
1 **R2019-41: RESOLUTION DECLARING THE INTENTION OF THE CITY OF**
2 **MYRTLE BEACH TO REIMBURSE ITSELF FOR CERTAIN EXPENSES WITH THE**
3 **PROCEEDS OF A MASTER LEASE AGREEMENT.**

4 **Applicant/Purpose:** Staff/to declare City's intention to reimburse itself for
5 expenditures to acquire certain pieces of Solid Waste Management equipment upon
6 entering into a Master Equipment Lease Agreement.

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8 **Brief:**

- 9 • A Master Lease Agreement for equipment purchases was anticipated in the City's
10 Capital Improvement Plan to finance:
 - 11 ○ HVAC system for the Convention Center (\$625,000).
 - 12 ○ 4 knuckleboom trucks (\$600,000).
 - 13 ○ 2 rear Loaders (\$480,000).
 - 14 ○ 30 compactors (\$900,000).
- 15 • The proposed resolution preserves the tax-exempt status of the lease in the
16 event City needs to expend its own funds before the lease is closed.

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18 **Issues:**

- 19 • Absent the proposed resolution, all expenditures would have to wait until closing
20 of the Master Lease Agreement.
- 21 • Acquisition for this equipment now allows staff to implement Council's policy
22 direction more rapidly, & to achieve greater operational efficiencies.

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24 **Public Notification:** Normal meeting notification.

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26 **Alternatives:**

- 27 • Do not pass resolution.
- 28 • Delay expenditures until the lease is closed.

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30 **Financial Impact:**

- 31 • There is a negligible amounts of foregone interest on funds that may be
32 advanced from Capital Projects Fund or Solid Waste Fund prior to closing.
- 33 • These negligible amounts should be off-set by greater operational efficiencies.

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35 **Manager's Recommendation:** I recommend approval.

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37 **Attachment(s):** Proposed resolution.

RESOLUTION R2019-41

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CITY OF MYRTLE BEACH
COUNTY OF HORRY
STATE OF SOUTH CAROLINA

RESOLUTION DECLARING THE INTENTION
OF THE CITY OF MYRTLE BEACH TO
REIMBURSE ITSELF FOR CERTAIN
EXPENSES WITH THE PROCEEDS OF A
MASTER LEASE AGREEMENT

WHEREAS, the City of Myrtle Beach (the "Issuer"), intends to acquire an HVAC System for the Myrtle Beach Convention Center; four knuckle boom trucks and two rear loaders, and 30 compactors for the Solid Waste Management System's operations, (the "Project");

WHEREAS, the Issuer intends to incur an obligation by entering into a Master Lease Agreement (the "Lease"), for the purpose of providing funds to pay the costs of the Project and costs incurred in connection with the authorization, issuance, and delivery of the Lease;

WHEREAS, no funds of the Issuer from any source other than the Lease 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 \$2,605,000;

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 Lease will be paid from its Capital Projects Fund, Convention Center 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 Lease from the proceeds of the Lease, 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 Lease will be incurred in connection with the issuance of the Lease 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 Lease for all expenditures by the Issuer for the acquisition, construction, and equipping of the Project and for the issuance of the Lease paid prior to the issuance of the Lease.

1 Section 3. The Project consists of an HVAC System for the Myrtle Beach
2 **Convention Center; four knuckle boom trucks and two rear loaders, and 30 compactors**
3 **for the Solid Waste Management System's operations.**

4 Section 4. The maximum principal amount of debt expected to be issued for the
5 acquisition, construction and equipping of the Project and the issuance of the
6 Obligations is \$2,625,000, including costs of the Project, establishment of necessary
7 reserves, and costs of issuance.

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9 SIGNED, SEALED, AND DATED this 27th day of August 2019.

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11 ATTEST:

SIGNED:

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14 _____
15 Jennifer Stanford, City Clerk

Brenda Bethune, Mayor