



**SPECIAL MEETING OF FLORENCE CITY COUNCIL
MONDAY, JUNE 21, 2021 – 4:00 P.M.
CITY CENTER – COUNCIL CHAMBERS
324 WEST EVANS STREET
FLORENCE, SOUTH CAROLINA**

I. CALL TO ORDER

II. INVOCATION

Pledge of Allegiance to the American Flag

III. ORDINANCES IN POSITION

a. Bill No. 2021-19 – Second Reading

An Ordinance to raise revenue and adopt a budget for the City of Florence, South Carolina, for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022.

b. Bill No. 2021-20 – Second Reading

A second supplemental Ordinance providing for the issuance and sale of City of Florence, South Carolina, stormwater system revenue bonds, Series 2021, in the principal amount of not exceeding \$7,000,000; and other matters relating thereto.

IV. ADJOURN

FLORENCE CITY COUNCIL MEETING

DATE: June 21, 2021
AGENDA ITEM: FY 2021-22 Budget Ordinance
DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION:

For City Council consideration is the adoption of Fiscal Year 2021-22 Budgets for the City of Florence.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN:

FY 2021-22 budget development began in January and continued through March and April with the preparation of revenue estimates, wages and benefits data development, the submission of departmental budget requests, and departmental budget meetings with the City Manager. A Council work session was held to review budget related issues.

III. POINTS TO CONSIDER:

The General Fund, General Fund Debt Service Fund, Water & Sewer Enterprise Fund, Stormwater Enterprise Fund, Water and Sewer Utilities Construction Fund, Stormwater Utility Construction Fund, Water and Sewer Utilities Equipment Replacement Fund, Stormwater Utility Equipment Replacement Fund, and the Hospitality Fund budgets for the fiscal year ending June 30, 2022, recommended for adoption by the City Council are enclosed for your review.

IV. OPTIONS:

1. Adopt the budget.
2. Modification of the budgets as presented.

V. STAFF RECOMMENDATION:

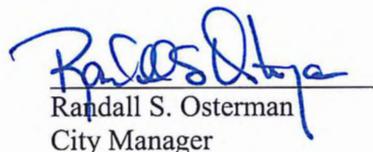
Staff recommends adoption of the FY2021/22 budgets as recommended.

VI. ATTACHMENTS:

1. The FY2021/22 budget ordinance is attached.



Kevin V. Yokim
Assistant City Manager



Randall S. Osterman
City Manager

ORDINANCE NO. 2020- _____

AN ORDINANCE TO RAISE REVENUE AND ADOPT A BUDGET FOR THE CITY OF FLORENCE, SOUTH CAROLINA, FOR THE FISCAL YEAR BEGINNING JULY 1, 2021, AND ENDING JUNE 30, 2022.

WHEREAS, § 5-7-260 of the South Carolina Code of Laws (as amended) requires that a Municipal Council shall act by ordinance to adopt budgets and levy taxes pursuant to public notice.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Florence in Council duly assembled and by the authority of the same:

Section 1

- (a) There is hereby adopted a General Fund budget for the City of Florence for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein, providing for revenues and appropriations in a total amount of \$41,091,000.
- (b) Further, there is hereby adopted a General Fund Debt Service Fund budget for the City of Florence for fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein, providing for revenues and appropriations in the total amount of \$694,000.
- (c) Further, there is hereby adopted a Water and Sewer Utilities Enterprise Fund budget for the City of Florence for fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein, providing for revenues and appropriations in a total amount of \$37,561,000.
- (d) Further, there is hereby adopted a Stormwater Utility Enterprise Fund budget for the City of Florence for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein providing for revenues and appropriations in the total amount of \$1,460,500.
- (e) Further, there is hereby adopted a Water and Sewer Utilities Construction Fund budget for the City of Florence for fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein, providing for revenues and appropriations in a total amount of \$8,005,000.
- (f) Further, there is hereby adopted a Stormwater Utility Construction budget for the City of Florence for fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein, providing for revenues and appropriations in a total amount of \$296,000.

- (g) Further, there is hereby adopted a Water and Sewer Utilities Equipment Replacement Fund budget for the City of Florence for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein providing for revenues and appropriations in the total amount of \$1,024,500.
- (h) Further, there is hereby adopted a Stormwater Utility Equipment Replacement Fund budget for the City of Florence for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein providing for revenues and appropriations in the total amount of \$135,000.
- (i) Further, there is hereby adopted a Hospitality Fund budget for the City of Florence for the fiscal year beginning July 1, 2021, and ending June 30, 2022, as filed in the office of the City Clerk which is hereby incorporated by reference as if set forth fully herein providing for revenues and appropriations in the total amount of \$4,647,500. Authorized as part of this ordinance and incorporated into the Hospitality Fund budget is a commitment by the City of Florence to contribute to the operations and maintenance costs of the Florence County Museum for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and for future fiscal years through June 30, 2025 pursuant to the Memorandum of Understanding Between Florence County and the City of Florence dated April 25, 2013.

Section 2

In accordance with § 6-1-320 of the South Carolina Code of Laws (as amended), a tax for general operating purposes for the period from July 1, 2021, and ending June 30, 2022, for the sums and in the amount hereinafter mentioned, is and shall be levied, collected and paid into the treasury of the City of Florence for the operational use and service thereof. A tax of fifty nine and one-tenth (59.1) mills upon each one dollar (\$1.00) in value of real estate and personal property of every description owned and used in the City of Florence, South Carolina, is and shall be levied and paid into the City treasury for the credit to the City of Florence for the corporate purposes, improvements, and for the purpose of paying current operating expenses of said municipality. Such tax, set at the same operating millage rate as the previous fiscal year, is levied on property assessed for taxation for County and State purposes.

Section 3

In accordance with of § 6-1-320 of the South Carolina Code of Laws (as amended), a tax for general obligation bond indebtedness for the period from July 1, 2021, and ending June 30, 2022, for the sums and in the amount hereinafter mentioned, is and shall be levied, collected and paid into the treasury of the City of Florence for the purpose of meeting general obligation bond debt service requirements. A tax of up to, but not exceeding, four (4.0) mills upon each one dollar (\$1.00) in value of real estate and personal property of every description owned and used in the City of Florence, South Carolina, is and shall be levied and paid into the City treasury for the credit to the City of Florence for the purpose of providing and paying for general obligation bond debt of the municipality. Such tax is levied on property that is assessed for taxation for County and State purposes.

Section 4

In accordance with § 23-47-10 through § 23-47-80 of the South Carolina Code of Laws (as amended), and § 14-93 through § 14-98 of the City of Florence, SC Code of ordinances (as amended), funding is and shall be provided to allow for the operation, maintenance, and enhancements of the E-911 system through a monthly charge of seventy-seven cents (\$0.77) upon each local exchange access line in the area served by or which would be served by the E-911 service and/or system of the City. Such charges are specifically enforceable under § 23-47-50 (B) of the SC Code of Laws. E-911 fees collected by the City of Florence shall be used to fund the acquisition of Police and Fire communications equipment in compliance with § 23-47-40 (B) of the South Carolina Code of Laws, as amended. Funding in the total amount of \$560,000 is hereby appropriated and allocated in increments of approximately \$80,000 per year over a seven-year period, from fiscal year beginning July 1, 2015 through fiscal year ending June 30, 2022 as part of a multi-year communications equipment budget provided pursuant to the Florence City Council adoption of Resolution No. 2015-13.

Section 5

The City Manager shall administer the budget and may authorize the transfer of appropriate funds within and between departments as necessary to achieve the goals of the budget. The City Manager is authorized to assign fund balance intended to be used for specific purposes.

Section 6

The City Manager or his designee is authorized to execute all necessary documents relating to the lease-purchase financing of equipment specifically authorized in the budget as presented or amended by City Council for fiscal year beginning July 1, 2021, and ending June 30, 2022. This action further constitutes a resolution of City Council authorizing and approving such equipment for lease-purchase acquisition, and this ordinance shall serve as representation of this resolution.

Section 7

If for any reason, any sentence, clause, or provision of this Ordinance shall be declared invalid, such shall not affect the remaining provisions thereof.

Section 8

That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed, insofar as the same affect this Ordinance.

Section 9

That this Ordinance shall become effective on July 1, 2021.

ADOPTED THIS _____ DAY OF _____, 2021.

Approved as to form:

James W. Peterson, Jr.
City Attorney

Teresa Myers Ervin
Mayor

Attest:

Casey C. Moore
Municipal Clerk

FLORENCE CITY COUNCIL MEETING

DATE: June 21, 2021

AGENDA ITEM: A second supplemental ordinance providing for the issuance and sale of City of Florence, South Carolina Stormwater System Revenue Bonds, Series 2021, in the principal amount of not exceeding \$7,000,000; and other matters relating thereto

DEPARTMENT/DIVISION: Finance

I. ISSUE UNDER CONSIDERATION:

For City Council consideration is an ordinance authorizing the issuance and sale of Stormwater System Revenue Bonds in an amount not to exceed \$7,000,000. The proceeds of the Bonds will be used to fund various projects and to fund the cost of a study of the City's stormwater system, and other matters relating thereto.

II. CURRENT STATUS/PREVIOUS ACTION TAKEN:

1. The City issued its first stormwater revenue bond in 2006. The final payment on this bond will be made in June 2021.
2. At its October 12, 2020 regular meeting, City Council approved second reading of Ordinance 2020-30 which provided for the construction of capital improvement projects including the repair and retrofitting of the stormwater system to minimize damage to public and private property.
3. At its May 18, 2021 budget work session, City Council recommended that a study of the City's entire stormwater system be performed.

III. POINTS TO CONSIDER:

1. Staff recommends adoption of the resolution. Council can approve the issuance of \$4,000,000 in bonds for stormwater projects (plus closing costs). The debt service on these bonds can be covered by the existing stormwater fee.
2. The cost of the proposed projects totals \$6,630,000. In addition to the project cost, the cost of a study of City's stormwater system and the closing costs of the bond would therefore require the bond to be sized at \$7,000,000. The current monthly stormwater fee would have to be increased by \$0.50 per month to fund a bond of this size.
3. Based on the timetable outlined in the attached financing schedule, the Bonds are scheduled to close on July 22, 2021.
4. The Bonds will mature on June 1, 2036.
5. Adoption of an ordinance authorizing the issuance of the Bonds is required prior to the issuance and sale of these bonds.

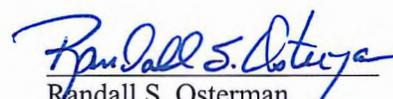
IV. STAFF RECOMMENDATION:

Staff recommends approval and adoption of the proposed ordinance to provide for the issuance of the Bonds, and other matters related thereto.

V. ATTACHMENTS:

1. An Ordinance authorizing the issuance of the Bonds.
2. The financing schedule for the borrowing.


Kevin V. Yokim
Assistant City Manager


Randall S. Osterman
City Manager

SECOND SUPPLEMENTAL ORDINANCE

A SECOND SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF FLORENCE, SOUTH CAROLINA, STORMWATER SYSTEM REVENUE BOND, SERIES 2021, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$7,000,000; AND OTHER MATTERS RELATING THERETO.

WHEREAS, on June 26, 2006, the Florence City Council ("**Council**"), the governing body of the City of Florence, South Carolina (the "**City**"), adopted a General Bond Ordinance providing for the issuance of Stormwater System Revenue Bonds; and

WHEREAS, Council wishes to issue a series of bonds for the purposes of defraying a portion of the costs of Stormwater System capital improvements of the City, and for other purposes related thereto;

NOW, THEREFORE, BE IT ORDAINED by Council as follows:

Section 1. Definitions. The terms defined in this Section 1 and all words and terms defined in the General Bond Ordinance adopted by Council on June 26, 2006 (the "**General Bond Ordinance**," as from time to time amended or supplemented by Supplemental Ordinances, being defined as the "**Ordinance**") (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Supplemental Ordinance have the respective meanings given to them in the Ordinance and in this Section 1.

"*Business Day*" shall mean any day other than a Saturday, Sunday, legal holiday or bank holiday in the State of South Carolina or the state where the principal office of the Trustee is located.

"*Completion Date*" shall be that date established pursuant to Section 6 hereof.

"*Custodian*" shall mean the institution or institutions set forth in a certificate to be signed by the Mayor which shall serve in such capacity for the custodial funds created by the Ordinance.

"*Interest Payment Date*" shall mean the dates established pursuant to Section 2(c) hereof.

"*2021 Construction Fund*" shall mean the Construction Fund established pursuant to Section 5 hereof.

"*Project*" shall mean those facilities described in Exhibit A attached hereto and any other improvements to, replacements of, or expansions to the System as approved by Council, the costs of which shall be paid from the funds deposited in the 2021 Construction Fund.

"*Series 2021 Bond*" shall mean the City's Stormwater System Revenue Bond, Series 2021, in the aggregate principal amount of not exceeding \$7,000,000 authorized to be issued hereunder.

Section 2. Authorization of Series 2021 Bond, Maturities, Interest Rates, Redemption Provisions and Sale of Bond.

(a) There is hereby authorized to be issued a Series of Bonds designated "Stormwater System Revenue Bond, Series 2021", or such the designation as shall be set forth in a certificate to be signed by the

Mayor, in the total principal amount of not exceeding \$7,000,000 (the "**Series 2021 Bond**") for the purpose of (A) paying the Costs of the Project and (B) paying the Costs of Issuance of the Series 2021 Bond.

(b) The Series 2021 Bond shall be issued in registered form and shall be numbered and lettered in such way as to maintain a proper record thereof and will be issued in the form of a single bond in the denomination of not exceeding \$7,000,000.

(c) The Mayor is hereby authorized and empowered to determine the aggregate principal amount of the Series 2021 Bond, the payment dates and sums of such principal payments; the interest rate or rates for the Series 2021 Bond (provided that such rate of interest shall not exceed 3.25%) and the dates of such payments, the redemption provisions and any such other information as may be necessary to effect the issuance of the Series 2021 Bond, all as shall be set forth in a certificate to be signed by the Mayor.

(d) The Registrar for the Series 2021 Bond shall be the Trustee under the Bond Ordinance or such other institution as shall be set forth in a certificate to be signed by the Mayor.

(e) The Series 2021 Bond shall be sold, upon consultation with First Tryon Advisors as Financial Advisor, at competitive sale. The Mayor is hereby authorized to negotiate the award of the Series 2021 Bond to an entity which, in determination of the Mayor, offers the terms most favorable to the City.

(f) The Series 2021 Bond shall be substantially in the form attached hereto as Exhibit B.

(g) The proceeds of the Series 2021 Bond shall be applied as set forth in a certificate to be signed by the Mayor.

Section 3. Recording and Transfer of Ownership of the Series 2021 Bond. The City, the Trustee, the Registrar and the Paying Agent may deem and treat the registered owner of the Series 2021 Bond as the absolute owner of such Series 2021 Bond for the purpose of receiving payment of the principal and interest thereof and for all other purposes whatever. The Trustee will be the registrar and transfer agent for the Series 2021 Bond and will keep proper registry and transfer records.

Section 4. Qualified Tax-Exempt Obligations. The Bond is a "qualified tax-exempt obligations" in accordance with Section 265(b)(3)(B) of the Code.

Section 5. 2021 Construction Fund.

(a) There is hereby created and established the 2021 Construction Fund. The Custodian of the 2021 Construction Fund shall be the institution set forth in a certificate to be signed by the Mayor.

(b) Withdrawals from the 2021 Construction Fund shall be made by an Authorized Representative of the City. The City hereby authorizes the Custodian to disburse the moneys in the 2021 Construction Fund to the persons entitled thereto in accordance with instruction of the Authorized Representative.

(c) Promptly after the Completion Date, the City shall transfer any moneys held in the 2021 Construction Fund and not needed to pay Costs of the Project to the Debt Service Fund and shall be used only to (i) pay the principal of and interest on the Series 2021 Bond; (ii) acquire outstanding principal amounts of the Series 2021 Bond at a price (exclusive of accrued interest) not exceeding the face amount thereof; or (iii)

apply to other lawful purposes with respect to the System provided an Opinion of Bond Counsel is provided to the Trustee that such disposition will not jeopardize the tax-exemption of interest on the Series 2021 Bond.

Section 6. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee and the Custodian of the 2021 Construction Fund by a certificate signed by the Authorized Representative stating that except for amounts retained by the Custodian for Costs of the Project incurred but not then due and payable, the Project has been completed in accordance with the approved plans and specifications therefor and all labor, services, materials, and supplies used in construction and improvement have been paid for, all other facilities necessary in connection with the Project have been constructed, acquired, and installed in accordance with the specifications therefor, and all costs and expenses incurred in connection therewith have been paid, and any other approvals or permits required by any government authority, for the use of the Project for its intended purposes have been obtained, including but not limited to, certificates that the construction and intended use of the Project are in compliance with all applicable zoning and building codes. Notwithstanding the foregoing, the certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of the certificate or which may subsequently come into being. It is the duty of the City to cause the certificate contemplated by this Section 6 to be furnished as soon as the Project shall have been completed.

Section 7. Certain Findings and Determinations. The City finds and determines:

(a) This Supplemental Ordinance supplements the Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of the quoted term as defined and used in the Bond Ordinance, and is adopted under and pursuant to the Ordinance.

(b) The Series 2021 Bond constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the Ordinance.

(c) The Revenues pledged under the Ordinance are not encumbered by any lien or charge thereon or pledge thereof.

(d) There does not exist an Event of Default, nor does there exist any condition which, after the passage of time or the giving of notice, or both, would constitute an Event of Default under the Ordinance.

(e) The period of usefulness of the System is in excess of 40 years.

(f) Section 2.03(c)(i) of the Bond Ordinance shall not apply to the Series 2021 Bond and therefore the certificate of the Authorized Representative referenced therein shall not be required for the issuance of the Series 2021 Bonds.

Section 8. Award of Series 2021 Bond.

(a) As referenced at Section 2(e) herein, the Series 2021 Bond is authorized to be sold, upon consultation with First Tryon Advisors as Financial Advisor, at competitive sale. The City Manager and the Assistant City Manager are each hereby authorized to execute such documents, if any, as are necessary to award the Series 2021 Bond on behalf of the City provided the terms thereof are consistent with Section 2 herein.

(b) Council hereby authorizes and directs all of the officers and employees of the City to carry out or cause to be carried out all obligations of the City under the Ordinance and to perform all other actions

as they shall consider necessary or advisable in connection with the issuance, sale, and delivery of the Series 2021 Bond.

Section 9. Tax Exemption of the Series 2021 Bond.

(a) The Series 2021 Bond and the interest thereon shall be exempt from all state, county, municipal, school district, and all other taxes or assessments in 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.

(b) The City shall not take, or permit or suffer to be taken, any action with respect to the gross proceeds of the Series 2021 Bond which would cause the Series 2021 Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

Section 10. Disposition of Proceeds of the Series 2021 Bond. From the proceeds derived from the sale of the Series 2021 Bond there shall be transferred or deposited with the Custodian for deposit in the 2021 Construction Fund to pay Costs of Issuance and Costs of the Project.

Section 11. Interested Parties. To the extent that the Ordinance confers upon or gives or grants to any right, remedy or claim under or by reason of the Ordinance, is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Nothing in the Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the City, the Trustee, and the Registered Holder of the Series 2021 Bond, any right, remedy or claim under or by reason of the Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Trustee, and the Registered Holder of the Series 2021 Bond.

Section 12. Additional Documents. The Mayor, City Manager and the Assistant City Manager are each fully authorized and empowered to take any further action and to execute and deliver any closing documents as may be necessary and proper to effect the delivery of the Series 2021 Bond in accordance with the terms and conditions hereinabove set forth, and the action of the officers or any one or more of them in executing and delivering any documents, in the form as he, she, or they shall approve, is hereby fully authorized.

Section 13. Provisions Amending General Bond Ordinance. Pursuant to Section 10.01 of the General Bond Ordinance and in recognition that no Bonds are currently Outstanding, the reference to 18 months at Section 2.03(c)(i) is deleted and 24 months substituted therefor. Section 2.03(c)(i) as so amended shall read in its entirety as follows:

(c)(i) For the issuance of Bonds (other than the initial Series of Bonds) issued hereunder to finance the Costs of the Project (A) there shall be delivered to the Trustee a certificate of the Authorized Representative, which is not required to be based upon an audit of the City, to the effect that Net Revenues during any consecutive 12-month period out of the 24 months immediately preceding the issuance date of the proposed Bonds (the "Test Period") are not less than 125% of the greatest sum for any Fiscal Year obtained by adding the Principal and Interest Requirements for each Fiscal Year for all Series of Bonds then proposed to be Outstanding, and

(B) there shall be delivered to the Trustee a certificate from a Financial Consultant or an Independent Consultant to the effect that for each of the three full Fiscal Years following the later of the date of the delivery of the Bonds proposed to be issued or the period (if any) for which interest is funded from proceeds of such Bonds, Net Revenues (based upon the assumption set forth in the certificate and subject to adjustments provided herein) are estimated to be not less than 120% of the greatest sum for any Fiscal Year obtained by adding the Principal and Interest Requirements for that Fiscal Year for all Series of Bonds then proposed to be Outstanding.

Section 14. Effective Date. This Supplemental Ordinance shall become effective immediately upon its adoption.

(SEAL)

CITY OF FLORENCE, SOUTH CAROLINA

Mayor

Attest:

Clerk

First Reading: June 14, 2021
Second Reading: June 21, 2021

Description of Project

The Project consists of the construction, repair and renovation of the Stormwater Management System of the City as more fully described below:

Form of Bond

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
CITY OF FLORENCE
STORMWATER SYSTEM REVENUE BOND
SERIES 2021

No. 1

\$ _____

KNOW ALL MEN BY THESE PRESENTS, that the City of Florence, South Carolina (hereinafter called the "**City**"), a body politic and corporate and a municipal corporation organized and existing under the laws of the State of South Carolina, is justly indebted, and, for value received, hereby promises to pay, but only from the Net Revenues (as hereinafter defined) pledged to the payment hereof, to _____ or registered assigns (the "**Registered Holder**"), the principal sum of \$ _____. This bond bears interest at the rate of ____% calculated on the basis of a 360-day year of twelve 30 day months, payable _____, 202_ and each _____ 1 and _____ 1 thereafter through _____, inclusive. Principal shall be payable on _____ 1 in the years and in the amounts set forth below:

_____ 1 Principal Amount _____ 1 Principal Amount

[This bond is subject to redemption at the option of the City and may be prepaid in whole on any Interest Payment Date at par.] Both the principal of 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 the payment of public and private debts.

THIS BOND HAS BEEN ISSUED UNDER THE PROVISIONS OF CHAPTER 21, TITLE 6 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED (THE ENABLING STATUTE), AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY STATE CONSTITUTIONAL PROVISIONS (OTHER THAN ARTICLE X, SECTION 14, PARAGRAPH 10 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE) OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT, AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND.

This bond is issued pursuant to a General Bond Ordinance adopted by the Florence City Council on June 26, 2006, as from time to time amended, and a Second Supplemental Ordinance adopted by the Florence

City Council on June 21, 2021 (collectively, the "**Ordinance**"), and under and in full compliance with the Constitution and Statutes of the State of South Carolina to obtain funds to expand the stormwater management system of the City.

All principal, interest, or other amounts due hereunder shall be payable only to the Registered Holder hereof. The City designates The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**") as Bond Registrar and directs the Trustee as Bond Registrar to maintain the Books of Registry for the registration or transfer of this bond. This bond may not be transferred except by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Trustee as Bond Registrar duly executed by the Registered Holder of this bond or his duly authorized attorney. Any purported assignment in contravention of the foregoing requirements shall be, as to the City, absolutely null and void. The person in whose name this bond shall be registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of and interest on this bond shall be made only to or upon the order of the Registered Holder or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the City upon this bond to the extent of the sum or sums paid. No person other than the Registered Holder shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under this bond against the City. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this bond as against a person (including the Registered Holder) other than the City, as in the case where the Registered Holder is a trustee or nominee for two or more beneficial owners of an interest in this bond.

The principal of, premium, if any, and interest on this bond is payable solely from the Revenues (as defined in the Ordinance) derived from the operation of the City's stormwater management system (the "**System**") after provision has been made for operation and maintenance of the System (the "**Net Revenues**"). The pledge of Net Revenues made to secure the payment of this bond has priority over all other pledges of Revenues except the lien in favor of bonds issued under the Ordinance on a parity with this bond.

No recourse shall be had for the payment of the principal of and interest on this bond against the several funds of the City, except in the manner and to the extent provided in the Ordinance, nor shall the credit or taxing power of the City be deemed to be pledged to the payment of this bond. This bond shall not be a charge, lien, or encumbrance, legal or equitable, upon any property of the City or upon any income, receipts, or revenues of the City, other than the Net Revenues that have been pledged to the payment thereof, and this bond is payable solely from the Net Revenues pledged to the payment thereof and the City is not obligated to pay the same except from the Net Revenues.

Whenever the terms of this bond require any action be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in any state where the corporate trust office of the Trustee is located, the action shall be taken on the first business day occurring thereafter.

The Ordinance contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the City made therein may be discharged at or prior to the maturity of this bond with provisions for the payment thereof in the manner set forth in the Ordinance; and sets forth the terms and conditions under which the Ordinance may be amended or modified with or without the consent of the Registered Holder of this bond. Reference is hereby made to the Ordinance, to all the provisions of which any Registered Holder of this bond by the acceptance hereof thereby assents.

This bond 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 estate, transfer or certain franchise taxes.

It is hereby certified and recited that all acts, conditions, and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed precedent to or in the issuance of this bond exist, have happened, and have been done and performed in regular and due time, form, and manner, and that the amount of this bond, and the issue of which this bond is one, does not exceed any constitutional or statutory limitation thereon.

This bond shall not be entitled to any benefit under the Ordinance or become valid or obligatory for any purpose until it shall have been authenticated by the execution of the Certificate of Authentication which appears hereon by the manual signature of an authorized officer of the Trustee as Bond Registrar.

IN WITNESS WHEREOF, THE CITY OF FLORENCE, SOUTH CAROLINA, has caused this bond to be signed in its name by the Mayor, and attested by the Clerk of the City, under the Seal of the City of Florence, South Carolina, impressed or reproduced hereon, and this bond to be originally dated the ____ day of July, 2021.

CITY OF FLORENCE, SOUTH CAROLINA

(SEAL)

By: _____
Mayor

ATTEST:

Clerk

CERTIFICATE OF AUTHENTICATION

This bond is issued under the provisions of the within-mentioned Ordinance.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, Bond Registrar

By: _____
Authorized Agent

Date of Authentication:

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Social Security No. or other Identifying Number of Assignee _____) the within bond of the CITY OF FLORENCE, SOUTH CAROLINA, and does hereby irrevocably constitute and appoint _____ to transfer the within bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

Signature Guaranteed: _____

NOTICE: Signature must be guaranteed by an institution who is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

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

