

# Municipal Debt and Debt Administration

Advanced MEO

Lawrence Flynn

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*October 15, 2025*



# Background

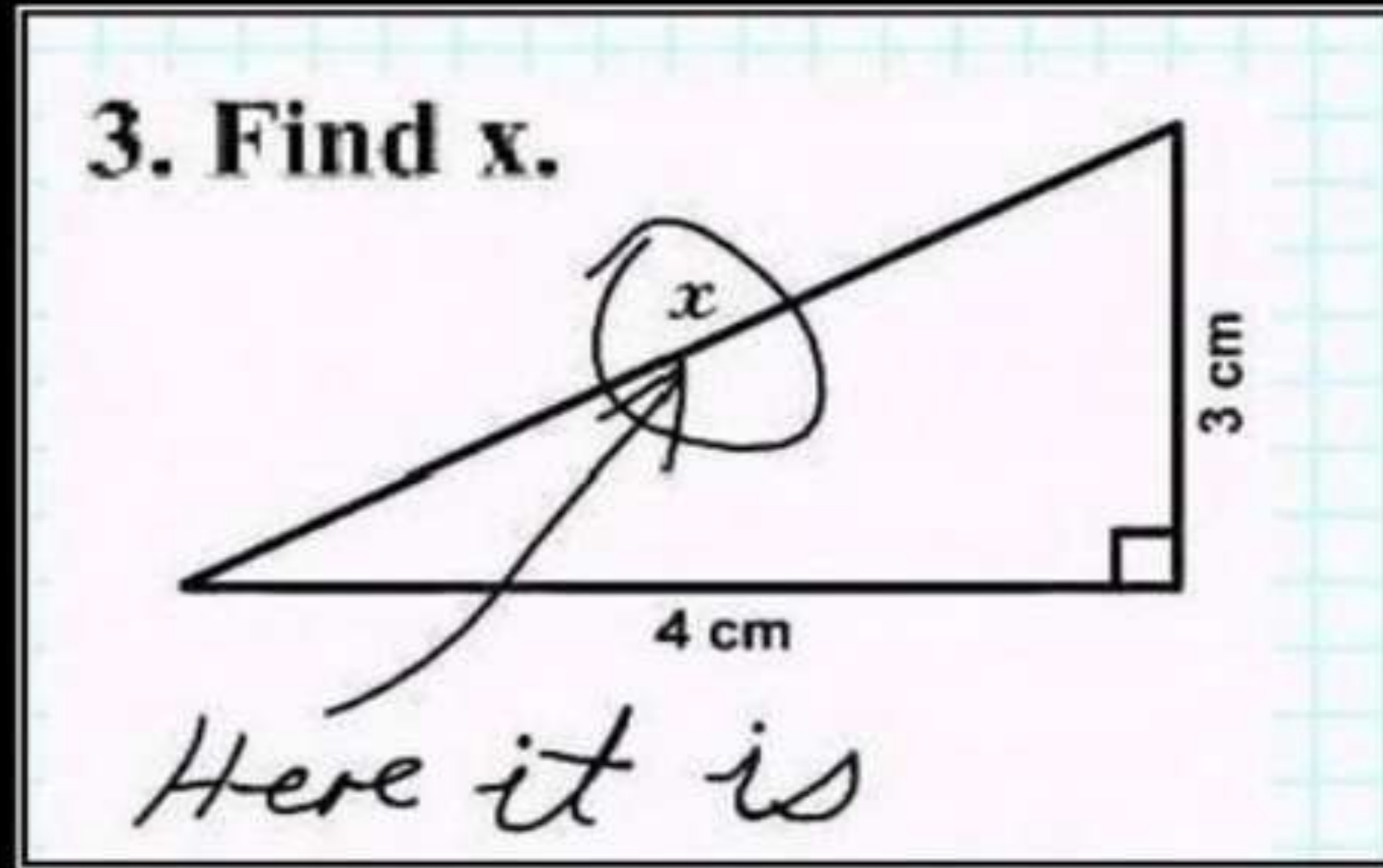
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- ▶ Dillon's Rule v. Home Rule
- ▶ Role of Bond Counsel
- ▶ Restrictions under State law-relate to the validity of the borrowing
- ▶ Restrictions under Federal law- relate to "tax exemption" of interest
- ▶ General Fund v. Proprietary/Enterprise Fund
- ▶ Municipal Boundary v. Service Area – S.C. Code Section 5-7-60



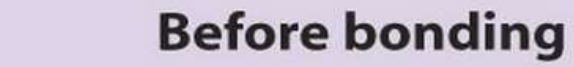
# Background

- ▶ Municipalities generally cannot “sign a note” and “mortgage” at a local bank



SIMPLICITY

The simplest solutions are often the cleverest  
They are also usually wrong

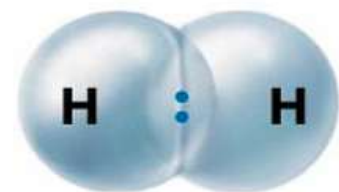


## Hydrogen atom



## Hydrogen atom

**Covalent bond formed**



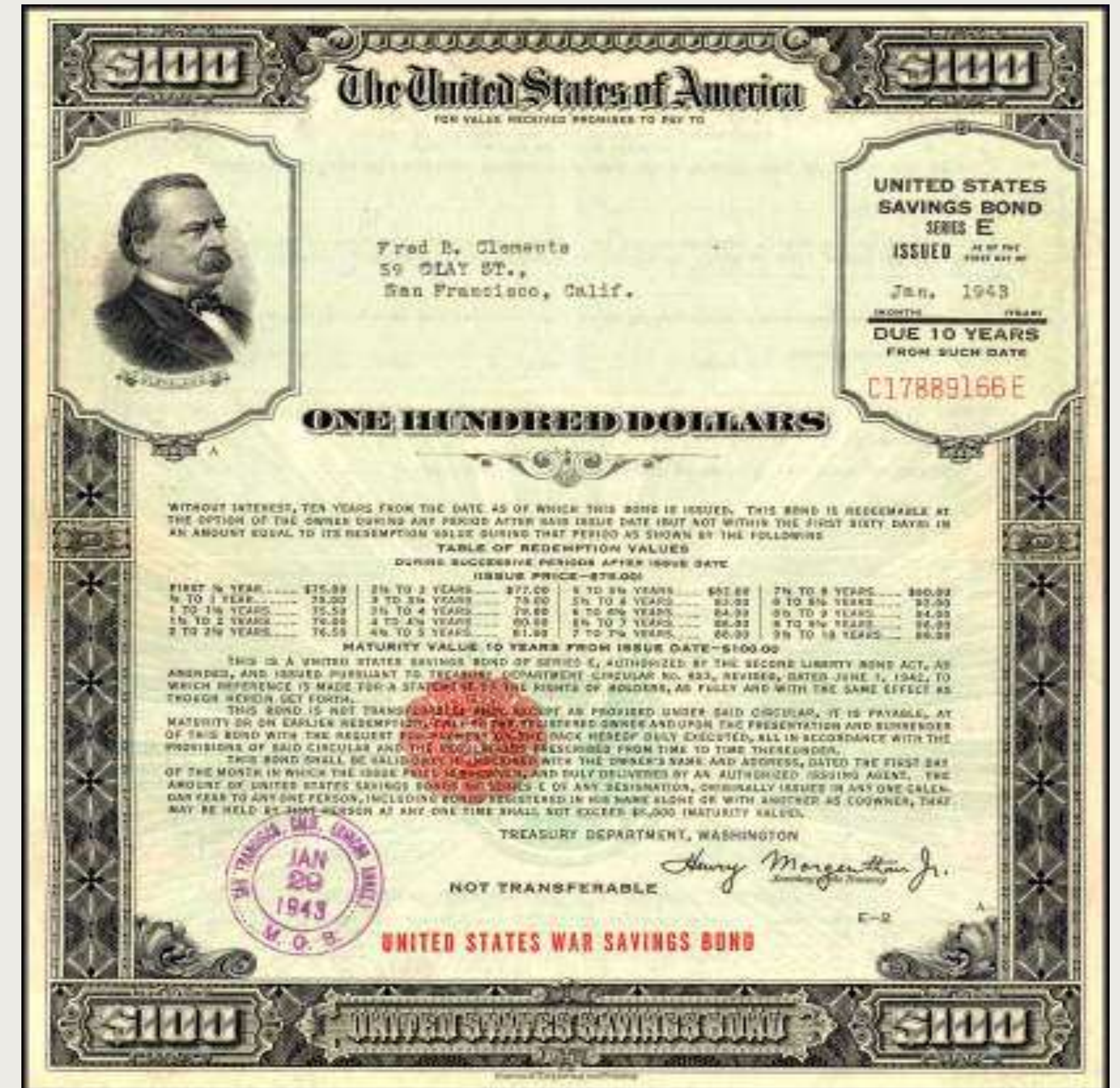
### Hydrogen molecule, H<sub>2</sub>



# Basic Municipal Borrowing Tools

# Basic Municipal Borrowing Tools

- ▶ General Obligation Bonds
- ▶ Revenue Bonds
- ▶ Lease-Purchase Agreements
- ▶ Installment Purchase Revenue Bonds
- ▶ Tax Increment Bonds (TIF)
- ▶ Interim Financing (BANs, TANs, GANs)
- ▶ Special Tax-Based Financing
- ▶ Municipal Improvement Districts (MID)
- ▶ Special Source Revenue Bonds (SSRBs)



# General Obligation Issues

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- ▶ Full faith and credit
- ▶ The borrowing is secured by the taxing power of the municipality
- ▶ If taxes are insufficient to pay debt service, the municipality must raise taxes
- ▶ Typically used for “capital items” - brick & mortar, equipment or real estate projects
- ▶ Generally the project will be a “general benefit” for the residents of the municipality (public purposes – an ever evolving concept)
- ▶ Exempt from Act No. 388 (Section 6-1-320(D))
- ▶ An understanding of how taxes are levied in South Carolina is essential



# General Obligation Issues

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## Bond Counsel Involvement

- ▶ General obligation issues require the assistance of bond counsel
  - ❖ Eight percent of the assessed (not appraised) value of property in the municipality
  - ❖ Referendum exception
- ▶ Ordinance (two readings) at public meetings
- ▶ Debt filing (applies to all debt)
- ▶ Debt limit certificate

# General Obligation Issues

## Understanding Your Tax Levy

- ▶ \$100,000 Market Value / Capped Value of a Home
  - ❖ Constitutionally assessed at either 4% or 6%
  - ❖ Assessed Value is either \$4,000 or \$6,000
  - ❖ Millage Rate – “amount per thousand dollars used to calculate taxes on property”
  - ❖ 1 mil in this example equals either \$4 or \$6
  - ❖ 50 mils equals either \$200 or \$300
  - ❖ 400 mils equals either \$1,600 or \$2,400



\$100,000	Appraised value of home
X 4%	Assessment ratio for residential property
\$ 4,000	Assessed value of home
.090	Tax rate in mills (90 mills)
\$ 360	Tax Due

# General Obligation Issues

<u>Fiscal Year</u>	<u>Tax Year</u>		<u>Town of Lexington</u>	<u>Lexington County</u>	<u>Lexington</u>		<u>Midlands</u>		<u>Riverbanks Zoo</u>	<u>Mental Health</u>	<u>Total</u>	
					<u>School District 1</u>	<u>School District 2</u>	<u>Technical College</u>	<u>Recreation Commission</u>			<u>School District 1</u>	<u>School District 2</u>
2015	2014		35.14	94.25	349.51	176.21	4.37	16.74	2.39	0.50	502.90	329.60
2016	2015	(1)	35.14	94.44	369.37	225.96	4.35	16.00	2.09	-	521.39	377.98
2017	2016		34.29	94.97	384.29	225.96	4.35	16.22	2.09	-	536.22	377.89
2018	2017		34.29	94.69	403.25	225.96	4.35	16.10	2.09	-	554.77	377.48
2019	2018		34.29	97.16	407.70	225.96	4.35	15.90	2.09	-	561.49	379.75
2020	2019		34.29	98.35	412.40	230.22	4.35	15.80	1.00	-	566.19	384.01
2021	2020		26.06	96.66	398.86	230.22	4.17	14.93	1.00	-	541.68	373.04
2022	2021		26.06	96.21	398.86	234.40	4.17	15.06	0.80	-	541.16	376.70
2023	2022		26.06	96.21	398.86	242.40	4.17	15.06	0.80	-	541.16	384.70
2024	2023		26.06	101.04	415.86	242.40	4.17	15.06	0.80	-	562.99	389.53

(1) = Reassessment of real property required the Town and other governments to comply with roll back millage provisions in state law.

# General Obligation Issues

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Fiscal Year	Tax Year	Real Property	Personal Property	Total AV*
2025-2026	2025	\$50,000,000	\$13,000,000	\$63,000,000

$\$63,000,000 \times 0.08 = \$5,040,000$  of Debt Limit

If \$1,000,000 in GO Bonds are outstanding, \$4,040,000 of capacity remains

\*Does not include merchant's inventory, motor carrier reimbursement, manufacturer's depreciation or property in a multi-county park

# General Obligation Issues

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- ▶ Unless the debt is (a) less than \$1,500,000 and (b) repayable over ten years or less, it must be sold at a public competitive sale
- ▶ Notice of public sale must be published at least seven days prior to the sale date
- ▶ For private sales, notice must be published at least seven days prior to the closing date

\*\*\* **Important** \*\*\*

- ▶ Be sure payments are structured to come due in Spring-time (March, April, May) so that taxes can be levied & collected!

# Revenue Issues for Infrastructure

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## Types of Revenue Streams

- ▶ Typically utility services, including water/sewer systems, solid waste, gas, and electrical
- ▶ Recreation fees
- ▶ Parking fees
- ▶ Other dedicated sources of non-tax revenues
- ▶ Revenues from a multi-county business park





# Revenue Issues for Infrastructure

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- ▶ Secured by Revenue Stream
  - ❖ A limited pledge
  - ❖ Bond documents will establish a “waterfall” to control the flow of revenues
  - ❖ Generally debt service on the bonds will come before O&M expenses (gross pledge) or after (net pledge)

# Revenue Issues for Infrastructure

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## Coverage Ratios

- Rate Covenant – requires that rates be maintained at a certain level (a multiple of O&M and debt service)
- Additional Bonds Test – requires certain coverage before the issuance of new debt

## Additional Debt

- “Parity” bonds enjoy the same lien status as the prior bonds, and must meet the additional bonds test
- Junior lien bonds may be issued at any time
- Special projects, lease/purchase exceptions in bond documents

## Other Considerations

- A feasibility study will be important
- Among other things, the municipality should compare revenues to expenses (including debt service) and thoroughly plan the improvements

# Revenue Issues for Infrastructure

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## Calculating Coverage

Net Earnings	\$4,225,625
125% of debt service requirements on Prior Lien Bonds for the fiscal year ending June 30, 2024 (125% x \$59,664)	\$ 74,580
120% x maximum Annual Principal and Interest Requirements on the Parity Bonds and the Series 2025 Bond (120% x \$1,802,699)	\$2,163,238
Margin:	\$1,987,807

# Revenue Issues for Infrastructure

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## Transfers

- ▶ *Cumberland v. Columbia* – how are you using the net profits of the enterprise? What does this tell us about reliance on enterprise fund transfers?
- ▶ Utility fees are user fees under Section 6-1-330
- ▶ City issues bonds under Revenue Bond Act for Utilities – Section 6-21-440 expressly allows for distribution of surplus revenues
- ▶ Surplus should be distributed only after all costs of utility are funded
- ▶ Do you provide for calculation of surplus in your budget ordinance?
- ▶ Do you have or have you established financial policies to deal with transfers?
  - ❖ Is there methodology for calculation?

# Lease Purchase Agreements

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- ▶ Not a “True” Lease because ownership transfers
- ▶ Financing institution provides funds and “leases” the assets to the municipality
- ▶ Lease payments have principal and interest components
- ▶ Assets will pass to municipality free and clear upon conclusion of lease term
- ▶ Remember new lease reporting rules under GASB No. 87
- ▶ Must be reported as material financial obligation under new 15(c)2-12 requirements



# Lease Purchase Agreements

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## Debt Limit Considerations

- ▶ Previously all lease-purchase transactions were exempt from the debt limit
- ▶ Statute passed in 1995 disallows debt-limit exemption for real property and fixtures
- ▶ Now lease-purchase agreements are used almost exclusively for vehicles, equipment, and rolling stock
- ▶ Paid out of Operations; Not considered debt – Now limited by Act 388

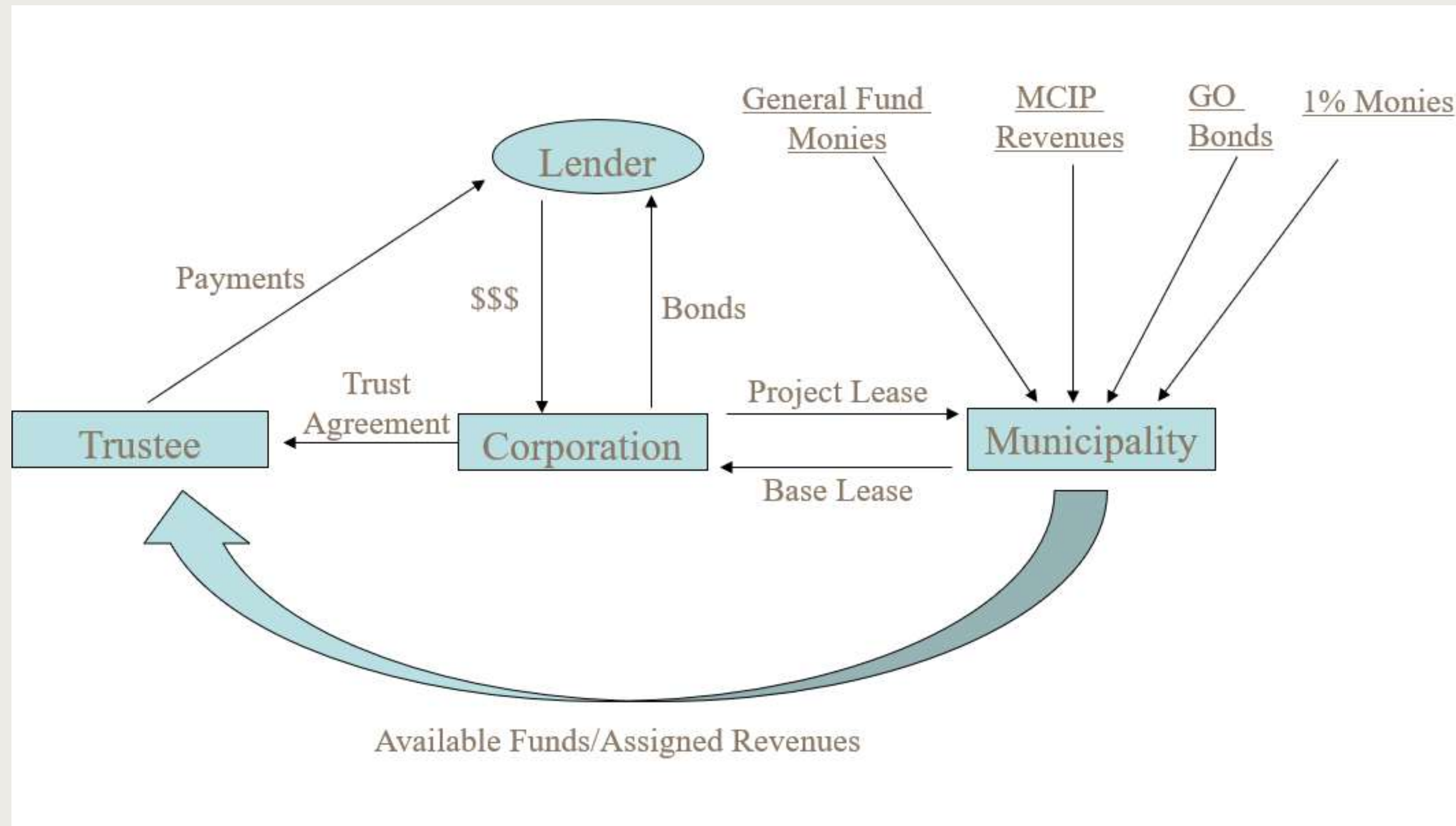


# Lease Purchase Agreements

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- ▶ Importance of Appropriate Documentation
  - Approving resolution
  - Lease Purchase Agreement (non-appropriation, no non-substitution)
  - IRS filing, closing certificates
  - Retention of bond counsel?

# Installment Purchase Revenue Bonds



# Tax Increment Bonds

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- ▶ Municipal Redevelopment Tool
  - ❖ Allows a municipality to foster growth in a “blighted” or “conservation” area
  - ❖ Upon creation of a TIF District, all taxes from growth in tax base will be available to the municipality for improvements
  - ❖ Used to redevelop downtown or other depressed areas
  - ❖ Limited by amendments (other taxing entities and Act 388)



# Tax Increment Bonds

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## Other Considerations

- ▶ May use utility revenues as secondary revenue pledge to support debt
- ▶ Recent statute allows counties to form tax increment districts and prohibits municipalities from including tax increment of entities that do not consent
- ▶ Use of Intergovernmental Agreement – 2012 MASC legislative action



# Tax Increment Bonds

## NEW ISSUE - BOOK-ENTRY-ONLY BANK QUALIFIED

**RATINGS:**  
Build America Mutual: S&P: AA  
Underlying: S&P: A  
(see "RATINGS" herein)

*In the opinion of Pope Flynn, LLC, Bond Counsel to the City, under existing law, assuming continuing compliance by the City with certain covenants and the accuracy of certain representations, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest will, however, be taken into account in computing the alternative minimum tax liability of certain corporations. The Series 2017 Bonds and the interest thereon are exempt from all State, county, municipal, school district, and other taxes and assessments imposed within the State of South Carolina, except estate, transfer, and certain franchise taxes. The Series 2017 Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. See "TAX EXEMPTION AND RELATED MATTERS" herein for a description of other tax considerations.*



## \$8,000,000 TAX INCREMENT REVENUE BONDS, SERIES 2017 OF THE CITY OF CAYCE, SOUTH CAROLINA

The Tax Increment Revenue Bonds, Series 2017 (the "Series 2017 Bonds") of the City of Cayce, South Carolina (the "City"), will initially be issued to and registered only in the name of Code & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be available to purchasers under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants as more fully described herein. Purchasers will not be entitled to receive physical delivery of the Series 2017 Bonds. For so long as any purchaser is the beneficial owner of a Series 2017 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal of and interest on such Bond. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry Only System" herein.

The Series 2017 Bonds are issuable as fully-registered bonds in denominations of \$5,000 or any integral multiple thereof and are interchangeable as provided in the Bond Ordinance (as defined herein). Interest on the Series 2017 Bonds (payable semi-annually on each June 15 and December 15, commencing December 15, 2017) is payable by payment to DTC or its nominee as the registered owner of the Series 2017 Bonds. Disbursements of payments of interest and of principal to DTC Participants is the responsibility of DTC, and disbursement of such payments to the owners of book-entry interests is the responsibility of DTC Participants and Indirect Participants, as more fully described herein.

The Series 2017 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Series 2017 Bonds are being issued (i) to defray the costs of the 2017 Projects (as described herein), and (ii) to pay certain costs of issuance relating to the Series 2017 Bonds, including the payment of any premium due on a municipal bond insurance policy with respect to the Series 2017 Bonds.

The scheduled payment of principal of and interest on the Series 2017 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2017 Bonds by Build America Mutual Assurance Company.



THE SERIES 2017 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY PROVISION, LIMITATION OR RESTRICTION OF THE CONSTITUTION OR THE LAWS OF THE STATE OF SOUTH CAROLINA, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE-PRODUCING PROJECT OR FROM THE ADDED INCREMENTS OF TAX REVENUES FROM REDEVELOPMENT PROJECTS.

THE SERIES 2017 BONDS ARE PAYABLE SOLELY FROM THE PLEDGED INCREMENTAL REVENUES IN AND TO BE DEPOSITED IN THE SPECIAL TAX ALLOCATION FUND, AND, UNDER CERTAIN CIRCUMSTANCES, FROM REVENUES DERIVED FROM A JUNIOR LIEN PLEDGE OF THE NET REVENUES FROM THE OPERATION OF THE CITY'S WATER AND SEWER SYSTEM. NO RECOURSE MAY BE HAD FOR THE PAYMENT OF THE SERIES 2017 BONDS AGAINST THE GENERAL FUND OF THE CITY, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY SHALL BE DEEMED PLEDGED TO THE PAYMENT OF THE SERIES 2017 BONDS.

### MATURITY SCHEDULE

#### TAX INCREMENT REVENUE BONDS, SERIES 2017

Due June 15	Principal Amount	Interest Rate	Yield	CUSIP*	Due June 15	Principal Amount	Interest Rate	Yield	CUSIP*
2018	\$285,000	3.000%	1.150%	149699BB5	2025	\$355,000	4.000%	2.250%	149699BJ8
2019	290,000	3.000	1.350	149699BC3	2026	365,000	4.000	2.400	149699BK5
2020	300,000	3.000	1.500	149699BD1	2027	380,000	4.000	2.550	149699BL3
2021	310,000	3.000	1.700	149699BE9	2028	395,000	4.000	2.580 <sup>†</sup>	149699BM1
2022	315,000	3.000	1.800	149699BF6	2029	415,000	4.000	2.670 <sup>†</sup>	149699BN9
2023	325,000	4.000	1.950	149699BG4	2030	430,000	4.000	2.770 <sup>†</sup>	149699BP4
2024	340,000	4.000	2.100	149699BH2					

\$910,000 4.000% Term Bonds due June 15, 2032; Yield 2.960%<sup>†</sup>; CUSIP\* 149699BQ2

\$985,000 3.250% Term Bonds due June 15, 2034; Yield 3.420%; CUSIP\* 149699BR0

\$1,600,000 3.375% Term Bonds due June 15, 2037; Yield 3.550%; CUSIP\* 149699BS8

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are offered when, as, and if issued and accepted by Piper Jaffray & Co. (the "Underwriter"), subject to the final approving opinion of Pope Flynn, LLC, Columbia, South Carolina, Bond Counsel. Certain legal matters will be passed on by Crowe LaFave, LLC, Cayce, South Carolina, counsel to the City, and Haynsworth Sinkler Boyd, P.A., Columbia, South Carolina, counsel to the Underwriter. It is expected that delivery of the Series 2017 Bonds in definitive form will be made on or about August 1, 2017, through the facilities of DTC against payment thereof.

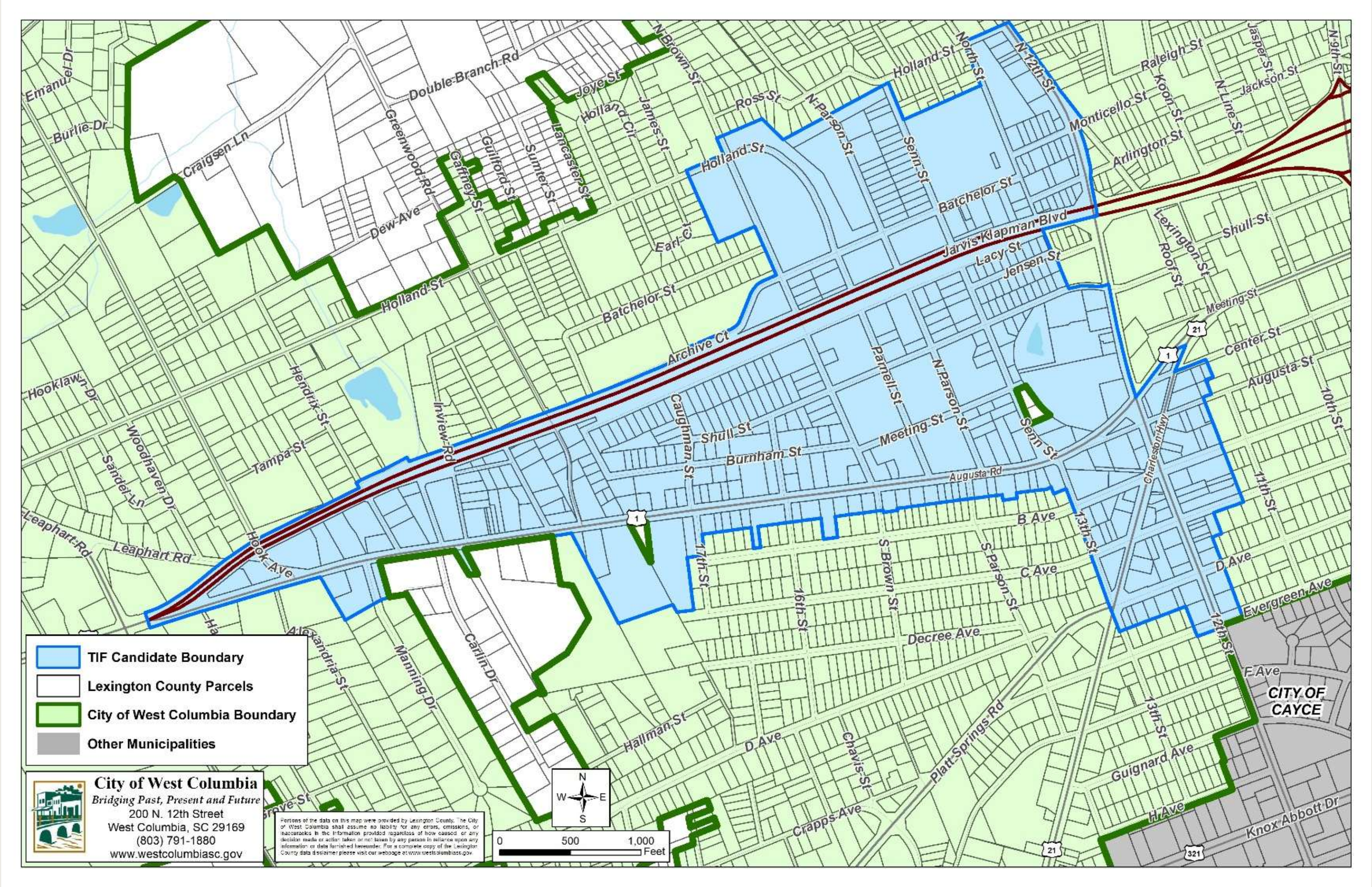
**PIPER JAFFRAY & CO.**

Dated: July 18, 2017

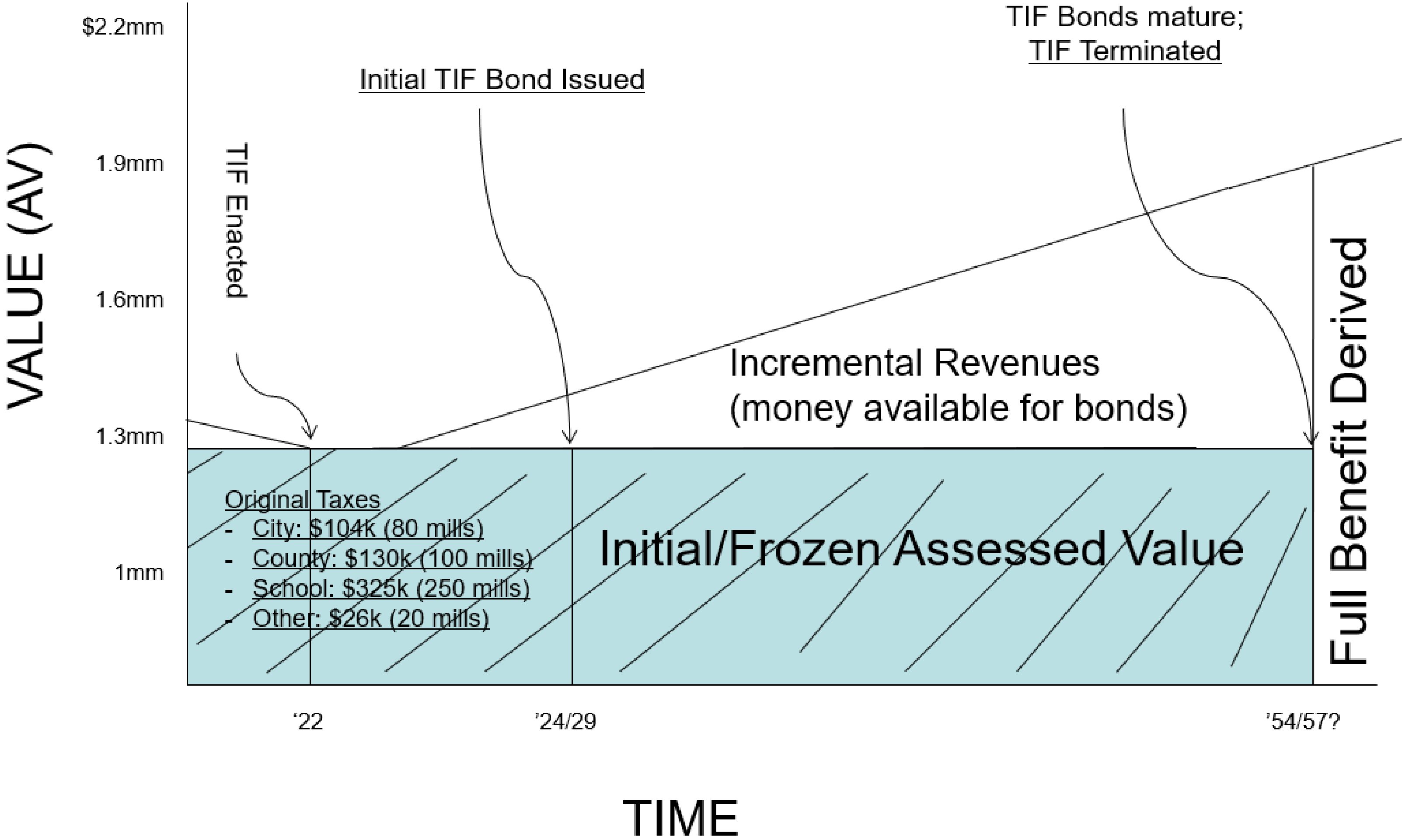
\* Series 2017 Bonds priced to first optional call date of June 15, 2027.

<sup>†</sup> It is anticipated that a CUSIP identification number ("CUSIP") will be printed on each Series 2017 Bond, but neither the failure to print this number on any Series 2017 Bond nor any error with respect to that CUSIP constitutes cause for failure or refusal by the purchaser of that Series 2017 Bond to accept delivery of and pay for that Series 2017 Bond according to the terms of the purchaser's proposal. All expenses regarding printing CUSIPs on the Series 2017 Bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of CUSIPs shall be the responsibility of and shall be paid for by the purchaser. Further, the City is not responsible for obtaining the CUSIPs.

# Tax Increment Bonds



# Tax Increment Bonds



# Tax Increment Bonds

Determining the increment—what is available?

Entity	Millage	\$1,300,000 x Millage	\$3,000,000 x Millage	TIF Dollars
City	80 mills	\$104,000	\$240,000	\$136,000
Schools	250 mills	325,000	750,000	425,000
County	100 mills	130,000	300,000	170,000
Other	<u>20 mills</u>	<u>26,000</u>	<u>60,000</u>	<u>34,000</u>
Total	450 mills	\$585,000	\$1,350,000	\$765,000

# Interim Financing

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- ▶ Tax Anticipation Notes (TANS)
- ▶ Bond Anticipation Notes (BANS)
- ▶ Grant Anticipation Notes
- ▶ Interim Financing for Federal Programs



# Municipal Improvement Districts

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- ▶ Creation process for a MID takes several months
- ▶ Assessments on real property which allow development to pay for development
- ▶ Assessments can take several different forms which gives flexibility to the municipality in structuring its needs for a particular area
- ▶ City is issuer



# Special Tax-Based Financing

- ▶ Capital Project Sales Tax
- ▶ Hospitality and/or Accommodations Taxes
- ▶ Special Source Revenues (FILOT)
- ▶ Limited Obligation Revenues



# Understanding the Players

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- ▶ Issuers (Direct v. Conduit)
- ▶ Legal Counsel
  - ❖ Bond Counsel: Required to deliver validity opinion for borrowing
  - ❖ Local Counsel: Know day to day operations; required to deliver an opinion as to underlying documents and litigation
- ▶ Municipal Advisors
  - ❖ Evolving role, far more involved in transactions; Should have discussions with Counsel or existing FA about role in transactions or on-going operations
- ▶ Bankers/Underwriters
  - ❖ Underwriter: Only for Market-sold deals
  - ❖ Other Counsel: Represent Trustee, Underwriter, Issuers (i.e. Disclosure or Special Tax matters)

# Understanding the Players

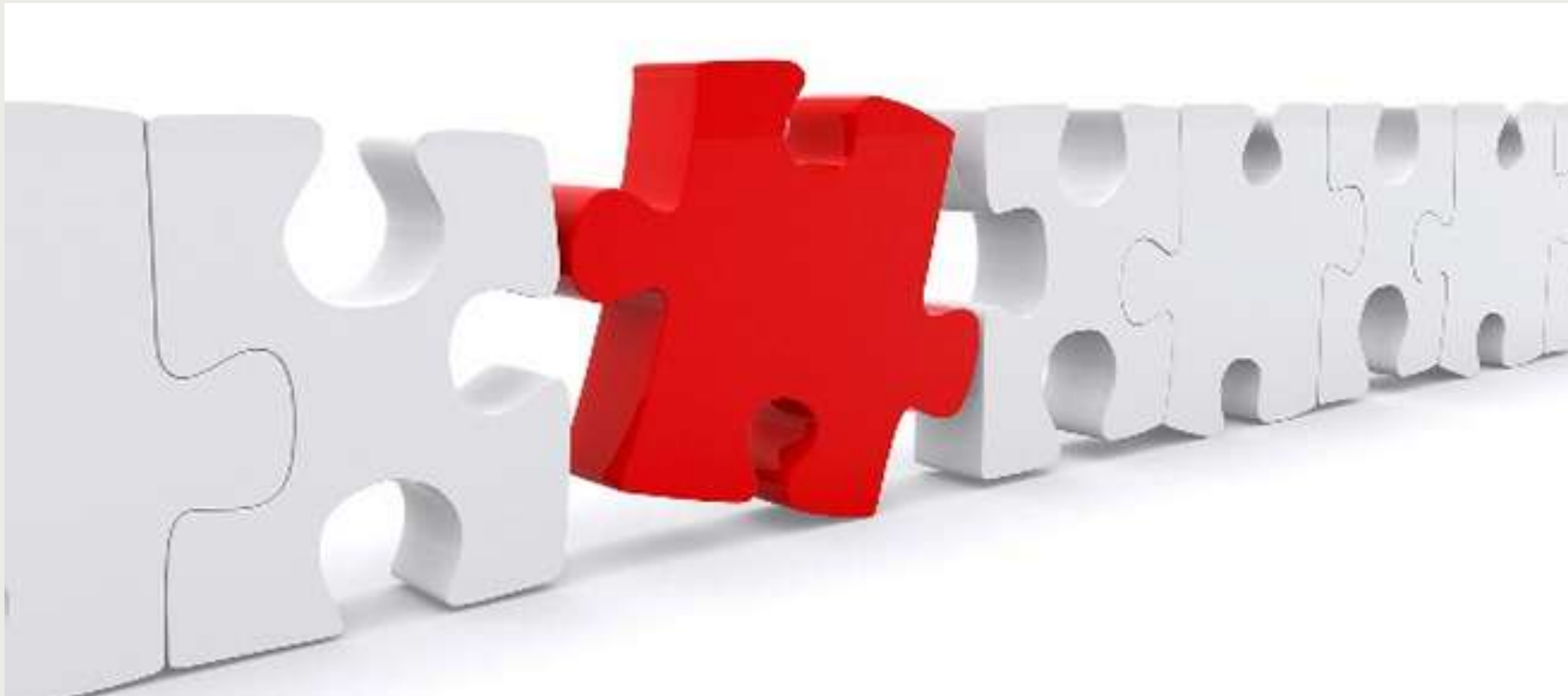
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## The Municipal Advisor Role

- ▶ Background:
  - ❖ Regulations in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, passed after the Great Recession, established that anyone providing financial advice to issuers of bonds would be regulated
  - ❖ Responsibility was left to the Securities and Exchange Commission to define what a municipal advisor is and is not
- ▶ What or who is a municipal advisor?
  - ❖ A firm and its associated persons that provide “advice,” with or without compensation, to “municipal entities” and “obligated person” on the issuance of “municipal securities” or “municipal financial products”
- ▶ What are the implications of being a Municipal Advisor?
  - ❖ Required to register with the MSRB
  - ❖ Statutory Fiduciary Duty: includes a duty of loyalty and duty of care
  - ❖ Subject to the MSRB rules

# Transactional Building Blocks

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- ▶ Taxable v. Non-Taxable
- ▶ “Bank Qualified” v. “Non-Bank Qualified”
- ▶ Private Placement v. Publicly Sold Transaction: Term, Size, Flexibility, Issuance Costs, Disclosure practices, rate differentials, credit-worthiness; insurance or other liquidity providers

# Issue Size and Type

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- ▶ Issue size often drives the decision for a shorter or longer term (coverage ratios, etc.)
- ▶ Type of issue may also impact the decision:
  - ❖ Security interest/Pledged revenue stream
  - ❖ Historical performance



# Transaction Flexibility

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- ▶ Ability to prepay transactions
  - ✦ Bank Loans provide a high level of flexibility
  - ✦ Useful especially for dynamic, changing entities
- ▶ Investor Call protection

# Tax Exemption

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- ▶ With tax-exemption comes agreement to abide by certain rules and regulations regarding use and payment sources
- ▶ Set forth in IRS rules and regulations
- ▶ Section 103 – Substantially overhauled in 1986
- ▶ Bank-qualification (Section 265) – Applicable to Qualified Small Issuers



# Recent Tax Reform

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- ▶ Tax Exemption Preserved
- ▶ Elimination of Advance Refundings
- ▶ Elimination of Certain Tax Credit Bonds
- ▶ Retention of Private Activity Bonds
- ▶ Maintains authorizations for arenas and stadium
- ▶ Reduction of Corporate Tax Rate
  - ❖ 35% to 21%
  - ❖ Banks, Insurers
  - ❖ Effected Tax Gross-Up provisions in docs
- ▶ Repeal of corporate AMT



## Bank Loans

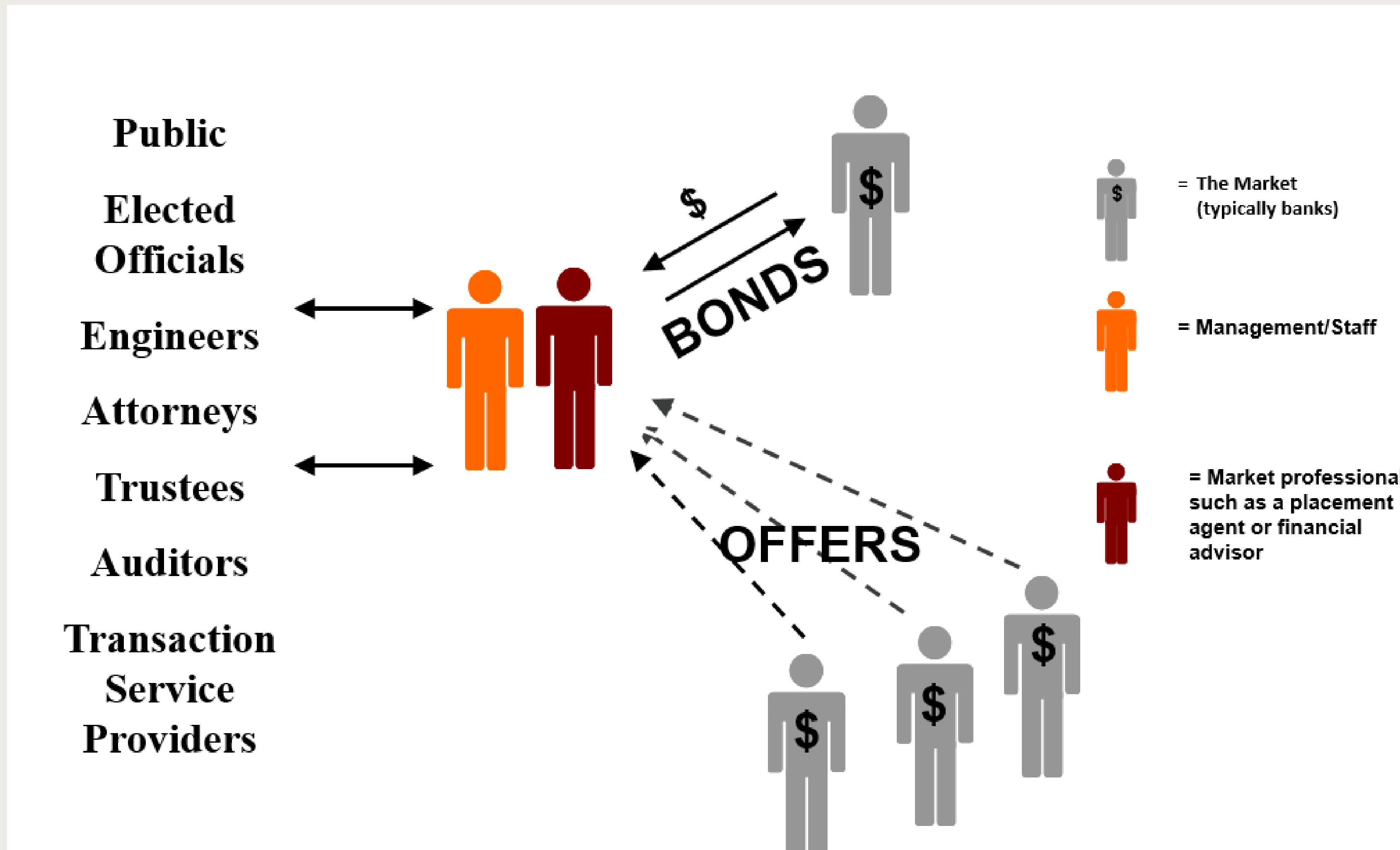
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### Potential Problems:

- ▶ Not a recognized structure
- ▶ No council action typically taken
- ▶ Ignores public notice requirements - generally no ordinance
- ▶ No IRS reporting
- ▶ No debt filing with State Treasurer
- ▶ Banks that don't understand your limitations
- ▶ More structuring capabilities; terms limited; capacity limited
- ▶ Like "Bank-Qualified" paper

# Bank Loans



# Bank Loans

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## State Revolving Loan (SRF)

- ▶ Federal program with State match
- ▶ Water and Sewer Only
- ▶ 20 to 30 years
- ▶ Interest rates trail market
- ▶ Reduced cost for low-income systems or green energy projects
- ▶ Becoming more streamlined
- ▶ DSRF not funded for “A” rated credits
- ▶ Straight quarterly amortization
- ▶ Easy call features

## USDA, Rural Development

- ▶ Lender of last resort
- ▶ Protect service area
- ▶ Rates higher
- ▶ 40 years
- ▶ No tax work
- ▶ Little structuring flexibility
- ▶ May require interim financing
- ▶ DSRF required (funded over time)
- ▶ Require consent for other debt

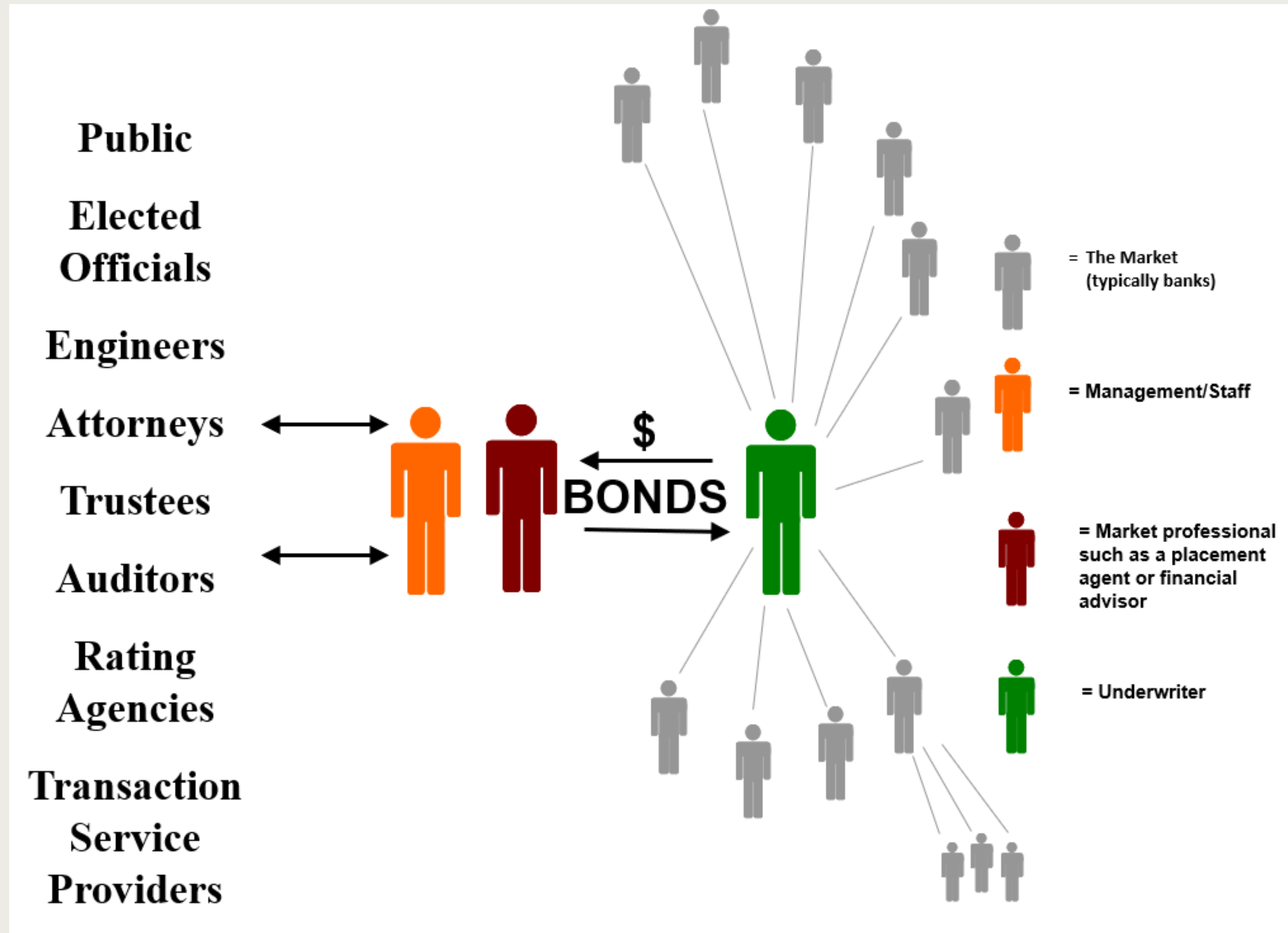
# Public Market Deals

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- ▶ Publicly underwritten transaction (size may dictate number of underwriters)
- ▶ Requires a rating
- ▶ Interest rate tied to rating and market
- ▶ Official Statement required
- ▶ Disclosure counsel (to be considered, different than Bond Counsel)
- ▶ Underwriter represented by counsel
- ▶ Continuing Disclosure is required and must be current
- ▶ May require insurance (credit support)
- ▶ Sold in denominations of \$5,000+
- ▶ Electronic dissemination through the Depository Trust Company
- ▶ Disclosure of purchase power arrangements



# Public Market Deals



# Disclosure

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- ▶ 1933 Securities Act
  - ✿ Section 17(a): Antifraud
- ▶ 1934 Exchange Act
  - ✿ Tower Amendment
  - ✿ Section 10b-5: Antifraud
  - ✿ Rule 15c2-12
- ▶ Continuing Disclosure
  - ✿ Rule 15c2-12 (1975; 1994)
  - ✿ MSRB; EMMA
  - ✿ Municipalities Continuing Disclosure Cooperation initiative

# Disclosure

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## ▶ Continuing Disclosure Defined


- ❖ “Continuing disclosure consists of important information about a municipal bond and its issuer that arises after the initial issuance of the bond. This information generally reflects the financial or operating condition of the issuer as it changes over time, as well as specific events occurring after issuance that can have an impact on the ability of issuer to make payments on the bond, the value of the bond if it is traded prior to its maturity, the timing of repayment of principal, and other key features of the bond”
- ❖ Enforced through SEC regulation of Broker-Dealers; Required in Primary Offer as an Aid to Secondary Market
- ❖ Exempt from Registration and Reporting Requirements of ‘33 Act and ‘34 Act (Tower Amendment – Pre-sale) – But see Rule 10b-5 and Rule 15c2-12 and SEC’s 1994 Interpretative Release (not private placements)

# Disclosure

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- ▶ What are my Continuing Disclosure Responsibilities?
  - ❖ Established in the Continuing Disclosure Agreement (CDA) executed at the closing of your Bonds.
  - ❖ Issuer may engage a Dissemination Agent to assist with disclosure responsibilities.
  - ❖ Generally Requires:
    - ❖ Disclosure of Financial and Operating Information
    - ❖ Material Event Notices

# Disclosure





**CAYCE S C WTRWKS & SEW REV (SC)**  
Click on a tab to access data and documents about this issuer's municipal securities.


Issuer's Contact Information

This issuer has not provided contact information.

Educational Resources

 Customizing an Issuer Homepage

 How Can Issuers Use EMMA?

 Contact Us

Issues

Trade Activity

Pre-Sale Documents

Official Statements

Refunded Issues

Financial Disclosures

Event-Based Disclosures

Click on the issue description to view details about the issue.

View all Issues

Display 10 results

Search within list:

FirstPrevious1NextLast

Issue Description	Dated Date	Maturity Dates
WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2020	07/21/2020	2021 to 2036
WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2016A (TAXABLE)	03/29/2016	2016 to 2024
WATER AND SEWER SYSTEM REFUNDING REVENUE BONDS, SERIES 2016B	03/29/2016	2024 to 2028
REF REV BDS 2007-A	09/11/2007	2008 to 2027
RFDG & IMPT	07/15/2004	2005 to 2015
<Issue description not available>	07/15/1998	2000 to 2020
RFDG	07/01/1993	1994 to 2015
<Issue description not available>	03/01/1990	1992 to 2015
<Issue description not available>	02/01/1974	1985 to 1990
<Issue description not available>	12/25/1966	1985 to 1986

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# Disclosure

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Cayce, South Carolina (the "Issuer") in connection with the issuance of \$20,535,000 Water and Sewer System Refunding Revenue Bonds, Series 2020, of the City of Cayce, South Carolina (the "Bonds"). The Bonds are being issued pursuant to a Bond Ordinance enacted on February 2, 2016, and a Series Ordinance enacted on April 22, 2020 (together, the "Ordinance"). The Issuer covenants and agrees as follows:

### SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than each February 1 that the Bonds are outstanding, commencing with the report for Fiscal Year ended June 30, 2020, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, however, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

SECTION 4. Content of Annual Reports. The Annual Report for each of the Fiscal Year shall include the Issuer's complete audited financial statements for such Fiscal Year prepared in accordance with generally accepted accounting principles in the United States of America applicable to governmental entities from time to time by the Governmental Standards Accounting Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report within fifteen (15) days after such statements become available for distribution. In addition thereto, the Annual Report shall contain or incorporate by reference the following information:

Financial data as of a date not earlier than the end of such fiscal year comparable to the information included in the Official Statement in the sections entitled: "FINANCIAL FACTORS-Summary of Revenues and Expenses," "Historical Coverage" and "Debt Service Requirements," "THE CITY AND THE SYSTEM-Water System-Number of Water Customers," "Water System-Major Water Users," "Water System-Water Service Rates," "Sewer System-Number of Sewer Customers," "Sewer System-Major Sewer Users," "Sewer System-Sewer Service Rates," and "Annual System Sales and System Usage."

# Tips for a Smoother Borrowing Experience

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- ▶ Financial Statements (be timely)
- ▶ Define the project: sizing of issue
- ▶ Stability in financial administration
- ▶ Stability in professionals, including bank and bond counsel
- ▶ Pricing is important, but not sole determining factor
- ▶ Discussion on front end of expectations – don't agree to things you do not understand
- ▶ Policies and Procedures (debt administration, tax, disclosure, coverage, OPEB, Pension, cash management)

# Additional Legal Considerations

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- ▶ FOIA
- ▶ Arbitrage and rebate
- ▶ Spend down requirements
- ▶ Tax Covenants (Ownership)
- ▶ Continuing Disclosure
- ▶ Bank-Qualified
- ▶ Economic Development/Public Purpose



# Contact Information

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