
R2019-: RESOLUTION DECLARING THE INTENTION OF THE CITY OF MYRTLE BEACH TO REIMBURSE ITSELF FOR CERTAIN EXPENSES IN CONNECTION WITH A SOLID WASTE TRANSFER STATION IMPROVEMENTS WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS.

Applicant/Purpose: Staff/ to declare the City's intention to reimburse itself for certain Solid Waste project expenditures upon issuance of Series 2020 General Obligation Bonds intended to finance the project.

Brief:

- A proposed General Obligation Bond Issue will finance Solid Waste facility improvements & equipment additions to include:
 - Open Top Transfer Station (\$3,300,000).
 - 8 Walking Floor Trailers, 1 Yard Dog, & 1 Rubber Tire Loader (\$715,000).
 - Convenience Center (\$297,000).
 - Composting Site (\$297,000).
 - 2 Leaf Vacuum Trucks (\$371,000).
- The proposed resolution preserves the tax-exempt status of the proposed bond issue in the event City needs to expend its own funds before the bonds close.

Issues:

- A total of \$4,980,000 of bond proceeds is included for the projects.
- The total size of the expected bond issue could be as much as the \$5.1 million.
- Absent the resolution, construction would not be able to begin until bonds were issued.

Public Notification: Normal meeting notification.

Alternatives:

- Do not pass resolution.
- Delay expenditures until the bonds are issued.

Financial Impact:

- There is a negligible amount of foregone interest on funds that may be advanced from Capital Projects Fund or Solid Waste Fund prior to closing.
- These negligible amounts should be off-set by greater operational efficiencies.
- Increased capacity in Solid Waste operations may result in increased revenue for the Fund.

Manager's Recommendation: I recommend approval of this resolution to preserve our options going forward. At this time, without further Council discussion in the context of the entire budget, I am reluctant to recommend the leaf vacuum truck acquisition, which annualizes to a cost of over \$100,000. This resolution does not bind us to acquire that equipment, however, & we can revisit that discussion at a later time.

Attachment(s): Proposed resolution.

CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

DECLARING THE INTENTION OF THE CITY
OF MYRTLE BEACH TO REIMBURSE ITSELF
FOR CERTAIN EXPENSES WITH THE
PROCEEDS OF GENERAL OBLIGATION
BONDS TO BE ISSUED IN 2020.

WHEREAS, the City of Myrtle Beach (the "Issuer"), intends to replace and expand the existing Solid Waste Transfer Station by constructing a new facility comprising (1) a Top-load Transfer Station with large tipping floor and wide turn radius for management of multiple waste streams, (2) Waste and Recycling Convenience Center, (3) Composting Site, and (4) the acquisition of equipment necessary to put the same into operation (collectively, the "Project");

WHEREAS, the Issuer intends to incur debt through the issuance of General Obligation Bonds (the "Bonds"), for the purpose of providing funds to pay the costs of the Project associated with the engineering, design, construction, and acquisition of equipment, together with costs incurred in connection with the authorization, issuance, and sale of the Bonds;

WHEREAS, no funds of the Issuer from any source other than the bonds are, or are reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside by the Issuer pursuant to the budget or financial policies of the Issuer for the financing of the costs of the Project or any part thereof;

WHEREAS, the cost of the Project is expected to be approximately \$4,980,000;

WHEREAS, the Issuer reasonably expects that all or a portion of the expenditures incurred by the Issuer for the design, acquisition, construction and/or equipping of the Project and for the issuance of the Bonds will be paid from its Capital Projects Fund or Solid Waste Management Fund prior to the issuance of the Lease;

WHEREAS, the Issuer intends and reasonably expects to reimburse itself for all such expenditures paid by the Issuer with respect to the Project prior to the issuance of the Bonds from the proceeds of the Bonds, and such intention is consistent with the budgetary and financial circumstances of the issuer;

WHEREAS, all of the costs to be reimbursed or paid from the proceeds of the Bonds will be incurred in connection with the issuance of the Bonds or will, at the time of payment thereof, be properly chargeable to the capital account of the Project (or would be so chargeable with a proper election) under general federal income tax principles;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MYRTLE BEACH, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

Section 1. It is hereby declared that the facts set forth in the preambles to this Resolution are in all respects true and correct.

Section 2. It is hereby declared that the Issuer intends and reasonably expects to reimburse itself with the proceeds of debt to be incurred by the Issuer through the issuance of the Bonds for all expenditures by the Issuer for the acquisition, construction,

1 and equipping of the Project and for the issuance of the Bonds paid prior to the issuance
2 of the Bonds.

3 Section 3. The Project consists of a Transfer Station, Waste and Recycling
4 Convenience Center, and Composting Site and the acquisition of equipment necessary
5 to put the same into operation.

6 Section 4. The maximum principal amount of debt expected to be issued for the
7 acquisition, construction and equipping of the Project and the issuance of the
8 Obligations is \$5,100,000, including costs of the Project, establishment of necessary
9 reserves, and costs of issuance.

10
11 SIGNED, SEALED, AND DATED this 24th day of September 2019.

12
13 ATTEST:

SIGNED:

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16 _____
17 Jennifer Stanford, City Clerk

Brenda Bethune, Mayor