

City Council Minutes
February 20, 2024

Orangeburg City Council held its regularly scheduled meeting on Tuesday, February 20, 2024, at 6:00 PM with Mayor Michael C. Butler presiding.

PRESENT:

Michael C. Butler, Mayor

Annette D. Grevious

Jerry Hannah

Dr. Kalu Kalu

L. Zimmerman Keitt, Mayor Pro Tem – arrived 6:05 pm

Sandra P. Knotts

Richard F. Stroman

A motion was made by Councilmember Stroman, seconded by Councilmember Kalu to approve the January 16, 2024, City Council minutes. The motion was unanimously approved.

A motion was made by Councilmember Kalu, seconded by Councilmember Stroman to approve the January 30, 2024, Special City Council minutes. The motion was unanimously approved.

Mayor Butler and Council recognized Mr. Harry W. Fogle, Jr. with twenty-five years, one month, and three days service to the City of Orangeburg with a retirement date of January 26, 2024.

Mayor Butler recognized "Confident" as the February 2024 Orangeburg County Community of Character trait.

Ms. Candace Berry-Vaugh, Executive Director of Orangeburg County Community of Character, appeared before Council with an update. She stated, "Next year marks our twenty-fifth anniversary. We could not have made it this far without the support of the City, County, Claflin University, and the Orangeburg County School Board. I want to update Council on the Community of Character program and initiatives. The Citizen of the Month Program is where community members nominate coworkers, friends, neighbors, colleagues that exemplify the character trait for that month. The Community Kindness Mission, Character Cares Closet, focuses on providing basic student needs in Pre-K through 12th grade with school supplies, toiletries, and hygiene items. We have also been able to offer support to the Edisto Children's Center. The 22nd Annual Fifth Grade Outstanding Character program was held this month at Claflin University with 900 fifth grade students in attendance from Orangeburg County School District, Orangeburg Preparatory Schools, and Felton Laboratory Charter School. A new initiative this year is Young Leaders in the Making which is a program focused on developing fourth and fifth graders in character and leadership. We have 30 students participating in the program this year. We have been awarded a grant for a mural project and we are excited to be able to partner with the City on your mural project. Lastly, I would like to ask Council to consider designating one day each month in the City as Character Day which will allow the community to promote character which we know is so important."

Ms. Shanika Aiken with Self-esteem, Advocacy, Faith, and Education (SAFE) appeared before Council with an update. She stated, "Our youth advisory council consists of young women ages 11-17 who aspire to lead among their peers and in the community. The SAFE Organization provides speaking training. We also nurture their strengths and abilities to inspire them to embrace their true potential. The SAFE organization is still working in the schools with Girls Circle which is a small support group for girls in middle and high school that meet and talk on different topics that are relevant to them."

City Administrator Evering addressed Council concerning a resolution pledging to practice and promote civility in the City of Orangeburg. He stated, "For your consideration, we have a resolution pledging to practice and promote civility in the City of Orangeburg. The Municipal Association (MASC) has been promoting civility throughout local government for the past couple of years. The MASC is encouraging local governments to adopt a resolution pledging to have more civil discourse in municipal government. It is a great thing and a great example for our young people. It is something that we certainly want to adopt not only throughout the organization of the City of Orangeburg but the entire community."

A motion was made by Councilmember Keitt, seconded by Councilmember Knotts to approve a resolution pledging to practice and promote civility in the City of Orangeburg. The motion was unanimously approved.

Councilmember Grevious read the following statement before Item #4 was presented. "Pursuant to the matter related to the closing of Goff Avenue from Clark Street to Magnolia Street and the transfer of said property to Claflin University, I, Councilwoman Annette Dees Grevious, wish to recuse myself from discussions, voting, etc. due to a potential conflict of interest based on my position as an elected official and being an employee of Claflin University. Therefore, I recuse myself from item # 4 – First Reading of an ordinance closing Goff Avenue from Clark Street to Magnolia Street; transferring such road to Claflin University as documented on the February 20, 2024, agenda for the Orangeburg City Council meeting as well as any subsequent discussions or votes pertaining to the matter."

City Administrator Evering addressed Council concerning first reading of an ordinance closing Goff Avenue from Clark Street to Magnolia Street and transferring such road to Claflin University. He stated, "If you recall last year, Dr. Warmack came before you requesting to close the portion of Goff Avenue from Clark Street to Magnolia Street because of high density in terms of traffic and to promote public safety. Initially our City Attorney was handling the road closure via the court system but subsequently found a more efficient and faster way by Council passing an ordinance that the City would transfer that portion of the road to Claflin University which would allow them to close the road when needed. At this time, I will ask Dr. Warmack to come forward."

Claflin University President Dr. Warmack addressed Council. He stated, "I am with our Director of Public Safety and our students. Claflin has been an anchor for a very long time as we celebrate 155 years in this community. Safety and well-being of the constituents that we serve is our top priority. Goff Street causes us major challenges and it is progressively getting worse. As you all know, the complexities of the state road and the ability to be able to manage it, puts our public safety office in a very compromising situation. We recently had a student town hall meeting with students and parents lasting approximately two hours where parents expressed, they do not want their kids to come back to Orangeburg if we cannot find a solution. I want to go on record to say -- it is not if something happens, but when something happens. I hope we can be proactive to make the right decisions. We have repeatedly escaped multiple deaths. We will show a video from a few weeks ago where 17 shots were made in that area and multiple building windows were hit while students were walking in the area. Claflin University is committed as we invested \$44 million on that corner and in the next 18 months, we will invest another \$30 million. It will cost Claflin to manage the street and we will take that responsibility to ensure the well-being and safety of the 2,000 students that come to this institution."

Claflin University Director of Public Safety Williams addressed Council. He stated, "I want to share a brief video of what took place at 11:40 pm on January 18, 2024. There is a silver vehicle that arrived and parked. A young man in gray gets out of the vehicle. There are two students located closest to the stairwell. There are two young men that walked up (one in red and one in black). There is an exchange of words between them, and the two young men start to walk off and are looking back. The back story is the young lady there has a relationship with both. The car door opens, the individual inside the car is now involved. He gets out of the driver's side, walks around, and takes the passenger seat. His friend shifts over to the driver's seat. There are students walking and crossing the street as the vehicle begins to pull off. You can see the muzzle flash several times from the passenger window. They are shooting down the street at the other individuals on the corner that are running. Our hope is that we will be able to control some of this by eliminating the vehicles that are driving in. Based on our investigation, the individuals that did the shooting were not Claflin University students, but drove in to visit with the young ladies, which is part of a continuing story of individuals driving in and then jumping in their vehicles and taking off. We hope this will be approved as it will give us an opportunity to do more to protect our students and to protect the community of Orangeburg."

Mayor Pro Tem Keitt asked, "Is closing this area on Goff Avenue from Clark Street to Magnolia Street enough to protect the students?"

Dr. Warmack stated, "Yes, currently this area will be enough to protect our students. Our goal is to go further down the street in the future."

Councilmember Stroman asked, "Is this our property to give? Is it not State property?"

City Administrator Evering stated, "It currently belongs to the City of Orangeburg. We received it from South Carolina Department of Transportation (SCDOT) with the intent of hopefully transferring it to Claflin University. So currently, the City of Orangeburg owns it. SCDOT could not transfer it to Claflin."

Councilmember Hannah stated, "I want to clarify for our citizens that this will only close a portion of Goff Avenue from Clark Street to Magnolia Street."

Councilmember Kalu asked, "Have you received any opposition from residents around that area?"

Dr. Warmack stated, "When we appeared before Council last year, we had one homeowner that was not in favor. That house has been vacant for the past 18-19 months."

Mayor Butler stated, "The owner of the house that opposed, does not live there. From Clark Street on down Goff Avenue is where people live."

Dr. Warmack stated, "After our last appearance before Council, former Councilmember Haire called a meeting with all the constituents involved to include South Carolina State University (SCSU), Claflin and the folks from the community."

Councilmember Kalu asked, "If the City gives you that area and you fence it off, will you have an easement for people that live around that area?"

Dr. Warmack stated, "There is only one house in that area that will be closed off and it is vacant. As we are defining closed off, there will still be a drive through access. The two entities that are located within the closed off area will have a sticker, when they pull up, the gate will automatically open. We are trying to stop traffic on Goff Avenue after 6:00 pm as it is a totally different place after 6:00 pm."

Councilmember Knotts asked, "When you had the meeting with the property owners on Goff Avenue, was it favorable for this closing?"

Dr. Warmack stated, "The one individual that previously stated opposition, did not show up for the scheduled meeting or multiple attempts to schedule other meetings. The other home that is there has been vacant since I have been at Claflin five years in July."

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Knotts to approve first reading of an ordinance closing Goff Avenue from Clark Street to Magnolia Street, transferring such road to Claflin University. The motion was approved 6-0-1. Councilmember Grevious recused.

City Administrator Evering addressed Council concerning first reading of an ordinance amending Chapter 2: Administrator of the City Code by adding Section 2-5.4 to provide for a Vendor Procurement Protest Policy. He stated, "The City applied and was awarded a United States Environmental Protection Agency (EPA) Brownfields Grant. Part of the process of receiving that grant, we must have a vendor procurement protest policy. Currently, we do not have a formal policy in place. This Vendor Procurement Protest Policy outlines the process to follow for example if the vendor turned out to have falsified or did something illegal to obtain a contract, we could go back and disqualify that vendor."

A motion was made by Councilmember Kalu, seconded by Councilmember Stroman to approve first reading of an ordinance amending Chapter 2: Administrator of the City Code by adding Section 2-5.4 to provide for a Vendor Procurement Protest Policy. The motion was unanimously approved.

DPU Manager Harley addressed Council concerning third reading of an Ordinance making provision for the Terms and Conditions of a \$21,000,000 Combined Public Utility System Revenue Bond of the City of Orangeburg SC, authorized by a Bond Ordinance of the City of Orangeburg enacted January 2004, as amended (2024 Series Ordinance). He stated, "As explained in previous readings, this is to further our efforts of reinvesting in our electric divisions, substations, and all

the infrastructure that goes along with that as we move forward to make our system more resilient, reliable, and safe”

A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Kalu to approve the third reading of an ordinance making provision for the terms and conditions of a \$21,000,000 Combined Public Utility System Revenue Bond of the City of Orangeburg, South Carolina, authorized by a Bond Ordinance of the City of Orangeburg enacted January 2004, as amended (2024 Series Ordinance). The motion was unanimously approved.

DPU Manager Harley addressed Council concerning a resolution adopting tax-advantaged bond compliance policies and procedures and tax-advantaged bond procedures relating to the 2024 Series Bond Ordinance. He stated, “Our bond attorney, Mr. Theodore Dubose will present this item.”

Bond Attorney Theodore Dubose stated, “In connection with the bond issue that Council just approved, there are some policies and procedures for compliance with the federal tax code. The bonds that you authorized are going to be issued to South State Bank for 20 years with an interest rate of 4.16%. The reason it is a little low is because the interest on the bond is exempt from taxes. Banks are willing to extend credit to you at a lower interest rate if your bond is tax exempt. The Internal Revenue Service a few years ago began making inquiries of cities and counties whether such policies were adopted by the governing body. There is a form that must be filed next week called an information return for tax exempt bond, and it asks whether those have been adopted. There is a random audit program, however, we believe that adopting these policies and procedures lessens the likelihood that you would be picked for one of those audits.”

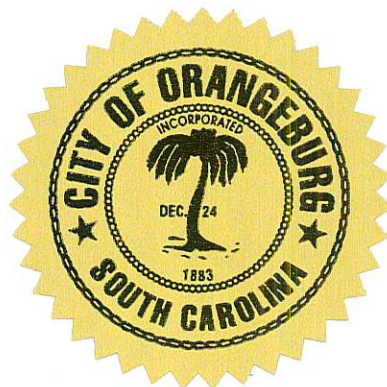
A motion was made by Mayor Pro Tem Keitt, seconded by Councilmember Kalu to approve a resolution adopting tax-advantaged bond compliance policies and procedures and tax-advantaged bond procedures relating to the 2024 Series Bon Ordinance. The motion was unanimously approved.

A motion was made by Councilmember Stroman, seconded by Councilmember Grevious to go into Executive Session concerning 1) discussion of negotiations incident to proposed contractual arrangements and proposed sale or purchase of property, the receipt of legal advice where the legal advice related to matters covered by the attorney-client privilege – Project Substation Tax Map # 0151-15-11-001.000 – SC Code Sec. 30-4-40(a)(2), 2) discussion of negotiations incident to proposed contractual arrangements and/or the receipt of legal advice where the legal advice relates to pending, threatened, or potential claim or other matters covered by the attorney-client privilege, settlement or legal claims, or the position of the public agency in other adversary situations involving the assertion against the agency of a claim – Town of Norway – SC Code Sec. 30-4-70(a)(2), 3) discussion of employment, appointment, compensation, promotion, demotion, discipline, or release of an employee, and (2) discussion of negotiations incident to proposed contractual arrangements, and the receipt of legal advice – SC Code 30-4-70(a)(1) – Finance Department, 4) Performance Evaluation Discussion – Department of Public Utilities Manager S.C. Code Sec.30-4-70(a)(1), 5) Performance Evaluation Discussion – City of Orangeburg Administrator S.C. Code Sec. 30-4-70(a)(1). The motion was unanimously approved.

Council did not return to open session. There being no further business the meeting was adjourned.

Respectfully submitted,

Linda McDaniel
Linda McDaniel
City Clerk



VOID

VOID

VOID



**A RESOLUTION PLEDGING TO PRACTICE
AND PROMOTE CIVILITY IN THE CITY OF ORANGEBURG**

WHEREAS, a recent national survey found that 93% of Americans believe that incivility is a problem, with 68% considering it a “major” problem and 74% believing that incivility is increasing in America; and,
WHEREAS, the City Council of the City of Orangeburg (the “Council”), the governing body of the City of Orangeburg, South Carolina (the “Municipality”), recognizes that robust debate and the right to self-expression, as protected by the First Amendment to the United States Constitution, are fundamental rights and essential components of democratic self-governance; and,
WHEREAS, the Council further recognizes that the public exchange of diverse ideas and viewpoints is necessary to the health of the community and the quality of governance in the Municipality; and,
WHEREAS, the Members of Council, as elected representatives of the community and stewards of the public trust, recognize their special role in modeling open, free, and vigorous debate while maintaining the highest standards of civility, honesty, and mutual respect; and
WHEREAS, in order to publicly declare its commitment to civil discourse and to express its concern for the common good and well-being of all of its residents, the Council has determined to adopt this resolution.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The City of Orangeburg pledges to practice and promote civility within the governing body.

The elected officials of the Council enact this civility pledge to build a stronger and more prosperous community by advocating for civil engagement, respecting others, and their viewpoints, and finding solutions for the betterment of the City of Orangeburg.

This pledge ensures all communication — both spoken and written — to be open, honest and transparent as this is vital for cultivating trust and relationships.

This pledge ensures mutual respect to achieve municipal goals, recognizing that patience, tolerance and civility are imperative to success.

This pledge ensures opportunities for finding common ground and engaging in civil discussion to seek solutions while actively listening and thoughtfully participating.

ADOPTED THIS 20th DAY OF FEBRUARY 2024.



Michael Butch
MAYOR

Belinda

Shandra Brooks

Richard Thomas

[Signature]

L. Zimmerman

[Signature]

MEMBERS OF COUNCIL

ATTEST:

Reida McDaniel
CITY CLERK



**A RESOLUTION ADOPTING TAX-ADVANTAGED BOND
COMPLIANCE POLICIES AND PROCEDURES AND TAX-ADVANTAGED
BOND PROCEDURES RELATING TO THE 2024 SERIES BOND ORDINANCE**

WHEREAS, the City of Orangeburg, South Carolina (the "City"), hereby adopts the attached Tax-Advantaged Bond Compliance Policies and Procedures consisting of three (3) pages and the attached Tax-Advantaged Bond Procedures consisting of seven (7) pages relating to the 2024 Series Bond Ordinance.

**DONE AND RATIFIED BY THE CITY COUNCIL OF THE CITY OF ORANGEBURG,
STATE OF SOUTH CAROLINA THIS 20th DAY OF FEBRUARY, 2024.**

Mayor

Markus C. Butler

Members of Council

[Signature]

Janda P. Krotts

[Signature]

[Signature]

[Signature]

Richard F. Horn



ATTEST:

Kinda McDaniel
Clerk, City Council of the City of
Orangeburg, South Carolina

TAX-ADVANTAGED BOND COMPLIANCE POLICIES AND PROCEDURES

These Tax-Advantaged Bond Compliance Policies and Procedures have been initially approved by the City Council of the City of Orangeburg, South Carolina (the "**Council**"), the governing body of DPU of Orangeburg, South Carolina (the "**City**"), on February 20, 2024. These Policies and Procedures apply to the Department of Public Utilities of DPU ("**DPU**").

Statement of Purpose; Summary

DPU may, from time to time, finance capital improvements and operations for the use by DPU through the issuance of bonds and other debt obligations that are eligible for tax benefits under federal and South Carolina law. Such obligations may include tax exempt bonds and/or bonds eligible for tax credits (direct subsidies to DPU or tax credits to bond owners). All such obligations issued for the use of DPU are referred to herein as "**Tax-Advantaged Bonds**," whether in the form of general obligation bonds, revenue bonds, bond anticipation notes, tax anticipation notes, lease-purchase obligations, installment-purchase obligations, or otherwise.

The purpose of these policies and procedures is to ensure that the requirements of the federal and South Carolina law necessary to preserve the tax advantages of Tax-Advantaged Bonds are continuously met for the requisite periods.

This document contains two primary components:

- The Tax-Advantaged Bond Compliance Policies (the "**Policies**"), which are general statements of the goals of DPU with respect to compliance with the federal and South Carolina law applicable to Tax-Advantaged Bonds issued for DPU; and
- The Tax-Advantaged Bond Compliance Procedures (the "**Procedures**"), which are specific operational procedures by which DPU intends to ensure, on a continuing basis, that its issuance, payment of debt service on, and expenditure and investment of the proceeds of Tax-Advantaged Bonds issued for DPU are and remain in compliance with the federal and South Carolina law applicable to Tax-Advantaged Bonds.

The Policies may be modified, expanded, abridged, or otherwise amended only by official action of DPU upon consultation with its general counsel ("General Counsel") and nationally recognized bond counsel ("**Bond Counsel**").

The Manager of DPU (the "**Manager**") will be responsible for ensuring that Tax-Advantaged Bonds comply with applicable federal and South Carolina law and will develop and implement the Procedures. The Procedures may be modified, expanded, abridged, or otherwise amended by the Manager in consultation with Bond Counsel, in order to: (a) ensure efficiency of administration; (b) establish and maintain appropriate assignments of staff responsibility; (c) reflect changes in DPU's system of accounting, financial controls, procurement practices, or other internal procedures and practices; (d) respond to changes in law or interpretation that may, from time to time, be reported to DPU and DPU by General Counsel and/or Bond Counsel; or (e) otherwise ensure compliance with the Policies in the most efficient and effective manner.

PART I: TAX-ADVANTAGED BOND COMPLIANCE POLICIES

- A. Investment and Expenditure of Bond Proceeds. DPU's system of internal controls and accounting shall track the investment and expenditure of proceeds of Tax-Advantaged Bonds and other amounts subject to special requirements, and the allocation of such proceeds and other amounts to DPU facilities. Appropriate coding shall be developed to identify DPU facilities (or portions thereof) financed or refinanced by Tax-Advantaged Bonds. Such procedures shall ensure that such proceeds are expended only for the particular purposes for which such particular Tax-Advantaged Bonds were issued and in compliance with the Arbitrage and Tax Compliance Certificate relating to the Tax-Advantaged Bonds or other instructions of Bond Counsel.
- B. Bond-Financed Facilities. DPU will track the use of facilities (or portions thereof) financed or refinanced by Tax-Advantaged Bonds by persons other than DPU. Arrangements for the sale, disposition, lease, management or other use of substantial portions (more than 1%) of facilities financed or refinanced by Tax-Advantaged Bonds will be subject to prior review and approval by the Manager and Bond Counsel. The Manager will track the aggregate annual private use (if any) of facilities provided by Tax-Advantaged Bonds; however, DPU does not intend for any private use to occur.
- C. Utility Rate Review: The Manager will review with Bond Counsel any proposed agreement whereby any user of DPU's Combined Public Utility System (the "**System**") (other than the State of South Carolina or a political subdivision thereof) would be granted a preferential rate for water, sewer, electricity, natural gas, or any other use of the System not available to the general public. Such review shall occur prior to the submission of such proposed agreement to the Council for approval. DPU does not, however, intend to grant any such preferential rates or other uses of the System other than to the State of South Carolina or a political subdivision thereof.
- D. Periodic Review. DPU will periodically review compliance with the requirements of the federal and South Carolina law necessary to preserve the tax advantages of such Tax-Advantaged Bonds. Such reviews should include final allocations of proceeds not later than 18 months after completion of bond-financed facilities and annual reviews to ensure private business use of bond financed facilities does not exceed allowable levels. Such annual review should be conducted in connection with the preparation of DPU's audited financial statements.
- E. Potential Non-Compliance. Should the Manager, upon any annual review or otherwise, discover non-compliance with any requirements of federal or South Carolina law necessary to preserve the tax advantages of such Tax-Advantaged Bonds, such Procedures shall include steps to be taken, in concert with Bond Counsel, to remedy any such non-compliance.
- F. Retention of Professionals; Rebate Analyst. DPU shall engage such professionals or consultants as are necessary, in the judgment of the Manager, to ensure that the

requirements of federal and South Carolina law necessary to preserve the tax advantages of such Tax-Advantaged Bonds are timely met, including, without limitation, the requirement to compute and pay rebatable arbitrage to the United States government or to confirm an exception thereto. The Manager shall ensure that all information reports or other returns or filings with the United States Department of Treasury or Internal Revenue Service timely shall be filed on behalf of DPU.

- G. Purchase of Investments. All investments of the proceeds of Tax-Advantaged Bonds shall be purchased at Fair Market Value, as defined in the federal tax laws, and shall comply with the requirements of federal tax law relating to yield restriction as advised by Bond Counsel.
- H. Credit Enhancement Transactions. The Manager shall consult with Bond Counsel prior to engaging in any post-issuance credit enhancement transactions (i.e., bond insurance or letters of credit) or hedging transactions (i.e., interest rate swaps) relating to any Tax-Advantaged Bonds. DPU does not anticipate that it will enter into any hedging transactions (i.e. interest rate swaps) relating to Tax-Advantaged Bonds.
- I. Subsidy Payments. The Manager shall implement proper procedures to ensure that any federal subsidy payable in respect of any direct-pay tax credit bonds is timely transmitted to the appropriate account of DPU including the timely filing of any required return or other documentation.
- J. Post-Issuance Modifications. The Manager shall consult with Bond Counsel prior to any modification of the interest rate, maturity date, or other material terms of any outstanding Tax-Advantaged Bonds.
- K. Records Retention. DPU will retain records sufficient to demonstrate compliance with the requirements of federal and South Carolina law necessary to preserve the tax advantages of such Tax-Advantaged Bonds for the period required by law, presently understood to be the life of the debt obligations or any succeeding refunding obligations plus 3 years.

APPROVED THIS ____ DAY OF _____, 2024.

CITY OF ORANGEBURG, SOUTH CAROLINA

Mayor, City of Orangeburg

[SEAL]

Attest:

Clerk

TAX-ADVANTAGED BOND PROCEDURES

These Procedures are organized with reference to the applicable lettered paragraphs in the Policies.

The named officials may delegate certain assigned responsibilities but shall remain responsible for compliance with these Procedures. The official with ultimate responsibility for compliance with the Policies and Procedures will be the Manager.

A summary of the initial responsibility assignments appears as Exhibit A to these Procedures.

Policy A: Investment and Expenditure of Bond Proceeds

Implementing Procedures:

1. The Administrative Director of DPU ("*Administrative Director*") shall charge capital expenditures that are financed by debt to the corresponding capital projects fund. Each project shall have a specific fund number used to track that project, and discrete expenditures shall be further categorized by project location (by street address or name of facility) and functional description of the financed improvement.
2. The Administrative Director shall enter purchase orders and the Manager shall pay and capture such purchase orders in the general ledger by the specific account code.
3. The Administrative Director shall electronically scan, file and retain all purchase orders and invoices by vendor, check number, check date, and purchase order number, if applicable.
4. Until final allocation of bond proceeds, on a monthly basis, at a minimum, the Administrative Director shall analyze each project for expenditures and shall summarize such expenditures on a spreadsheet showing the year-to-date expenditures for that project and shall identify facilities or equipment financed or refinanced by Tax-Advantaged Bonds ("*Bond Financed Facilities*"). A copy of DPU's transaction activity report and/or summary report by account code generated from the general ledger shall be used to back up this spreadsheet and filed with that spreadsheet.
5. The Administrative Director shall ensure that the investment of all proceeds of Tax-Advantaged Bonds is tracked by fund or account (e.g., debt service fund, debt service reserve fund, project or construction fund, etc.) and investment yield.
6. The Manager shall ensure that any federal subsidy payable in respect of any direct-pay tax credit bonds is timely deposited in the appropriate account of DPU and ensure the timely filing of any return or other documentation required to maintain eligibility for and receive such subsidies.

Policy B: Bond-Financed Facilities.

Implementing Procedures:

1. The Administrative Director will meet at least quarterly and coordinate with the Manager to review and evaluate existing or pending sales, leases, management contracts, water, sewer, electricity and natural gas use contracts, or other special legal entitlements that relate to DPU's real or personal property (collectively, "*Use Arrangements*").
2. The Manager will be responsible for determining whether any Use Arrangement relates to Bond Financed Facilities. If so, the Manager will consult Bond Counsel and solicit advice concerning the Use Arrangement prior to the approval or execution of the Use Arrangement. It is not expected that DPU will enter into any Use Agreement.
3. Any request for implementation of a Use Agreement shall be reported to the Administrative Director. The Administrative Director shall notify the Manager upon receipt of any Use Arrangements submitted for approval for any Bond Financed Facilities.

Policy C: Periodic Review.

Implementing Procedures:

1. Promptly after the adoption of the Policy, the Administrative Director will cause an evaluation of tax compliance to be undertaken for each outstanding issue of Tax-Advantaged Bonds (the "*Initial Evaluation*"). Upon the completion of the Initial Evaluation, the Administrative Director shall prepare a report to the Manager on the results of the Initial Evaluation (the "*Initial Report*") which shall identify all Tax-Advantaged Bonds then outstanding and the Bond Financed Facilities allocable to each such issue of Tax-Advantaged Bonds. The Initial Report shall express the findings of the Manager whether each outstanding issue of Tax-Advantaged Bonds satisfies the requirements of the Policy and shall contain (A) a spreadsheet setting forth any Use Arrangement with respect any Bond Financed Facilities and the Tax-Advantaged Bonds to which they relate, and (B) a statement that any arbitrage rebate then due has properly been paid or that an exception or exemption from such payment is available.
2. The Administrative Director annually shall cause a follow-up evaluation of tax compliance to be undertaken for each outstanding issue of Tax-Advantaged Bonds (the "*Annual Evaluation*") with the same objectives and scope as the Initial Evaluation and will provide to the Manager a report (the "*Annual Report*") of the findings of the Annual Evaluation and an updated spreadsheet concerning private business use for each issue of Tax-Advantaged Bonds. Such allocation may be conducted in connection with the preparation of DPU's audited financial statements for the fiscal year in which the final expenditure was made.

3. Not later than 18 months after completion of any Bond Financed Facilities, the Administrative Director shall make and retain a final allocation of the expenditure of proceeds of Tax-Advantaged Bonds and other amounts used to finance such improvements.

Policy D: Potential Noncompliance.

Implementing Procedures:

1. If the Initial Evaluation or any Annual Evaluation discloses potential non-compliance with the tax requirements applicable to any issue of outstanding Tax-Advantaged Bonds, the Manager will promptly consult with Bond Counsel. Such consultation will consider whether the evaluations were properly performed and whether any amendments to Use Arrangements, adjustments to allocation methodologies, mixed financing sources, or other accounting techniques may avoid non-compliance.
2. If DPU determines after consultation with counsel that non-compliance has occurred, the Manager will promptly notify the governing body of DPU and will promptly consult Bond Counsel concerning the ability of DPU to remedy the non-compliance under applicable IRS regulations or to seek a voluntary closing agreement.

Policy E: Retention of Professionals; Rebate Analyst.

Implementing Procedures:

1. Upon the issuance of any Tax-Advantaged Bonds by which a liability for arbitrage rebate payments may arise, as advised by Bond Counsel, DPU shall engage an arbitrage rebate computation agent (the "*Rebate Analyst*"). The Manager will ensure that records of investment and expenditure of the proceeds of Tax-Advantaged Bonds are timely delivered to the Rebate Analyst and that the Rebate Analyst prepares annual computation reports that advise DPU of any rebatable arbitrage accrued with respect to any such bonds.
2. The Manager will ensure that the Rebate Analyst timely prepares returns relating to payment of arbitrage rebate (currently on IRS Form 8038-T) and that such forms and any rebatable arbitrage are timely paid to the United States as required under Section 148(f)(4) of the Code.

Policy F: Purchase of Investments.

Implementing Procedures:

1. All investments of the proceeds of Tax-Advantaged Bonds shall be made by DPU at the direction of Manager, who shall ensure that such proceeds are invested in compliance with federal tax requirements and that all such investments are made at Fair Market Value. The Manager shall consult with Bond Counsel prior to investing

any proceeds of Tax-Advantaged Bonds in guaranteed investment contracts or certificates of deposit not publicly traded on any investment exchange.

Policy G: Credit Enhancement Transactions.

Implementing Procedures:

1. Prior to bidding for, purchasing, entering into, or otherwise engaging in any post-issuance credit enhancement transactions relating to the proceeds of or debt service on Tax-Advantaged Bonds (including, without limitation, bond insurance policies, letters of credit, guaranteed investment contracts, interest rate swaps, and market hedges), the Manager shall consult with Bond Counsel.

Policies H: Subsidy Payments.

Implementing Procedures:

1. See the implementing procedures of Policy A above.

Policy I: Post-Issuance Modifications.

Implementing Procedures:

1. Prior to entering into any modification of the terms of any outstanding Tax-Advantaged Bonds (including, without limitation, changes in maturity date, interest rate, call provisions, financial or earnings covenants, or use of proceeds), the Manager shall consult with Bond Counsel.

Policy J: Records Retention.

Implementing Procedures:

1. Retention Period: Records material to Tax-Advantaged Bonds shall be retained by DPU for a period equal to the maturity of such Tax-Advantaged Bonds plus 3 years. In the event any Tax-Advantaged Bonds are refunded, records of the original Tax-Advantaged Bonds will be retained until the maturity of the refunding Tax-Advantaged Bonds, plus 3 years.
2. Records to be Retained:
 - A. Records regarding the issuance and sale of the Tax-Advantaged Bonds (bond transcript and closing documents), the investment and expenditure of the original proceeds of the Tax-Advantaged Bonds and any investment earnings, including requisitions, trust or investment statements, bidding certificates for guaranteed investment contracts, rebate computations, credit enhancement contracts, swap or other derivative contracts, certifications relating to any of the foregoing, rebate computations, any filings with the

IRS, any correspondence with the IRS, and architectural or construction drawings and documents of the bond financed or refinanced facilities.

- B. Elections regarding accounting methods, rebate matters, or application of regulatory provisions.
- C. Copies of any Use Arrangements, including, without limitation, the following arrangements involving the use of any facilities financed by the Bonds: leases, naming rights agreements, title retention agreements, management contracts, sponsored research contracts, capacity reservation agreements, agreements regarding rates or charges for use of Bond Financed Facilities, incentive payment service contracts, requirements contracts or "take" contracts or "take or pay" contracts.
- D. The Manager shall be custodian of the foregoing records.

The Foregoing Procedures are effective as of _____, 2024.

Manager

Summary of Assignments

Manager

1. Ensure overall compliance with Policies and Procedures; monitor responsibility assignments and periodically review Procedures; periodically revise Procedures as necessary.
2. Handle receipts of federal interest subsidy payments from direct payment tax-credit bonds and provide for filing of any required returns or other documentation. (Policy A)
3. Meet quarterly with Administrative Director to evaluate use of bond financed facilities, consult with Bond Counsel regarding potential Use Agreements. (Policy B)
4. Review Initial Reports and Annual Reports; make appropriate findings. (Policy C)
5. Report potential non-compliance to General Counsel and Bond Counsel and report determinations of actual non-compliance to the Council. (Policy D)
6. Retain and manage relationship with Rebate Analyst. (Policy E)
7. Consult with Bond Counsel before (a) purchasing guaranteed investment contracts or non-publicly traded certificates of deposit with proceeds of, (b) entering into credit enhancement transactions with respect to, or (c) modifying the terms of, Tax-Advantaged Bonds. (Policies F, G and I)
8. Ensure compliance with retention policies and act as custodian of retained records. (Policy J)

Administrative Director

1. Meet quarterly with Manager to evaluate use of bond financed facilities. (Policy B)
2. Monitor Use Arrangements, if any, and notify Manager upon receipt of proposed Use Arrangements. (Policy B)

Administrative Director

1. Coordinate with Manager on purchase orders and expenditures with respect to Bond Financed Facilities. (Policy A)
2. Scan and file all purchase orders and invoices with respect to Bond Financed Facilities. (Policy A)
3. Monitor, record, and allocate expenditure of bond proceeds by project location and functional description. (Policy A)
4. Until final allocation of bond proceeds, prepare a monthly report of project expenditures. (Policy A)

5. Prepare and retain separate records for investment performance of bond proceeds. (Policy A)
6. Ensure preparation of and review Initial Evaluation and Initial Report. (Policy C)
7. Prepare Initial Report and Annual Reports. (Policy C)
8. Make and record final allocations of expenditures of proceeds of Tax-Advantaged Bonds. (Policy C)



RESOLUTION

WHEREAS, Harry W. Fogle, Jr. faithfully served the City of Orangeburg for twenty-five years, one month and three days with a retirement date of January 26, 2024; and,

WHEREAS, he, through his long and faithful service, contributed greatly to the successful operation of the City of Orangeburg; and,

WHEREAS, the City Council, in recognition of the fine contribution rendered the City of Orangeburg, wants to inscribe on the records its appreciation.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Members of Council, in Council assembled, do officially recognize the faithful service rendered to the City of Orangeburg in the capacities in which he served the City, and we take pride in commending him for a job well done.

BE IT FURTHER RESOLVED that a copy of this Resolution, in appreciation for his devotion of duty to the City of Orangeburg, be placed in the minute book of the City and a copy furnished to Mr. Fogle in recognition of his services.

PASSED BY the City Council of the City of Orangeburg, State of South Carolina, this 20th day of February 2024.



Michael B. Smith

MAYOR

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS OF COUNCIL

ATTEST:

Linda McDaniel

CITY CLERK