six (6) Police Vehicles and related equipment	Police
One (1) Police Truck	Police
Mobile Video Software/Hardware	Police
One (1) Fire Engine and related equipment	Fire
Control Link System Timers for Lights	Parks & Recreation
One (1) Utility Tractor and related equipment	Streets & Grounds
One (1) Rear Loader Sanitation Truck and related equipment	Sanitation
Pumps and Play Structures	Waterpark
Seating, Cabanas, Curtains, Turnstiles for Entry, and Storage	Waterpark