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1 **2019-27 (2<sup>ND</sup> READING): AN ORDINANCE PROVIDING FOR THE ISSUANCE**  
2 **AND SALE OF NOT EXCEEDING \$7,000,000 GENERAL OBLIGATION**  
3 **BONDS, SERIES 2019, OF THE CITY OF MYRTLE BEACH, SOUTH**  
4 **CAROLINA; FIXING THE FORM AND DETAILS OF THE BONDS;**  
5 **AUTHORIZING THE CITY MANAGER TO DETERMINE CERTAIN MATTERS**  
6 **RELATING TO THE BONDS; PROVIDING FOR THE PAYMENT OF THE**  
7 **BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AND OTHER**  
8 **MATTERS RELATING THERETO.**

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9 **Applicant/Purpose:** City/to issue bonds to finance the acquisition & installation of a  
10 replacement of the current financial system—an Enterprise Resource Planning software  
11 solution (the “ERP System”).  
12

13 **Brief:**

- 14 • Per the capital improvement plan, staff has concluded its discovery phase &  
15 will soon select a vendor for the acquisition & installation of an ERP system.
- 16 • The system will be implemented over the next 12 - 18 months, w/ financial  
17 systems being the 1<sup>st</sup> to be replaced & peripheral systems to follow.
- 18 • The new system will be much more user-friendly & will provide for portals  
19 through which citizens may access a public information w/ greater ease.
- 20 • Since 1<sup>st</sup> reading, blanks have been filled in and the GO Debt Margin updated to  
21 \$13.65 million, following the retirement of \$2.8 million on March 1, 2019.  
22

23 **Issues:**

- 24 • This acquisition should resolve a number of issues that the city has had w/ its  
25 existing legacy system, which dates back to 1995.
- 26 • It is far more current in terms of generally accepted accounting principles for  
27 governments, & in terms of the many requirements of the Securities &  
28 Exchange Commission & other agencies to whom the city provides information.
- 29 • The system is also designed to be able to provide for increased productivity  
30 through management information & public information.  
31

32 **Public Notification:** Normal meeting notification.  
33

34 **Alternative:** Do not approve. Continue to operate w/ the legacy system for which  
35 minimal support is available.  
36

37 **Financial Impact:**

- 38 • The expected financial impact is the debt service on a maximum of \$7 million  
39 which, in the current market, equates to roughly \$590,000/year.
- 40 • Based upon the debt management plan, this level of annual debt service can be  
41 absorbed within the 6 mills currently authorized for debt service on GO bonds.  
42

43 **Manager’s Recommendation:**

- 44 • I recommend 1<sup>st</sup> reading (3-12-19).
- 45 • I recommend 2<sup>nd</sup> reading & approval.  
46

47 **Attachment(s):** Proposed ordinance.

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CITY OF MYRTLE BEACH )  
COUNTY OF HORRY )  
STATE OF SOUTH CAROLINA )

AN ORDINANCE PROVIDING FOR THE  
ISSUANCE AND SALE OF NOT EXCEEDING  
\$7,000,000 GENERAL OBLIGATION BONDS,  
SERIES 2019, OF THE CITY OF MYRTLE  
BEACH, SOUTH CAROLINA; FIXING THE  
FORM AND DETAILS OF THE BONDS;  
AUTHORIZING THE CITY MANAGER TO  
DETERMINE CERTAIN MATTERS RELATING  
TO THE BONDS; PROVIDING FOR THE  
PAYMENT OF THE BONDS AND THE  
DISPOSITION OF THE PROCEEDS  
THEREOF; AND OTHER MATTERS  
RELATING THERETO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH  
CAROLINA, AS FOLLOWS:

**SECTION 1. Definitions.** Unless the context shall clearly indicate some other meaning,  
the terms defined in this Section shall have, for all purposes of this Ordinance, the meanings  
hereinafter specified, with the definitions equally applicable to both the singular and plural forms  
and vice versa. The term:

**"Beneficial Owner"** shall mean any purchaser who acquires beneficial ownership interest in  
an Initial Bond held by the Depository. In determining any Beneficial Owner the City, the Registrar  
and the Paying Agent may rely exclusively upon written representations made and information  
given to the City, the Registrar and the Paying Agent, as the case may be, by the Depository or its  
Participants with respect to any Bond held by the Depository or its Participants in which a beneficial  
ownership interest is claimed.

**"Bondholders"** or the term **"Holders"** or any similar term shall mean the registered owner or  
owners of any outstanding Bond or Bonds.

**"Bonds"** shall mean the Series 2019 Bonds.

**"Book-Entry Form"** or **"Book-Entry System"** shall mean with respect to the Bonds, a form or  
system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be  
transferred only through a book-entry and (ii) physical Bond certificates in fully-registered form are  
registered only in the name of the Depository or its nominees as Holder, with the physical Bond  
certificates "immobilized" in the custody of the Depository. The book-entry maintained by the  
Depository is the record that identifies the owners of participatory interests in the Bonds, when  
subject to the Book-Entry System.

**"Books of Registry"** shall mean the registration books maintained by the Registrar in  
accordance with Section 7 hereof.

**"City"** shall mean the City of Myrtle Beach, South Carolina.

1           “City Manager” shall be the incumbent and acting City Manager of the City, or any  
2 successor to his functions, or his designee.

3  
4           “Council” shall mean the City Council of the City of Myrtle Beach, South Carolina.

5  
6           “Depository” shall mean any securities Depository that is a “clearing corporation” within the  
7 meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant  
8 to the provisions of Section 17A of the Securities Exchange Act of 1934, operating and  
9 maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of  
10 beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry Form, and  
11 includes and means initially The Depository Trust Company (a limited purpose trust company),  
12 New York, New York.

13  
14           “Initial Bonds” shall mean Bonds initially issued in Book-Entry Form as provided in Section  
15 4 hereof.

16  
17           “Letter of Representations” shall mean the Letter of Representations executed and  
18 delivered by the City to the Depository.

19  
20           “Municipal Bond Act” shall mean Title 5, Chapter 21, Article 5, Code of Laws of South  
21 Carolina 1976, as amended.

22  
23           “Ordinance” shall mean this Ordinance.

24  
25           “Participant” shall mean any bank, brokerage house or other financial institution for which,  
26 from time to time, the Depository effects book-entry transfers and pledges of securities deposited  
27 with the Depository.

28  
29           “Paying Agent” shall mean the paying agent appointed pursuant to this Ordinance.

30  
31           “Record Date” shall have the meaning given such term in Section 8 hereof.

32  
33           “Registrar” shall mean the registrar appointed pursuant to this Ordinance.

34  
35           “Series 2019 Bonds” shall mean the General Obligation Bonds, Series 2019, of the City of  
36 Myrtle Beach, South Carolina, in the aggregate principal amount of not exceeding \$7,000,000  
37 authorized to be issued pursuant to Section 3 hereof.

38  
39           “State” shall mean the State of South Carolina.

40  
41           SECTION 2. Findings and Determinations. The Council of the City hereby finds and  
42 determines:

43  
44           (a) The City is an incorporated municipality located in Horry County, South Carolina,  
45 and as such possesses all powers granted to municipalities by the Constitution and laws of the  
46 State.

47  
48           (b) Article X, Section 14 of the Constitution of the State of South Carolina 1895, as  
49 amended (the “Constitution”), provides that general obligation debt may be incurred by the  
50 governing body of each city of the State of South Carolina for any public and corporate purpose in  
51 an amount not exceeding eight percent of the assessed value of all taxable property of such city.  
52

1 (c) Pursuant to the Municipal Bond Act, the municipal council of any municipality may  
2 issue general obligation bonds of such municipality for any corporate purpose of such municipality  
3 to any amount not exceeding the constitutional debt limit applicable.  
4

5 (d) The Municipal Bond Act requires that an election be held prior to the issuance of  
6 general obligation bonds. Title 11, Chapter 27, Code of Laws of South Carolina 1976, as  
7 amended, provides that if an election be prescribed by the provisions of the Municipal Bond Act,  
8 but is not required by the provisions of Article X of the Constitution, then in every such instance, no  
9 election need be held (notwithstanding the requirement therefor) and the remaining provisions of  
10 the Municipal Bond Act shall constitute a full and complete authorization to issue bonds in  
11 accordance with such remaining provisions.  
12

13 (e) The assessed value of all taxable property in the City for 2018, as established by  
14 the assessment thereof, excluding the values of exempt merchants' inventories, is \$402,109,390.  
15 Eight percent of such sum is \$32,168,751. As of the date hereof, the outstanding general  
16 obligation debt of the City subject to the limitation imposed by Article X, Section 14(7) of the  
17 Constitution is \$18,512,000, representing the outstanding principal balances of the City's  
18 \$4,030,000 original principal amount General Obligation Bonds, Series 2012A; the City's  
19 \$7,560,000 original principal amount General Obligation Bonds (Federally Taxable), Series 2012B;  
20 the City's \$1,560,000 original principal amount General Obligation Refunding Bonds, Series  
21 2015B; and the City's \$8,349,000 original principal amount General Obligation Refunding Bonds,  
22 Series 2015C.  
23

24 Thus, the City may incur \$13,656,751 of general obligation debt within its applicable  
25 constitutional debt limitation.  
26

27 (f) The City intends to use the proceeds of the Bonds for (i) the acquisition,  
28 implementation, integration and installation of Enterprise Resource Planning (ERP) software for  
29 use by the City, to include all necessary professional services, capital equipment, software, initial  
30 subscription and maintenance agreements, and other incidental items required to establish the fully  
31 functional software, and (ii) such other projects and improvements as may be identified by the City  
32 and for such other purposes permitted under the Municipal Bond Act and this Ordinance (the  
33 "Project").  
34

35 (g) It is now in the best interest of the City for the Council to provide for the issuance  
36 and sale of not exceeding \$7,000,000 general obligation bonds of the City pursuant to the  
37 aforesaid provisions of the Constitution and laws of the State of South Carolina for the purposes  
38 set forth in Section 2(f) above.  
39

40 **SECTION 3. Authorization and Details of Bonds.** Pursuant to the aforesaid provisions of  
41 the Constitution and laws of the State of South Carolina, there is hereby authorized to be issued  
42 not exceeding \$7,000,000 general obligation bonds of the City (the "Bonds") to obtain funds for the  
43 purpose of funding the Project as set forth in Section 2(f) above, including any engineering,  
44 financial and legal fees relating thereto and other incidental costs of issuing the Bonds. The Bonds  
45 shall be designated "\$7,000,000 General Obligation Bonds, Series 2019, of the City of Myrtle  
46 Beach, South Carolina"; provided that if the Bonds are issued in a lesser principal amount, the  
47 designation shall be modified to reflect such lesser amount.  
48

49 The Mayor, the City Manager, the Chief Financial Officer, the Financial Management and  
50 Reporting Director and the Clerk of the City are hereby authorized and directed for and on behalf  
51 of the City to execute such agreements and give such directions as shall be necessary to carry out  
52 the provisions of this Ordinance.  
53

1 The Bonds shall be issued as fully registered Bonds; shall be in such principal amount not  
2 exceeding \$7,000,000, as may be determined by the City Manager; shall be dated their date of  
3 delivery or such other date as determined by the City Manager; shall be in the denomination of  
4 \$5,000 or any integral multiple thereof not exceeding the principal amount of the Bonds maturing in  
5 each year; shall be initially issued in Book-Entry Form unless the Bonds are issued in a competitive  
6 bank placement as provided in Section 15(a) hereof; shall bear interest from their date initially  
7 payable March 1, 2020 or such other date as the City Manager may determine, and semiannually  
8 thereafter on March 1 and September 1 of each year until the Bonds mature, at such rate or rates  
9 as may be determined by the City Manager at the time of the sale thereof; and shall mature in  
10 successive annual installments (including by mandatory redemption) on March 1 in each of the  
11 years and in the principal amounts and be subject to redemption as may be determined by the City  
12 Manager; and shall have a final maturity of no later than March 1, 2034.

13  
14 Both the principal of and interest on the Bonds shall be payable in any coin or currency of  
15 the United States of America which is, at the time of payment, legal tender for public and private  
16 debts. U.S. Bank National Association, Columbia, South Carolina, is hereby designated the  
17 registrar and paying agent (in such respective capacities, the "Registrar" and "Paying Agent") for  
18 the Bonds.

19  
20 In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in  
21 such order of maturities as shall be determined by the City. If less than all of the Bonds of a  
22 maturity are called for redemption, the Bonds of such maturity to be redeemed shall be select by lot  
23 by the Registrar. Notice of the redemption thereof, describing the Bond and specifying the  
24 redemption date and the redemption price payable upon such redemption, shall be mailed by the  
25 Registrar by first-class mail, postage prepaid, to the registered owner thereof not less than thirty  
26 (30) days and not more than sixty (60) days prior to the redemption date at the last address  
27 appearing upon the books of registry. If Bonds are redeemable and shall have been duly called for  
28 redemption and notice of the redemption thereof mailed as aforesaid, and if on or before the date  
29 fixed for such redemption, payment thereof shall have been duly made or provided for, interest  
30 thereon shall cease to accrue from and after the redemption date thereof.

31  
32 **SECTION 4. Book-Entry Bonds.** If the Bonds are issued in Book-Entry Form, the Initial  
33 Bonds will be eligible securities for the purposes of the Book-Entry System of transfer maintained  
34 by the Depository, and transfers of beneficial ownership of the Initial Bonds shall be made only  
35 through the Depository and its participants in accordance with rules specified by the Depository.  
36 Such beneficial ownership must be of \$5,000 principal amount of Bonds of the same maturity or  
37 any integral multiple of \$5,000.

38  
39 The Initial Bonds shall be issued in fully-registered form, as a single Bond or one Bond for  
40 each maturity of the Bonds, in the name of Cede & Co., as the nominee of the Depository. When  
41 any principal of or interest on the Initial Bonds becomes due, the City shall transmit or cause the  
42 Paying Agent to transmit to the Depository an amount equal to such installment of principal and  
43 interest. Such payments will be made to Cede & Co. or other nominee of the Depository as long  
44 as it is owner of record on the applicable Record Date. Cede & Co. or other nominee of the  
45 Depository shall be considered to be the owner of the Initial Bonds so registered for all purposes of  
46 this Ordinance, including, without limitation, payments as aforesaid and receipt of notices. The  
47 Depository shall remit such payments to the Beneficial Owners of the Bonds or their nominees in  
48 accordance with its rules and regulations.

49  
50 Notices of redemption of the Initial Bonds or any portion thereof shall be sent to the  
51 Depository in accordance with the provisions of this Ordinance.  
52

1 The Depository is expected to maintain records of the positions of Participants in the Initial  
2 Bonds, and the Participants and persons acting through Participants are expected to maintain  
3 records of the Beneficial Owners in the Initial Bonds. The City, the Paying Agent and the Registrar  
4 make no assurances that the Depository and its Participants will act in accordance with such rules  
5 or expectations on a timely basis, and the City, the Paying Agent and the Registrar shall have no  
6 responsibility for any such maintenance of records or transfer of payments by the Depository to its  
7 Participants, or by the Participants or persons acting through Participants to the Beneficial Owners.  
8

9 The City, the Paying Agent and the Registrar may treat the Depository (or its nominee) as  
10 the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the  
11 principal of or interest on the Bonds, giving any notice permitted or required to be given to  
12 Bondholders under this Ordinance, registering the transfer of Bonds, obtaining any consent or  
13 other action to be taken by Bondholders and for all other purposes whatsoever, and shall not be  
14 affected by any notice to the contrary. The City, the Paying Agent and the Registrar shall not have  
15 any responsibility or obligation to any Participant, any person claiming a beneficial ownership  
16 interest in the Bonds under or through the Depository or any Participant, or any other person which  
17 is not shown on the Books of Registry of the City maintained by the Registrar as being a  
18 Bondholder, with respect to: the accuracy of any records maintained by the Depository or any  
19 Participant; the payment by the Depository or any Participant of any amount in respect of the  
20 principal of or interest on the Bonds, any notice which is permitted or required to be given to  
21 Bondholders thereunder or under the conditions to transfers or exchanges adopted by the City or  
22 the Registrar; or any consent given or other action taken by the Depository as a Bondholder.  
23

24 SECTION 5. Successor Depository. If the Bonds are issued in Book-Entry Form and (a) the  
25 Depository determines not to continue to act as Depository for the Bonds, or (b) the City has  
26 advised the Depository of the City's determination that the Depository is incapable of discharging  
27 its duties, and any requisite consent of the Depository is obtained, the City shall attempt to retain  
28 another qualified securities depository to replace the Depository. Upon receipt by the City or the  
29 Registrar of the Initial Bonds together with an assignment duly executed by the Depository, the City  
30 shall execute and deliver to the successor Depository, Bonds of the same principal amount,  
31 interest rate and maturity. If the City is unable to retain a qualified successor to the Depository, or  
32 the City has determined that it is in its best interest not to continue the Book-Entry System of  
33 transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the  
34 Book-Entry System of transfer is continued (the City undertakes no obligation to make any  
35 investigation to determine the occurrence of any events that would permit it to make any such  
36 determination), and has made provision to so notify Beneficial Owners of the Bonds by mailing an  
37 appropriate notice to the Depository, upon receipt by the City of the Initial Bonds together with an  
38 assignment duly executed by the Depository, the City shall execute, authenticate and deliver to the  
39 Depository Participants Bonds in fully-registered form, in substantially the form set forth in Section  
40 10 of this Ordinance in denominations of \$5,000 or any integral multiple thereof.  
41

42 SECTION 6. Registration, Transfer and Exchange of Bonds. The City shall cause Books  
43 of Registry to be kept at the offices of the Registrar for the registration and transfer of the Bonds.  
44 Upon presentation at its office for such purpose the Registrar shall register or transfer, or cause to  
45 be registered or transferred, on such registry books, the Bonds under such reasonable regulations  
46 as the Registrar may prescribe.  
47

48 Each Bond shall be transferable only upon the Books of Registry of the City, which shall be  
49 kept for such purpose at the principal office of the Registrar, by the registered owner thereof in  
50 person or by his duly authorized attorney upon surrender thereof together with a written instrument  
51 of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized  
52 attorney. Upon the transfer of any such Bond, the Registrar on behalf of the City shall issue in the  
53 name of the transferee a new fully registered Bond or Bonds of the same aggregate principal

1 amount, interest rate and maturity as the surrendered Bond. Any Bond surrendered in exchange  
2 for a new registered Bond pursuant to this Section shall be canceled by the Registrar.  
3

4 The City, the Registrar and the Paying Agent may deem or treat the person in whose name  
5 any fully registered Bond shall be registered upon the Books of Registry as the absolute owner of  
6 such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the  
7 principal of and interest on such Bond and for all other purposes and all such payments so made to  
8 any such registered owner or upon his order shall be valid and effectual to satisfy and discharge  
9 the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the  
10 Registrar shall be affected by any notice to the contrary. In all cases in which the privilege of  
11 transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and  
12 deliver Bonds in accordance with the provisions of this Ordinance. Neither the City nor the  
13 Registrar shall be obliged to make any such transfer of Bonds during the fifteen (15) days  
14 preceding an interest payment date on such Bonds.  
15

16 SECTION 7. Record Date. The City hereby establishes a record date (each a "Record  
17 Date") for the payment of interest or for the giving of notice of any proposed redemption of Bonds,  
18 and such Record Date shall be fifteen (15) days (whether or not a business day) preceding an  
19 interest payment date on such Bond or, in the case of any proposed redemption of Bonds, such  
20 Record Date shall be the day (whether or not a business day) prior to the mailing of notice of  
21 redemption of Bonds.  
22

23 SECTION 8. Mutilation, Loss, Theft or Destruction of Bonds. In case any Bond shall at  
24 any time become mutilated in whole or in part, or be lost, stolen or destroyed, or be so defaced as  
25 to impair the value thereof to the owner, the City shall execute and the Registrar shall authenticate  
26 and deliver at the principal office of the Registrar, or send by registered mail to the owner thereof at  
27 his request, risk and expense a new Bond of the same interest rate and maturity and of like tenor  
28 and effect in exchange or substitution for and upon the surrender for cancellation of such defaced,  
29 mutilated or partly destroyed Bond, or in lieu of or in substitution for such lost, stolen or destroyed  
30 Bond. In any such event the applicant for the issuance of a substitute Bond shall furnish the City  
31 and the Registrar evidence or proof satisfactory to the City and the Registrar of the loss,  
32 destruction, mutilation, defacement or theft of the original Bond, and of the ownership thereof, and  
33 also such security and indemnity as may be required by the laws of the State of South Carolina or  
34 such greater amount as may be required by the City and the Registrar. Any duplicate Bond issued  
35 under the provisions of this Section in exchange and substitution for any defaced, mutilated or  
36 partly destroyed Bond or in substitution for any allegedly lost, stolen or wholly destroyed Bond shall  
37 be entitled to the identical benefits under this Ordinance as was the original Bond in lieu of which  
38 such duplicate Bond is issued, and shall be entitled to equal and proportionate benefits with all the  
39 other Bonds issued hereunder.  
40

41 All expenses necessary for the providing of any duplicate Bond shall be borne by the  
42 applicant therefor.  
43

44 SECTION 9. Execution of Bonds. The Bonds shall be executed in the name of the City  
45 with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile  
46 signature of the Clerk of the City under a facsimile of the seal of the City which shall be impressed,  
47 imprinted or reproduced thereon. The Bonds shall not be valid or become obligatory for any  
48 purpose unless there shall have been endorsed thereon a certificate of authentication. Each Bond  
49 shall bear a certificate of authentication manually executed by the Registrar in substantially the  
50 form set forth herein.  
51

52 SECTION 10. Form of Bonds. The Bonds shall be in substantially the following form:  
53

(FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
CITY OF MYRTLE BEACH  
GENERAL OBLIGATION BOND, SERIES 2019

No. R-

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Myrtle Beach, South Carolina (the "City"), is justly indebted and, for value received, hereby promises to pay to the registered holder named above, or registered assigns, the principal amount shown above on the maturity date shown above, upon presentation and surrender of this Bond at the principal office of U.S. Bank National Association, in Columbia, South Carolina (the "Paying Agent"), and to pay interest on such principal sum from the date hereof at the interest rate per annum shown above until this Bond matures. Interest on this Bond is initially payable on March 1, 2020 and semiannually thereafter on March 1 and September 1 of each year until this Bond matures or is earlier redeemed and shall be payable by check or draft mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the registrar, presently U.S. Bank National Association, in Columbia, South Carolina (the "Registrar"), at the close of business on the fifteenth (15th) day (whether or not a business day) preceding each semiannual interest payment date. The principal and interest on this Bond are 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; provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond shall not be entitled to any benefit under the Ordinance of the City authorizing the Bonds, nor become valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

For the payment hereof, both principal and interest, as they respectively mature, and for the creation of a sinking fund to aid in the retirement and payment thereof the full faith, credit and taxing power of the City are irrevocably pledged, and there shall be levied and collected, annually upon all taxable property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to number, denomination, date of maturity, redemption provisions, date of authentication and rate of interest, aggregating \_\_\_\_\_ Dollars (\$\_\_\_\_\_) issued pursuant to and in accordance with the Constitution and laws of the State of South Carolina (the "State"), including Article X, Section 14 of the Constitution of the State of South Carolina 1895, as amended; Title 5, Chapter 21, Code of Laws of South Carolina 1976, as amended; Title 11, Chapter 27, Code of Laws of South Carolina 1976, as amended; and an ordinance duly enacted on March 26, 2019 by the City Council.



1 [The Bonds maturing on March 1, 20\_\_, and thereafter shall be subject to redemption prior  
2 to maturity, at the option of the City, on and after March 1, 20\_\_, in whole or in part at any time,  
3 upon notice as hereinafter provided, at a redemption price equal to the principal amount of such  
4 Bonds to be so redeemed, plus interest accrued to the redemption date.]

5  
6 [Add optional term bond provisions, if applicable.]  
7

8 [In the event less than all of the Bonds are to be redeemed, the Bonds shall be redeemed  
9 in such order of maturities as shall be determined by the City. If less than all of the Bonds of a  
10 maturity are called for redemption, the Bonds of such maturity to be redeemed shall be select by lot  
11 by the Registrar. Notice of the redemption thereof, describing the Bond and specifying the  
12 redemption date and the redemption price payable upon such redemption, shall be mailed by the  
13 Registrar by first-class mail, postage prepaid, to the registered owner thereof not less than thirty  
14 (30) days and not more than sixty (60) days prior to the redemption date at the last address  
15 appearing upon the books of registry. If Bonds are redeemable and shall have been duly called for  
16 redemption and notice of the redemption thereof mailed as aforesaid, and if on or before the date  
17 fixed for such redemption, payment thereof shall have been duly made or provided for, interest  
18 thereon shall cease to accrue from and after the redemption date thereof.]  
19

20 This Bond is transferable as provided in the Ordinance, only upon the books of the City  
21 kept for that purpose at the principal office of the Registrar by the registered holder in person or by  
22 his duly authorized attorney upon surrender of this Bond together with a written instrument of  
23 transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized  
24 attorney. Thereupon a new fully registered Bond or Bonds of the same aggregate principal  
25 amount, interest rate, and maturity shall be issued to the transferee in exchange therefor as  
26 provided in the Ordinance. The City, the Registrar and the Paying Agent may deem and treat the  
27 person in whose name this Bond is registered as the absolute owner hereof for the purpose of  
28 receiving payment of or on account of the principal hereof and interest due hereon and for all other  
29 purposes.  
30

31 Under the laws of the State, this Bond and the interest hereon are exempt from all State,  
32 County, municipal, City and all other taxes or assessments, except estate or other transfer taxes,  
33 direct or indirect, general or special, whether imposed for the purpose of general revenue or  
34 otherwise.  
35

36 It is hereby certified and recited that all acts, conditions and things required by the  
37 Constitution and laws of the State to exist, to happen and to be performed precedent to or in the  
38 issuance of this Bond exist, have happened and have been performed in regular and due time,  
39 form and manner as required by law, and that the amount of this Bond, together with all other  
40 indebtedness of the City does not exceed the applicable limitation of indebtedness under the laws  
41 of the State and that provision has been made for the levy and collection annually upon all taxable  
42 property in the City an *ad valorem* tax, without limitation as to rate or amount, sufficient to pay the  
43 principal of and interest on this Bond as the same shall respectively mature and to create a sinking  
44 fund to aid in the retirement and payment thereof.  
45

46 IN WITNESS WHEREOF, CITY OF MYRTLE BEACH, SOUTH CAROLINA, has caused  
47 this Bond to be signed with the manual or facsimile signature of the Mayor of the City, attested by  
48 the manual or facsimile signature of the Clerk of the City and the seal of the City impressed,  
49 imprinted or reproduced hereon.  
50  
51  
52  
53

CITY OF MYRTLE BEACH, SOUTH CAROLINA

(SEAL)

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

[FORM OF REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

Date of Authentication:

This Bond is one of the bonds described in the within-mentioned Ordinance of the City of Myrtle Beach, South Carolina.

\_\_\_\_\_, as Registrar

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

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

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (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.

(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)

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by an institution

\_\_\_\_\_  
Notice: The signature to the assignment must correspond with

1 which is a participant in the  
2 Securities Transfer Agents  
3 Medallion Program ("STAMP")  
4 or similar program.

the name of the registered  
holder as it appears upon the  
face of the within Bond in every  
particular, without alteration or  
enlargement or any change whatsoever.

6  
7 A copy of the final approving legal opinion to be rendered shall be attached to or printed on  
8 the back of each Bond and preceding the same a certificate shall appear, which shall be signed on  
9 behalf of the City with a manual or facsimile signature of the Clerk of the City. Said certificate shall  
10 be in substantially the following form:

11  
12 IT IS HEREBY CERTIFIED that the following is a true and  
13 correct copy of the final legal opinion (except for date and  
14 letterhead) of Pope Flynn, LLC, Charleston, South Carolina,  
15 approving the issue of bonds of which the within bond is one, the  
16 original of which opinion was manually executed, dated and issued  
17 as of the date of delivery of and payment for the bonds, and a copy  
18 of which is on file with the City of Myrtle Beach, South Carolina.

19  
20 CITY OF MYRTLE BEACH, SOUTH CAROLINA

21  
22 By: \_\_\_\_\_  
23 Clerk

24  
25 SECTION 11. Security for Bonds. The full faith, credit and taxing power of the City are  
26 hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as they  
27 respectively mature and for the creation of a sinking fund to aid in the retirement and payment  
28 thereof and there shall be levied and collected annually upon all taxable property in the City an *ad*  
29 *valorem* tax, without limitation as to rate or amount, sufficient for such purposes.

30  
31 The appropriate official of the City shall be notified as to the delivery of and payment for the  
32 Bonds and is hereby directed to levy and collect annually upon all taxable property in the City an *ad*  
33 *valorem* tax, without limitation as to rate or amount, sufficient for such purpose.

34  
35 SECTION 12. Defeasance. The obligations of the City under this Ordinance and the  
36 pledges, covenants and agreements of the City herein made or provided for, shall be fully  
37 discharged and satisfied as to any portion of the Bonds, and such Bond or Bonds shall no longer  
38 be deemed to be outstanding hereunder when:

39  
40 (a) such Bond or Bonds shall have been purchased by the City and surrendered to the City  
41 for cancellation or otherwise surrendered to the City or the Paying Agent and is canceled or subject  
42 to cancellation by the City or the Paying Agent; or

43  
44 (b) payment of the principal of and interest on such Bonds either (i) shall have been made  
45 or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by  
46 irrevocably depositing with the Paying Agent in trust and irrevocably set aside exclusively for such  
47 payment, (1) moneys sufficient to make such payment, or (2) Government Obligations (hereinafter  
48 defined) maturing as to principal and interest in such amounts and at such times as will ensure the  
49 availability of sufficient moneys to make such payment and all necessary and proper fees,  
50 compensation and expenses of the Paying Agent. At such time as the Bonds shall no longer be  
51 deemed to be outstanding hereunder, such Bonds shall cease to draw interest and, except for the  
52 purposes of any such payment from such moneys or Government Obligations as set forth in (ii)  
53 above, shall no longer be secured by or entitled to the benefits of this Ordinance.

1  
2 "Government Obligations" shall mean any of the following:  
3

- 4 (a) non-callable, direct obligations of, or obligations the principal of and interest on  
5 which are unconditionally guaranteed by, the United States of America, including  
6 obligations issued or held in book entry form on the books of the Department of the  
7 Treasury of the United States; and  
8  
9 (b) non-callable, U. S. Treasury Securities - State and Local Government Series  
10 ("SLGS").  
11

12 **SECTION 13. Exemption from State Taxes.** Both the principal of and interest on the  
13 Bonds shall be exempt, in accordance with the provisions of Section 12-2-50 of the Code of Laws  
14 of South Carolina 1976, as amended, from all State, County, municipal, City and all other taxes or  
15 assessments, except estate or other transfer taxes, direct or indirect, general or special, whether  
16 imposed for the purpose of general revenue or otherwise.  
17

18 **SECTION 14. Sale and Award of Bonds.** The Bonds shall be sold at a date and time  
19 certain after public notice thereof at not less than par and accrued interest to the date of delivery.  
20 Bids shall be received at such time and date and in such manner as determined by the City  
21 Manager. Unless all bids are rejected, the award of the Bond may be made by the City Manager to  
22 the bidder offering the most advantageous terms to the City, provided the true interest cost of the  
23 Bonds does not exceed 5.0% per annum, with the basis of such award to be set forth in the official  
24 notice of sale used in connection with the sale of the Bonds (the "Official Notice of Sale"). In lieu of  
25 publishing the Official Notice of Sale in its entirety to notice the sale, the City Manager may elect to  
26 publish an abbreviated form of such notice (the "Summary Notice of Sale") and provide the Official  
27 Notice of Sale to those parties who request the same pursuant to the instructions provided in the  
28 Summary Notice of Sale.  
29

30 **SECTION 15. Manner of Public Sale.** Not less than seven (7) days following the  
31 publication of either the Official Notice of Sale or Summary Notice of Sale in a newspaper of  
32 general circulation in the State, and/or, if deemed appropriate by the City Manager, in a financial  
33 publication published in the City of New York, New York, the Bonds may be sold pursuant to either  
34 of the following methods as determined by the City Manager:  
35

- 36 (a) *Competitive Direct Placement.* The Bonds may be sold to an institution or  
37 institutions as a means of making a commercial loan. In such case, the Council  
38 authorizes the City Manager to distribute the Official Notice of Sale to prospective  
39 purchasers of the Bonds and award the Bonds on the basis of the terms and  
40 conditions contained therein. The Bonds shall be issued as a single Bond, without  
41 CUSIP identification. The purchaser of the Bonds shall execute an investor letter to  
42 the City acknowledging its purchase of the Bonds as a means of making a  
43 commercial loan.  
44  
45 (b) *Competitive Public Offering.* The Bonds may be sold in the public capital markets to  
46 an underwriter for the purpose of reselling such Bonds. In such case, the Council  
47 hereby authorizes the City Manager to prepare, or cause to be prepared, a  
48 Preliminary Official Statement and distribute the Preliminary Official Statement and  
49 the Official Notice of Sale to prospective purchasers of the Bonds. The Council  
50 authorizes the City Manager to designate the Preliminary Official Statement as  
51 "final" for purposes of Rule 15c2-12 of the United States Securities and Exchange  
52 Commission. The City Manager is further authorized to see to the completion of,

1 and execute and deliver in the name and on behalf of the City, the final Official  
2 Statement upon the sale of the Bonds so that it may be provided to the Purchaser.  
3

4 SECTION 16. Certain Delegations. The Council, in addition to the authority delegated  
5 elsewhere in this Ordinance, hereby expressly delegates to the City Manager the authority, with  
6 respect to the Bonds, to determine: (a) the date of sale, the date of issuance, the maturity  
7 schedule, the principal and interest payment dates, and the final principal amount with respect to  
8 the Bonds; (b) whether the Bonds shall be subject to redemption; (c) the method of computing  
9 interest in connection with the award of the Bonds; (d) whether the Bonds will be designated as  
10 "qualified tax-exempt obligations" pursuant to the Internal Revenue Code of 1986, as amended (the  
11 "Code"); (e) whether to create and distribute preliminary and final Official Statements in connection  
12 with the issuance of any Series of Bonds; and (f) such other matters regarding the Bonds as are  
13 necessary or appropriate. The Council may, by resolution, authorize the City Manager to alter any  
14 of the conditions or provisions specified above or elsewhere herein.  
15

16 The City Manager is hereby authorized and directed to conduct the sale of the Bonds  
17 pursuant to the provisions of Section 15 hereof. The Council hereby expressly delegates to the City  
18 Manager the authority to award the sale of any Bonds in accordance with the Official Notice of Sale  
19 contemplated in Section 15 hereof.  
20

21 SECTION 17. Continuing Disclosure. The City hereby covenants and agrees that it will  
22 comply with and carry out all of the provisions of any continuing disclosure certificate or agreement,  
23 executed by the City Manager or the Chief Financial Officer and dated the date of delivery of the  
24 Bonds, which will meet the requirements, as applicable, of Rule 15c2-12 promulgated by the  
25 United States Securities and Exchange Commission.  
26

27 SECTION 18. Filings with Central Repository. In compliance with Section 11-1-85 of the  
28 Code of Laws of South Carolina 1976, as amended, the City covenants that it will file or cause to  
29 be filed with a central repository for further availability in the secondary bond market when  
30 requested: (a) a copy of the annual audit of the City within thirty (30) days of the City's receipt  
31 thereof; and (b) within thirty (30) days of the occurrence thereof, relevant information of an event  
32 which, in the opinion of the City, adversely affects more than five percent (5%) of the City's revenue  
33 or its tax base.  
34

35 SECTION 19. Deposit, Appropriation and Use of Proceeds. The proceeds derived from  
36 the sale of the Bonds shall be deposited in special funds, separate and distinct from all other funds,  
37 and applied solely to the purpose for which the Bonds are issued except that the premium, if any,  
38 shall be placed in the sinking fund established pursuant to the Municipal Bond Act and the accrued  
39 interest, if any, shall be used to discharge in part the first interest to become due on the Bonds,  
40 such proceeds being hereby appropriated for such purposes. If any surplus remains it shall be  
41 deposited in the sinking fund to be established for the payment of the Bonds.  
42

43 SECTION 20. Tax Covenants. The City hereby covenants and agrees with the holders of  
44 the Bonds that no use of the proceeds of the Bonds shall be made which, if such use had been  
45 reasonably expected on the date of issue of the Bonds would have caused the Bonds to be  
46 "arbitrage bonds", as defined in Section 148 of the Code, and to that end the City agrees to:  
47

48 (a) comply with the applicable provisions of Section 103 and Sections 141 through 150  
49 of the Code and any regulations promulgated thereunder so long as the Bonds are outstanding;  
50

51 (b) establish such funds, make such calculations and pay such amounts, in the manner  
52 and at the times required in order to comply with the requirements of the Code relating to required  
53 rebates of certain amounts to the United States; and

1  
2 (c) make such reports of such information at the time and places required by the Code.  
3

4 The City further covenants that it shall not take any action which will, or fail to take any  
5 action which failure will, cause interest on the Bonds to become includible in the gross income of  
6 the Bondholders for federal income tax purposes pursuant to the provisions of the Code and the  
7 regulations promulgated thereunder in effect on the date of original issuance of the Bonds.  
8

9 SECTION 21. Miscellaneous. The Council hereby authorizes the Mayor, the City  
10 Manager, the Clerk of the City, the Chief Financial Officer, the Financial Management and  
11 Reporting Director and the City Attorney to execute such documents and instruments as may be  
12 necessary to effect the issuance of the Bonds.  
13

14 All rules, regulations, resolutions and parts thereof, procedural or otherwise, in conflict  
15 herewith or the proceedings authorizing the issuance of the Bonds are, to the extent of such  
16 conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its  
17 enactment.  
18

19 This Ordinance shall be forthwith codified in the Code of City Ordinances in the manner  
20 required by law.  
21

22  
23 [Remainder of page intentionally left blank.]  
24  
25

1 ENACTED by the City Council of the City of Myrtle Beach, South Carolina, this 26th day of  
2 March 2019.

3  
4  
5  
6  
7 Mayor, City of Myrtle Beach, South Carolina

8  
9 (SEAL)

10  
11 ATTEST:

12  
13  
14 Clerk, City Council of the City  
15 of Myrtle Beach, South Carolina

16  
17  
18 Date of First Reading: March 12, 2019

19 Date of Second Reading: March 26, 2019

20