

Town Council Regular Meeting

June 25, 2024 @ 2:30 PM

[Watch Live on YouTube](#)

Seabrook Island Town Hall, Council Chambers
2001 Seabrook Island Road
Seabrook Island, SC 29455s



Virtual Participation: Individuals who wish to participate in the meeting via Zoom may call (843) 768-9121 or email kwatkins@townofseabrookisland.org for log-in information prior to the meeting.

AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL & FOIA STATEMENT

2. APPROVAL OF MINUTES

A. **Town Council Special Called Meeting:** May 28, 2024

3. PRESENTATIONS

A. **FY 2023 Audit Presentation:** David Irwin & Kellan Shuford (Mauldin & Jenkins)

4. PUBLIC HEARING ITEMS

A. **Ordinance 2024-03:** An ordinance amending the Development Standards Ordinance for the Town of Seabrook Island, South Carolina; Article 9, Conditional Use Requirements; Section 9.4, Specific Use Requirements; Subsection T, Wireless Communication Antennas and Towers; so as to establish conditions for the placement of temporary towers

B. **Ordinance 2024-04:** Series 2024 Note Ordinance: Approving the financing of the improvement, extension and enlargement of the water and sewer system of the Town of Seabrook Island, South Carolina, through the borrowing by the Town of not exceeding \$12,500,000, including capitalized interest, if any, from the State Water Pollution Control Revolving Loan Fund, by agreement with the South Carolina Water Quality Revolving Fund Authority, Pursuant to Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended; providing for an agreement to make and to accept a loan, the execution and delivery of a loan agreement between the Town and the South Carolina Water Quality Revolving Fund Authority, the execution and delivery of a promissory note from the Town to the South Carolina Water Quality Revolving Fund Authority, and other matters relating thereto

5. CITIZEN COMMENTS

During the first citizen comment period, any citizen may speak pertaining to any item listed on the meeting agenda which does not require a public hearing. Each speaker shall be limited to three minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/treasurer of a desire to speak prior to the start of the meeting.

6. EXECUTIVE SESSION ITEMS

A. Discussion of items related to personnel matters: Town Clerk/Treasurer

Please Note: Upon returning to open session, Council may take action on items discussed during Executive Session.

7. REPORTS OF TOWN BOARDS, COMMISSIONS AND COMMITTEES

A. Advisory Committees

- Community Promotion and Engagement Committee: Bruce Kleinman, Chair
 - Recommendation to approve the awarding of a Community Promotion Grant to Seabrook Island Village in the amount of \$2,500.00 (*Action Item*)
- Environment and Wildlife Committee: Gordon Weis, Chair
- Public Safety Committee: Dan Kortvelesy, Chair

B. Special Committees:

- Special Committee on Short-Term Rentals: Darryl May, Chair
 - Recommendations of the Special Committee on Short-Term Rentals
 - Next Steps
- Special Committee on Finance: Raymond Hamilton, Chair

C. Board of Zoning Appeals: No report

D. Planning Commission: No report

E. State Accommodations Tax Advisory Committee: No report

F. Utility Commission: Jim Ferland, Chair

8. REPORTS OF TOWN OFFICERS

A. Mayor

- What's Happenin'
 - Discussion of goings on for the Town of Seabrook Island Government

B. Town Administrator

C. Assistant Town Administrator

- Report of Financials for the Month of April 2024

D. Zoning Administrator

- Code Enforcement Summary
- Beach Patrol Summary

E. Communication & Events Manager

- Chow Town Event: June 26, 2024 (5:00 PM to 8:00 PM)
- Independence Day Celebration & Fireworks: July 3, 2024 (Rain Date July 5, 2024)

9. ORDINANCES FOR SECOND READING

- A. Ordinance 2024-03:** An ordinance amending the Development Standards Ordinance for the Town of Seabrook Island, South Carolina; Article 9, Conditional Use Requirements; Section 9.4, Specific Use Requirements; Subsection T, Wireless Communication Antennas and Towers; so as to establish conditions for the placement of temporary towers
- B. Ordinance 2024-04:** Series 2024 Note Ordinance: Approving the financing of the improvement, extension and enlargement of the water and sewer system of the Town of Seabrook Island, South Carolina, through the borrowing by the Town of not exceeding \$12,500,000, including capitalized interest, if any, from the State Water Pollution Control Revolving Loan Fund, by agreement with the South Carolina Water Quality Revolving Fund Authority, Pursuant to Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended; providing for an agreement to make and to accept a loan, the execution and delivery of a loan agreement between the Town and the South Carolina Water Quality Revolving Fund Authority, the execution and delivery of a promissory note from the Town to the South Carolina Water Quality Revolving Fund Authority, and other matters relating thereto

10. ORDINANCES FOR FIRST READING

- A. Ordinance 2024-05:** An ordinance amending the Town Code for the Town of Seabrook Island, South Carolina, so as to separate the duties of the Town Clerk and Town Treasurer; to create the position of Town Prosecutor; to repeal the Public Works Committee as a standing committee of the Town; to amend the procedure for adopting and amending general personnel policies and procedures for the Town and its employees; and other matters related thereto

11. OTHER ACTION ITEMS

- A. PEBA Addendum:** Consideration of a one-time irrevocable option to exclude council members from the definition of "Active Employee" for the purposes of participation in the State Insurance Benefits Program

12. ITEMS FOR INFORMATION OR DISCUSSION

There are no Items for Information or Discussion.

13. CITIZEN COMMENTS

During the second citizen comment period, any citizen may speak pertaining to any town matter, except personnel matters. Each speaker shall be limited to three minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/treasurer of a desire to speak prior to the start of the meeting.

14. COUNCIL COMMENTS

15. ADJOURNMENT

Town Council Regular Meeting

May 28, 2024 @ 2:30 PM

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AGENDA

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL & FOIA STATEMENT

Mayor Kleinman called the May 28th, 2024, Town Council Regular Meeting to order at 2:30 PM. Councilmen Hamilton, Kortvelesy, May, and Weis were present. Staff present were the Town Administrator Joe Cronin, Communications and Events Manager Abby Grooms, and Assistant Town Administrator Katharine Watkins (virtual) participated in the meeting. The Assistant Town Administrator confirmed the requirements of the SC Freedom of Information Act have been satisfied.

2. APPROVAL OF MINUTES

A. Town Council Special Called Meeting: April 30, 2024

Councilman Hamilton noted the scrivener errors in the previous meeting minutes. (Add motion and second).

Using the original motion, a vote was taken; all voted in favor.

The previous meeting minutes of April 30th were approved.

3. PRESENTATIONS

A. The Seabrooker: Michael Morris & Teri Lash

Mr. Morris and Ms. Lash presented to members of council the importance of *The Seabrooker* to the Seabrook Island Community.

Discussions were had with members of council.

4. PUBLIC HEARING ITEMS

A. Ordinance 2024-02: An ordinance adopting a first amendment to the annual operating budget for the fiscal year beginning January 1, 2024, and ending December 31, 2024.

Assistant Town Administrator Watkins noted the following made comments on Ordinance 2024-02 through the website (add addresses):

Andrew Ogden, In Favor
Fred and Jeri Finke, Opposed
Lark Asbelle Opposed
Catherine Mongier, Opposed
Art Richards, Opposed
David Mosgrove, Opposed
Jackie Brooks, Opposed
Lynne Richards, Opposed

Gordon Balis, 2333 Cat Tail Pond, in favor of Ordinance 2024-02.

Mayor Kleinman closed the public hearing at 3:10 PM.

5. CITIZEN COMMENTS

Assistant Town Administrator Watkins noted the comments submitted prior to the meeting.

A copy of the comments is available with these minutes and upon request.

6. REPORTS OF TOWN BOARDS, COMMISSIONS AND COMMITTEES

A. Advisory Committees

- Community Promotion and Engagement Committee: Bruce Kleinman, Chair
 - Recommendation to approve the awarding of a Community Promotion Grant to the Lowcountry Marine Mammal Network in the amount of \$2,500.00.

Mayor Kleinman summarized the request from Lowcountry Marine Mammal Network.

Mayor Kleinman moved to approve the request for Lowcountry Marine Mammal Network.

Discussions were had with members of council.

A vote was taken, all voted in favor.

The request for Lowcountry Marine Mammal Network was approved.

- Recommendation to approve the awarding of a Community Promotion Grant to the Seabrook Island Photography Club in the amount of \$1,300.00

Mayor Kleinman moved to approve the Seabrook Island Photography Club request. All voted in favor.

The request for the Seabrook Island Photography Club was approved.

- Recommendation to approve the adoption of a Media Relations Policy for the Town of Seabrook Island

Town Administrator Cronin summarized the proposed Media Relations Policy for the Town of Seabrook Island.

Discussions were had with members of council.

Mayor Kleinman moved to approve the proposed media relations policy. All voted in favor.

The Media Relations Policy was approved.

- Environment and Wildlife Committee: Gordon Weis, Chair
 - Recommendation to approve the awarding of an Environment and Wildlife Conservation Grant to the Lowcountry Marine Mammal Network in the amount of \$2,500.00

Councilman Gordon summarized the request for Lowcountry Marine Mammal Network.

Councilman Gordon moved to approve the request for Lowcountry Marine Mammal Network.

Discussions were had with members of council.

A vote was taken as follows:

Ayes: Kortvelesy, May, Weis, Kleinman
Nays: Hamilton

The request for Lowcountry Marine Mammal Network was approved.

- Recommendation to approve the awarding of an Environment and Wildlife Conservation Grant to the Seabrook Island Garden Club in the amount of \$619.00

Councilman Weis moved to approve the request for the Seabrook Island Garden Club.

Susan McLaughlin, member of the Seabrook Island Garden Club, summarized the request for the Seabrook Island Garden Club.

A vote was taken, all voted in favor.

The request for the Seabrook Island Garden Club was approved.

- Public Safety Committee: Dan Kortvelesy, Chair
 - Recommendation to approve the awarding of a contract to Phillips and Jordan, Inc., for On-Call Debris Management Services

Councilman Kortvelesy noted there is an opening on the Public Safety Committee and thanked Frank Farfone for his years of service on the committee.

Councilman Kortvelesy summarized the IFB for the On-Call Debris Management Services, the process the committee reviewed the bids received.

Discussions were had with members of council.

Councilman Kortvelesy moved to approve the awarding of a contract to Phillips and Jordan, Inc., for On-Call Debris Management Services. All voted in favor.

The contract for the On-Call Debris Management Services was awarded to Phillips and Jordan, Inc.

Councilman Kortvelesy reminded all of Disaster Awareness Day on May 31st from 9:30 AM to 1:00 PM.

Councilman Kortvelesy reminded all the upcoming Disaster Recovery Council (DRC) on June 18th.

B. Special Committees:

- Special Committee on Short-Term Rentals: Darryl May, Chair

Councilman May updated members of council on the status of the work from the Special Committee on Short-Term Rentals.

- Special Committee on Finance: Raymond Hamilton, Chair

None.

C. Board of Zoning Appeals: No report

D. Planning Commission: No report

E. State Accommodations Tax Advisory Committee: No report

F. Utility Commission: Jim Ferland, Chair

Commissioner Ferland reported the Utility Commission financials and operations of April 2024 and updates on outstanding projects.

Discussions were had with members of council.

7. REPORTS OF TOWN OFFICERS

A. Mayor

- What's Happenin'
 - Discussion of goings on for the Town of Seabrook Island Government

B. Town Administrator

- MUSC Sea Islands Medical Pavilion Update

Town Administrator Cronin updated members of council on the status of the MUSC Sea Islands Medical Pavillion.

Discussions were had with members of council.

- New Hurricane Evacuation Zones

Town Administrator Cronin noted the New Hurricane Evacuations Zones for the Charleston Area and how it impacts Seabrook Island.

C. Assistant Town Administrator

- Report of Financials for the Month of April 2024

Assistant Town Administrator Watkins noted the report of the April Financials will be done at the next Town Council meeting.

- FY 2023 Audit Update

Assistant Town Administrator Watkins updated members of council on the status of the FY 2023 audit.

D. Zoning Administrator

- Code Enforcement Summary

Town Administrator Cronin summarized the code enforcement and zoning activity since the previous Town Council Meeting.

Discussions were had with members of council.

E. Communication & Events Manager

- The Pelican's Brief: Town of Seabrook Island Monthly E-Newsletter

Communications and Events Manager noted the first *Pelican's Brief* for the town's monthly e-newsletter.

Discussions were had with members of council.

- Disaster Awareness Day Event: May 31, 2024 (9:30 AM to 1:00 PM)
- Shred Day Event: June 5, 2024 (10:00 AM to 12:00 PM)
- Chow Town Event: June 26, 2024 (5:00 PM to 8:00 PM)

Communications and Events Manager Grooms noted the upcoming events coming up in the month of June.

8. ORDINANCES FOR SECOND READING

- A. **Ordinance 2024-02:** An ordinance adopting a first amendment to the annual operating budget for the fiscal year beginning January 1, 2024, and ending December 31, 2024.

Mayor Kleinman summarized Ord. 2024-02 for members of council.

Councilman Hamilton moved to approve Ord. 2024-02; Councilman Weis seconded.

Mayor Kleinmann noted the additional proposed changes to Ord. 2024-02 between the first reading and second reading versions of the ordinance.

Town Administrator Cronin summarized the proposed changes to Ord. 2024-02.

Councilman May moved to amend Ord. 2024-02 to incorporate the changes presented by Town Administrator Cronin; Councilman Weis seconded. All voted in favor.

The amendment was approved.

Discussions were had with members of council along with Chief Ryan Kunitzer (St. Johns Fire District (STJFD)).

Councilman Weis moved to amend section 6 of Ordinance 2024-02 to authorize the mayor to negotiate an Intergovernmental Agreement with STJFD; Councilman Hamilton seconded.

Discussions were had with members of council.

A vote was taken on the amendment; all voted in favor.

The amendment was approved.

Using the original motion, a vote was taken on Ord. 2024-02 as amended; all voted in favor.

Ord. 2024-02 passed second reading as amended and was adopted.

9. ORDINANCES FOR FIRST READING

- A. **Ordinance 2024-03:** An ordinance amending the Development Standards Ordinance for the Town of Seabrook Island, South Carolina; Article 9, Conditional Use Requirements; Section 9.4, Specific Use Requirements; Subsection T, Wireless Communication Antennas and Towers; so as to establish conditions for the placement of temporary towers

Town Administrator Cronin summarized Ord. 2024-03.

Mayor Kleinman moved to approve Ord. 2024-03 for first reading and to remand to the Planning Commission; Councilman Weis seconded. All voted in favor.

Ord. 2024-03 passed first reading and was remanded to the Planning Commission.

- B. Ordinance 2024-04:** Series 2024 Note Ordinance: Approving the financing of the improvement, extension and enlargement of the water and sewer system of the Town of Seabrook Island, South Carolina, through the borrowing by the Town of not exceeding \$12,500,000, including capitalized interest, if any, from the State Water Pollution Control Revolving Loan Fund, by agreement with the South Carolina Water Quality Revolving Fund Authority, Pursuant to Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended; providing for an agreement to make and to accept a loan, the execution and delivery of a loan agreement between the Town and the South Carolina Water Quality Revolving Fund Authority, the execution and delivery of a promissory note from the Town to the South Carolina Water Quality Revolving Fund Authority, and other matters relating thereto

Commissioner Ferland summarized Ord. 2024-04 and the need to increase the requested bond mount to \$12,500,000 and the proposed project to expand the current retention pond.

Discussions were had with members of council and members of the audience.

Councilman May moved to approve Ord. 2024-04; Councilman Hamilton seconded. All voted in favor.

Ord. 2024-04 passed first reading.

10. OTHER ACTION ITEMS

There are no Items for Other Action Items.

11. ITEMS FOR INFORMATION OR DISCUSSION

There are no Items for Information or Discussion.

12. CITIZEN COMMENTS

13. COUNCIL COMMENTS

Discussions were had on the status of the new gateway sign.

14. ADJOURNMENT

Councilman Weis moved to adjourn the meeting; Councilman Hamilton seconded. All voted in favor.

The meeting adjourned at 5:25PM.

Date: May 28, 2024

Prepared by: *Katharine E. Watkins*
Assistant Town Administrator

Note: These minutes are not verbatim minutes. To listen to the meeting, please use the following link:
<https://www.youtube.com/@townofseabrookisland5287/streams>

Town of Seabrook Island



Financial & Compliance Audit – December 31, 2023



Presented by:
Kellan Shuford, CPA



Purpose of Today's Presentation

- **Overview of:**
 - **Independent Auditor's Report**
 - **Compliance Report**
 - **Financial Statements**
- **Required Communications**
- **Answer Any Questions**



Audit Opinion

- **Town: responsible for financial statements.**
- **M&J: to express opinions.**
- **Auditing Standards = *Generally Accepted Auditing Standards and Governmental Auditing Standards***
- **Financial Audit : Unmodified (Clean) Opinion**
 - **Highest level of Assurance**
 - **Financial Statements are fairly presented in all material respects, in accordance with GAAP**



Compliance Report

- **Yellow Book Report**
 - **Report on Town's Internal Controls and Compliance**
 - **Not Intended to Provide an Opinion**
 - **No Significant Deficiencies or Material Weaknesses**



Overview of Financial Statements

- **Management’s Discussion & Analysis (MD&A)**
 - **Written by Management**
 - **Introduces and Summarizes Basic Financial Statements**
 - **Comparative Information**

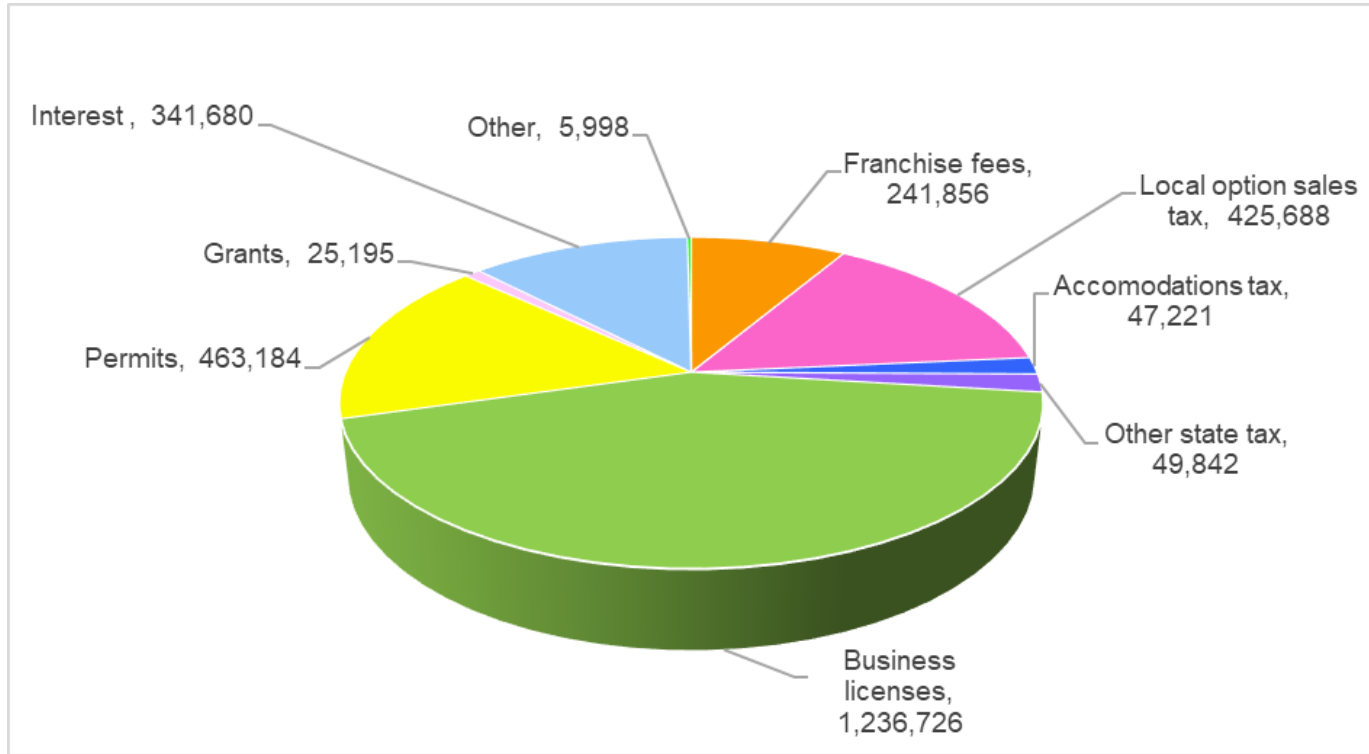
- **Town’s Financial Statements Include Three (3) Components**
 - **Government-Wide Financial Statements**
 - **Fund Level Financial Statements**
 - **Notes to the Financial Statements**

Government-Wide Financial Statements

- **\$12.1 Million = total assets and deferred outflows**
- **\$1.8 Million = capital assets, net of A/D**
- **\$2.2 Million = total liabilities and deferred inflows**
- **\$9.9 Million = net position *(or equity)***
- **\$3.6 million = revenues**
- **\$2.3 million = expenses**
- **Increase in Net Position of \$1.3M vs \$970K increase in py**



General Fund Revenues



Required Communications

- **Clean Opinion and No Audit Findings**
- **We Received Full Cooperation from Management and Staff**
- **No Disagreements with Management**
- **No Uncorrected Misstatements**
- **We are Independent of the Town as required by Government Auditing Standards**



Closing

We appreciate the opportunity to serve the Town of Seabrook Island and look forward to serving the Town in the future.



TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2024-03

ADOPTED _____

AN ORDINANCE AMENDING THE DEVELOPMENT STANDARDS ORDINANCE FOR THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA; ARTICLE 9, CONDITIONAL USE REQUIREMENTS; SECTION 9.4, SPECIFIC USE REQUIREMENTS; SUBSECTION T, WIRELESS COMMUNICATION ANTENNAS AND TOWERS; SO AS TO ESTABLISH CONDITIONS FOR THE PLACEMENT OF TEMPORARY TOWERS

WHEREAS, Section 9.4.T of the Development Standards Ordinance for the Town of Seabrook Island (hereafter, the "DSO") establishes general conditions for the installation of wireless communication antennas and towers within the Town; and

WHEREAS, the Mayor and Council for the Town of Seabrook Island desire to amend Section 9.4.T of the DSO to include general conditions for the placement of temporary towers for periods of limited duration; and

WHEREAS, the Mayor and Council for the Town of Seabrook Island believe that the proposed amendments to Section 9.4.T of the DSO are in the best interest of the Town and its residents and will allow for the continuation of uninterrupted wireless services while existing towers are undergoing maintenance, repair, and/or replacement; and

WHEREAS, as required by law, the Town of Seabrook Island Planning Commission reviewed the proposed amendments during a regularly scheduled meeting on June 12, 2024, at which time members of the Planning Commission recommended in favor of approval of the proposed amendments; and

WHEREAS, the Mayor and Council advertised and held a public hearing on the proposed amendments during a duly called meeting on June 25, 2024, with public input duly noted;

NOW, THEREFORE, pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, **BE IT ORDAINED BY THE MAYOR AND COUNCIL FOR THE TOWN OF SEABROOK ISLAND:**

SECTION 1. Amending Section 9.4.T of the DSO. The Development Standards Ordinance for the Town of Seabrook Island, South Carolina; Article 9, Conditional Use Requirements; Section 9.4, Specific Use Requirements; Subsection T, Wireless Communication Antennas and Towers; is hereby amended so as to repeal and replace the existing Section 9.4.T in its entirety with a new Section 9.4.T, a copy of which is attached hereto as "Exhibit A." The attached "Exhibit A" is hereby adopted by reference as if fully set forth within this section.

SECTION 2. Severability.

If any part of this ordinance shall be deemed to be unconstitutional, unenforceable, or otherwise invalid by the final decision of a court of competent jurisdiction, it shall be construed to have been the legislative intent of Town Council to pass said ordinance without such unconstitutional provision, and the validity of all remaining sections, subsections, paragraphs, clauses, or provisions of said ordinance shall

not be affected thereby. If said ordinance, or any provision thereof, is held by the final decision of a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

SECTION 3. Conflicting Ordinances Repealed.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 4. Effective Date.

This ordinance shall be effective from and after the date of adoption.

SIGNED AND SEALED this ___ day of _____, 2024, having been duly adopted by the Town Council for the Town of Seabrook Island on the ___ day of _____, 2024.

First Reading: May 28, 2024
Public Hearing: June 25, 2024
Second Reading: June 25, 2024

TOWN OF SEABROOK ISLAND

Bruce Kleinman, Mayor

LEGAL REVIEW

Stafford J. McQuillin, Town Attorney
Approved as to legal form only

ATTEST

Katharine E. Watkins, Town Clerk

Exhibit A

To Ordinance 2024-03

Development Standards Ordinance
Section 9.4.T (Amended)

T. Wireless Communication ANTENNAS and Towers.

1. Required Approvals. The placement of wireless communications facilities and towers shall meet the following approval requirements:

a. *Installation of New Towers.* The construction and installation of any new tower shall only be in accordance with the review and approval procedures of this article. No tower or related STRUCTURE shall be permitted within the SCDHEC-OCRM CRITICAL LINE or on any beach.

b. *Installation of Temporary Towers.* Notwithstanding any conflicting provisions set forth in this subsection, the ZONING ADMINISTRATOR may permit the installation or placement of a temporary tower, subject to the following conditions:

i. The applicant has demonstrated, to the satisfaction of the ZONING ADMINISTRATOR, that the temporary tower is reasonably necessary to maintain uninterrupted wireless services while work is being performed to MAINTAIN, REPAIR, or REPLACE an existing tower or alternative STRUCTURE (such as a water tower, BUILDING, or steeple) to which ANTENNA(s) are affixed;

ii. The temporary tower must be located on the same LOT as the existing tower or alternative STRUCTURE to which ANTENNA(s) are affixed;

iii. No more than one (1) temporary tower may be permitted at a time on any LOT;

iv. The temporary tower, including any ACCESSORY BUILDINGs and STRUCTUREs, must comply with the minimum SETBACK requirements for the zoning district in which it is located;

v. The maximum height of the temporary tower may not exceed the height of the existing tower or alternative STRUCTURE to which ANTENNA(s) are affixed;

vi. The applicant shall provide copies of any required approvals from the Federal Communications Commission (FCC), Federal Aviation Administration (FAA), and all other applicable state and federal agencies, with the permit application;

vii. The temporary tower must be removed no later than thirty (30) days following completion of the work to MAINTAIN, REPAIR, and/or REPLACE the existing tower or alternative STRUCTURE, or within ninety (90) days from the date upon which the temporary tower was permitted, which ever shall occur first; and

viii. Following any major storm or disaster event, or when deemed necessary to preserve public health and safety, the ZONING ADMINISTRATOR may suspend any one or more of the provisions set forth herein for a period not to exceed one hundred and eighty (180) days.

b.c. *Installation of New ANTENNA.* The installation of new ANTENNA(s) on existing towers, including legal NONCONFORMING towers, and existing alternative STRUCTUREs (such as water towers, BUILDINGs, or steeples) may be approved by the ZONING ADMINISTRATOR subject to all requirements of this section. Any new ANTENNA that

will add either 10 percent or 20 feet, whichever is less, above the highest point of any existing tower or alternative STRUCTURE shall be subject to the provisions of this section for the installation of new towers, as described below.

c.d. *Installation of New Accessory STRUCTUREs.* The installation of new accessory STRUCTURE(s), such as equipment BUILDINGs, to support the installation of additional ANTENNAs on existing towers or alternative STRUCTUREs may be approved by the ZONING ADMINISTRATOR.

d.e. *Installation of Small Wireless Facilities.* The installation of small wireless facilities within the right-of-way along any street under the jurisdiction of the TOWN shall comply with the provisions of the South Carolina Small Wireless Facilities Deployment Act (Act 179 of 2020).

e.f. *Exemptions.* Amateur radio towers not exceeding a height of 75 feet and satellite dishes shall be exempt from the provisions of this section.

2. Removal. Any tower unused or left abandoned for 12 consecutive months shall be removed by the property owner at his or her expense. Regardless of the tower ownership, the property owner shall be responsible for removal. Upon the request of the ZONING ADMINISTRATOR, the operator of any facility to which this provision applies shall provide documentation of the use of that facility for the purpose of verifying any abandonment.
3. Interference with Public Safety Facilities. No new wireless communications facilities or tower shall result in any interference with public safety telecommunications.
4. Required Documentation for all Facilities. In addition to the requirements provided in this section for conditional approval, applications for new towers, new ANTENNA, and new related facilities, including equipment mounted on an existing BUILDING, shall include the following:
 - a. *Engineer's Report.* A report from a professional engineer licensed in the State of South Carolina that:
 - i. Describes the height and design of any new tower and/or ANTENNA including a cross-section, latitude, longitude, and elevation;
 - ii. Describes or updates (in the case of new ANTENNA) the tower's capacity, including the type and number of ANTENNAs it can accommodate;
 - iii. Certifies compliance of the construction specifications with all applicable BUILDING codes (including but not limited to the foundation for the tower, anchors for the guy wires if used, co-location, and strength requirements for natural forces: flooding, wind, earth movements, etc.);
 - iv. Certifies that the facility will not interfere with established public safety telecommunication facilities; and
 - v. Includes the engineer's seal and registration number.

- b. *Letter of Intent.* A binding letter of intent committing the tower owner, property owner, ANTENNA owners, and their successors to allow the shared use of the tower.
 - c. *Proof of Compliance.* Copies of any required approvals from the Federal Communications Commission (FCC), Federal Aviation Administration (FAA) and all other applicable state and federal agencies.
 - d. *Removal Affidavit.* A letter committing all parties, including the property owner and his or her successors, to remove the tower and all related accessory STRUCTURES, FENCES, landscaping, and equipment if the tower is abandoned (unused for a period of 12 consecutive months). The removal affidavit shall be recorded in Charleston County, with a copy of the recorded affidavit provided to the ZONING ADMINISTRATOR.
5. Determination of New Tower Need. Any proposal for a new COMMUNICATIONS TOWER shall only be approved if the applicant submits verification from a professional engineer licensed in the State of South Carolina that the ANTENNA (e) planned for the proposed tower cannot be accommodated on any existing or approved towers or other STRUCTURES within a two (2) mile radius of the proposed tower location due to one or more of the following reasons:
- a. *Existing Public Site.* There are no existing publicly owned towers or sites suitable to accommodate the proposed tower or ANTENNAS.
 - b. *Inadequate Structural Capacity.* The ANTENNA(s) would exceed the structural capacity of an existing or approved tower or other STRUCTURE.
 - c. *Interference.* The ANTENNAS would cause interference impacting the usability of other existing or planned equipment at the tower site.
 - d. *Inadequate Height.* The existing or approved towers or STRUCTURES within the search radius cannot accommodate the planned equipment at the height necessary.
 - e. *Land Availability.* Additional land area is not available (when necessary).
6. Design Requirements for new Towers and Related Facilities. All telecommunications facilities shall meet the following design requirements:
- a. *Lighting.* Tower lighting shall only be as required for safety or security reasons or as required by the FAA or other federal or state authority. All ground level security lighting shall be oriented inward so as not to project onto surrounding properties and shall have 90-degree cut-off luminaries (shielded down lighting).
 - b. *Co-Location.* All telecommunication towers shall be designed, and engineered structurally, electrically, and in all other respects to accommodate both the applicant's equipment and at least one (1) additional user for every 50 feet in total tower height in excess of 50 feet or fraction thereof.
 - i. Each additional user shall be assumed to have an ANTENNA loading equal to that of the initial user.

- ii. Towers must be designed to allow for rearrangement of ANTENNAS and to accept ANTENNAS mounted at varying heights.
 - c. *Height.* All towers and ANTENNA shall conform to FAA tall structure requirements. The maximum height of accessory STRUCTUREs shall be 15 feet.
 - d. *Signs.* Signs for all telecommunications facilities shall be permitted up to a total of four (4) square feet per user and mounted on the FENCE.
- 7. Site Requirements for new Towers and Related Facilities. All telecommunications facilities shall meet the following site requirements:
 - a. *Vehicular Access.* Vehicle access drives may be gravel or paved and shall be located within an access EASEMENT that is a minimum of 20 feet in width. Any portion of the entrance located in a public right-of-way or street EASEMENT shall meet the applicable street design, construction, and pavement requirements for the TOWN.
 - b. *Site Area.* The LOT (or lease area) where the tower is located shall be large enough to accommodate all anticipated accessory STRUCTUREs needed by future ANTENNA users. The size of the site shall also be of sufficient area to allow the location of one (1) additional tower and associated support facilities.
 - i. The arrangement of the initial tower and the topography of the site shall be considered in determining the sufficiency of the site area.
 - ii. At a minimum, the width and depth of the tower site shall be a distance equal to the tower height. The tower shall be placed within the property so it is no closer to any LOT line than one-half ($\frac{1}{2}$) the tower height.
 - iii. All tower supporting and stabilizing wires shall be located within the site area.
 - c. *Setback.* The required SETBACKs for the tower and related facilities shall be as follows:
 - i. Side and rear SETBACK. The minimum side and rear SETBACK for all facilities, including the security FENCE, shall be 25 feet.
 - ii. Front SETBACK. The minimum front SETBACK for all facilities shall be as specified by this ordinance for the zoning district in which it is located. No part of a wireless telecommunications facility, including the security FENCE, and any required guide wires or bracing shall be permitted in the required front SETBACK.
 - iii. Additional SETBACK from residential districts. No facility shall be placed closer than one and one-half ($1\frac{1}{2}$) times the total height of the tower or 200 feet, whichever is greater, to any property included in a residential district.
 - d. *Encroachment.* No part of any telecommunications facility nor associated lines, cables, equipment, wires, or braces shall at any time extend across or over any part of a public right-of-way, PRIVATE STREET EASEMENT, sidewalk, or property line.

- e. *Fencing*. An eight (8) foot high security FENCE shall completely surround the tower and accessory equipment BUILDING site. Any deterrents, such as barbed wire, shall be at least eight (8) feet above grade.
 - i. Required landscape screening shall be located outside of the required FENCE.
 - ii. If adjacent to a residential district, the required security FENCE enclosing the facility shall be 100 percent opaque on the side facing the residential district. Chain link FENCE may be used; provided, it is covered by a green or black wind screen. Opaque, eight (8) foot tall gates shall be provided for access.
- 8. Landscape Screening. Evergreen BUFFER plantings shall be located and maintained around the outermost perimeter of the security FENCE of all wireless communications facilities. The landscape plan for the site shall specify plants in a number and arrangement sufficient to screen the FENCE, all equipment, and the base of the tower, as determined by the ZONING ADMINISTRATOR.
 - a. If evergreen SHRUBS are used, they shall be planted a maximum of five (5) feet apart on center.
 - b. If evergreen trees are used, they shall be planted as required by Section 11.3 B.2 of this ordinance.
 - c. Landscape screening, in addition to the requirements of this section, may be provided within the SETBACK area.

TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2024-04

ADOPTED _____

SERIES 2024 NOTE ORDINANCE

APPROVING THE FINANCING OF THE IMPROVEMENT, EXTENSION AND ENLARGEMENT OF THE WATER AND SEWER SYSTEM OF THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA, THROUGH THE BORROWING BY THE TOWN OF NOT EXCEEDING \$12,500,000, INCLUDING CAPITALIZED INTEREST, IF ANY, FROM THE STATE WATER POLLUTION CONTROL REVOLVING LOAN FUND, BY AGREEMENT WITH THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, PURSUANT TO TITLE 48, CHAPTER 5, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR AN AGREEMENT TO MAKE AND TO ACCEPT A LOAN, THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE TOWN AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE TOWN TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO

Pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, **BE IT ORDAINED BY THE MAYOR AND COUNCIL FOR THE TOWN OF SEABROOK ISLAND:**

SECTION 1. Definitions. The terms in this Section 1 and all words and terms defined in the hereinafter defined General Bond Ordinance (except as herein otherwise expressly provided or unless the context otherwise requires), shall for all purposes of this Series 2024 Note Ordinance have the respective meanings given to them in the General Bond Ordinance and in Section 1 hereof.

"2005 Note" shall mean the \$1,000,717 original principal amount Promissory Note of the Town, dated November 10, 2005, and outstanding as of the effective date of this Ordinance in the principal amount of \$108,530.21 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Drinking Water Revolving Loan Fund Loan No. X3-025-05-1010009-01.

"2012 Note" shall mean the \$1,700,000 original principal amount Promissory Note of the Town, dated January 30, 2012, and outstanding as of the effective date of this Ordinance in the principal amount of \$814,595.19 and payable to the South Carolina Water Quality Revolving Fund Authority for South Carolina Clean Water Revolving Loan Fund Loan No. X1-149-12-727-01.

"2015 Bonds" shall mean the \$5,300,000 original principal amount Water and Sewer System Refunding Revenue Bonds, Series 2015, dated July 1, 2015, and outstanding as of the effective date of this Ordinance in the principal amount of \$625,000.

"2024 Debt Service Reserve Fund" shall mean the fund of that name established pursuant to Section 6.7 of the General Bond Ordinance and Section 4.2 of the Loan Agreement to insure the timely payment of the principal of and interest on the 2024 SRF Note.

"2024 Reserve Fund Requirement" shall mean, initially, the maximum amount of principal and interest on the 2024 SRF Note due during any calendar year as provided in Section 4.2.1 of the Loan Agreement or, as applicable, any such other amount as may be permitted by Section 4.2.2 of the Loan Agreement.

"2024 SRF Note" shall mean the not exceeding \$12,500,000 Promissory Note of the Town, Series 2024, payable to the State Authority.

"General Bond Ordinance" shall mean Ordinance No. 1997-01 duly enacted on February 5, 1997, as amended by Ordinance No. 2005-01 duly enacted on April 26, 2005 and Ordinance No. 2011-06 duly enacted on December 13, 2011, by the Council of the Town authorizing and providing for the issuance of Water and Sewer System Revenue Bonds, as the same may be hereafter amended and supplemented from time to time.

"Loan" shall mean the loan from the State Authority to the Town in the amount of not exceeding \$12,500,000.

"Loan Agreement" shall mean the Loan Agreement evidencing the Loan to be dated the date of its execution and delivery between the State Authority and the Town.

"Project" shall mean the improvement, extension and enlargement of the System to wit: installation of a new intermediate pump station to pump effluent from the existing chlorine contact basin to the effluent holding pond, raising the effluent holding pond dikes by five feet to increase the effective storage volume by 9 million gallons (MG) and replacing and raising the existing effluent pump station to be above the FEMA 100-year floodplain elevation.

"Revenue Bond Act for Utilities" shall mean Title 6, Chapter 21, Code of Laws of South Carolina 1976, as amended.

"Revolving Fund" shall mean the State Water Pollution Control Revolving Loan Fund created by the Revolving Fund Act.

"Revolving Fund Act" shall mean the South Carolina Water Quality Revolving Fund Authority Act, Title 48, Chapter 5, Code of Laws of South Carolina 1976, as amended.

"Series 2005 Note Ordinance" shall mean Ordinance No. 2005-04 of the Town enacted September 27, 2005, authorizing the 2005 Note.

"Series 2012 Note Ordinance" shall mean Ordinance No. 2011-07 of the Town enacted January 24, 2012, authorizing the 2012 Note.

"Series 2015 Bond Ordinance" shall mean Ordinance No. 2015-05 of the Town enacted on June 23, 2015, authorizing the issuance of the 2015 Bonds.

"Series 2024 Note Ordinance" shall mean this Ordinance No. 2024-04 of the Town, authorizing the issuance of the 2024 SRF Note.

"State Authority" shall mean the South Carolina Water Quality Revolving Fund Authority.

SECTION 2. Findings and Determinations. The Council hereby finds and determines:

(a) The Town is an incorporated municipality located in the State of South Carolina, and as such has all powers granted to municipalities by the Constitution and the general law of this State.

(b) The System is operated by and under the control and management of the Commission.

(c) Either the Town or the Commission, or both, has the power to possess and operate utility systems and is empowered by the provisions of the Revolving Fund Act (i) to undertake the Project; (ii) to make application for and to receive assistance; (iii) to comply with regulations relating to the receipt and disposition of money of the Revolving Fund; (iv) to apply for and receive state grants; (v) to enter into loan agreements; and (vi) to comply with all terms and conditions of any loan agreement.

(d) The Commission has requested the Council of the Town to enact this Series 2024 Note Ordinance and issue a Water and Sewer System Revenue Bond in the form of the 2024 SRF Note.

(e) Pursuant to the Act, the Town has enacted the General Bond Ordinance which sets forth certain conditions which the Town must satisfy in order to issue additional indebtedness secured by a pledge of Net Revenues of the System. Under the General Bond Ordinance, the term "Act" is defined to include Title

6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and all other relevant statutory authorizations, which would include the Revenue Bond Act for Utilities.

(f) The Act permits the incurrence of debt for the purpose of financing wastewater treatment facilities and permits the securing of such indebtedness with a pledge of Net Revenues of the System, and with the creation of statutory liens on the system or project and the appurtenances and extensions thereto to be purchased, constructed, improved, enlarged, extended or repaired with the proceeds of bonds issued thereunder.

(g) On March 26, 2024, the Council adopted a Resolution authorizing application to the State Authority for the Loan to provide for the financing of the Project.

(h) The State Authority has upon review of the Town's loan application conditionally approved the Loan.

(i) The Loan must be incurred pursuant to the terms and conditions of the General Bond Ordinance in order for the Loan to be issued on a parity in all respects to the pledge of Net Revenues securing the 2005 Note, the 2012 Note, the 2015 Bonds and any other Bonds issued on a parity therewith.

(j) The funds are to be loaned and secured pursuant to the Loan Agreement and a promissory note (herein defined as the 2024 SRF Note) to be executed and delivered by the Town and registered in the name of the State Authority. The 2024 SRF Note will constitute a Bond as defined in the General Bond Ordinance. Pursuant to the Loan Agreement the Commission on behalf of the Town will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project plus capitalized interest, if any, and the Town will agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. Upon any failure of the Town to make any payments to the State Authority pursuant to the Loan Agreement or the 2024 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Act, such amount from state appropriations to which the Town may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the 2024 SRF Note.

(k) The Council is enacting this Series 2024 Note Ordinance in order to:

- (i) authorize the execution and delivery on behalf of the Town of the Loan Agreement and the 2024 SRF Note;
- (ii) evidence the approval of the Project, the 2024 SRF Note and the Loan by the Town; and
- (iii) authorize the execution and delivery by, and on behalf of, the Town of such other agreements and certificates and the taking of such other action by the Town and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Series 2024 Note Ordinance.

(l) The Commission has advised the Council that the most economical means of financing the Project is through the Loan from the State Authority.

(m) This Series 2024 Note Ordinance supplements the General Bond Ordinance, constitutes and is a "Supplemental Ordinance" within the meaning of such quoted term as defined and used in the General Bond Ordinance, and is enacted under and pursuant to the General Bond Ordinance.

(n) The 2024 SRF Note constitutes and is a "Bond" within the meaning of the quoted word as defined and used in the General Bond Ordinance.

(o) The Net Revenues pledged under the General Bond Ordinance are not encumbered by any lien and charge thereon or pledge thereof, other than the lien and charge thereon and pledge created by the General Bond Ordinance and (1) the Series 2005 Note Ordinance for payment and security of the 2005 Note, (2) the Series 2012 Note Ordinance for payment and security of the 2012 Note, (3) the Series 2015 Bond Ordinance for payment and security of the 2015 Bonds, and (4) this Series 2024 Note Ordinance for payment and security of the 2024 SRF Note.

(p) 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 such Event of Default as defined in Article X of the General Bond Ordinance.

(q) The Commission has advised the Town that the period of usefulness of the System is in excess of thirty (30) years from the date hereof.

(r) The Commission has advised the Town that, following award of construction contracts to the lowest bidders, the estimated Costs of Acquisition and Construction of the Project and Costs of Issuance to be funded by the Loan is approximately \$12,500,000. The Commission has advised the Town that any Costs of Acquisition and Construction or Costs of Issuance not provided for by the Loan shall be funded with internal available resources of the Commission.

(s) Section 3.3 of the General Bond Ordinance provides that one or more Series of Bonds (exclusive of refunding Bonds) may be issued for such purposes as may be permitted by the Act upon compliance with certain provisions of the General Bond Ordinance for the purpose of paying the Costs of Acquisition and Construction of one or more Projects (as defined in the General Bond Ordinance) authorized to be financed under the Act with Bonds. Bonds issued upon compliance with Sections 3.2 and 3.3 of the General Bond Ordinance shall be issued on a parity in all respects inter sese.

(t) In compliance with the provisions of Section 3.3 of the General Bond Ordinance, the Council further finds and determines:

- (i) The issuance of the 2024 SRF Note is authorized under and pursuant to an ordinance supplemental to the General Bond Ordinance as provided in Article III and Article IX of the General Bond Ordinance.
- (ii) Prior to the issuance of the 2024 SRF Note there shall be executed the certificate required by paragraph A of Section 3.3 of the General Bond Ordinance.
- (iii) There shall be delivered a report, based upon the latest available audit of the System, from an independent certified public accountant stating that the amount of the Net Revenues of the System for the most recent Fiscal

Year is not less than 115% of the Maximum Debt Service for any succeeding Bond Year of Bonds then Outstanding (e.g., the 2005 Note, the 2012 Note, and the 2015 Bonds) and the Bonds then proposed to be issued (e.g., the 2024 SRF Note), subject to adjustment as provided in the General Bond Ordinance.

- (iv) The 2024 SRF Note is being used for the purpose of improving the System, i.e., the Project.
- (v) The 2024 Debt Service Reserve Fund will be established with respect to the 2024 SRF Note, into which the 2024 Reserve Fund Requirement (satisfied by the deposit of funds of the System) will be deposited.

(u) The 2024 SRF Note is being used for the purposes of (i) defraying all or a portion of the costs of the Project; and (ii) paying the capitalized interest, if any, and Costs of Issuance of the 2024 SRF Note.

(v) It is necessary and in the best interest of the Town for the Commission to undertake the Project and for the Town to issue the 2024 SRF Note in the principal amount of not exceeding \$12,500,000 in accordance with the General Bond Ordinance, the Act and this Series 2024 Note Ordinance for the purposes set forth above.

SECTION 3. Authorization of the Project. There is hereby approved and authorized the undertaking of the Project. The Commission has advised the Town that the period of usefulness of the System after the completion of the Project is determined to be not less than thirty (30) years from the date hereof. The Council hereby finds that the Project when completed shall constitute and be operated as an integral part of the System.

SECTION 4. Authorization of Loan. The Council hereby authorizes the Town's acceptance of the Loan from the State Authority of not exceeding \$12,500,000 including capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement the terms of which are incorporated herein.

SECTION 5. Repayment of Loan by the Town; Statutory Lien on System. The Council hereby authorizes the repayment of the Loan by the Town to the State Authority from the Net Revenues of the System, pursuant to and in accordance with the provisions of the General Bond Ordinance, the Loan Agreement and the 2024 SRF Note. Notwithstanding the above, upon any failure of the Town to make any payments to the State Authority pursuant to the Loan Agreement or the 2024 SRF Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Act, such amount from state appropriations to which the Town may be or become entitled as may be necessary to provide for all payments with respect to the 2024 SRF Note. To the extent permitted by the Revenue Bond Act for Utilities and as contemplated by the Loan Agreement, there is created a statutory lien on the System in favor of the holders of the 2024 SRF Note.

SECTION 6. Payment of the 2024 SRF Note. The 2024 SRF Note, together with the interest thereon, shall be payable, in such coin or currency of the United States of America which at the time of such payment is legal tender for public and private debts, solely from the Net Revenues of the System, in accordance with the provisions of the General Bond Ordinance and this Series 2024 Note Ordinance. The 2024 SRF Note is a special obligation of the Town payable solely from, and secured by a pledge of and lien

upon, the Net Revenues derived from the System on a parity in all respects with the 2005 Note, the 2012 Note, the 2015 Bonds and any Series of Bonds hereafter issued under Section 3.3 of the General Bond Ordinance payable from such Net Revenues on a parity and equally and ratably secured therewith.

The 2024 SRF Note does not constitute an indebtedness of the Town 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 Town or a charge against its general credit or taxing power. The full faith, credit and taxing powers of the Town are not pledged to the payment of the principal of and interest on the 2024 SRF Note.

SECTION 7. Authorization of Loan Agreement and the 2024 SRF Note. The Loan Agreement (including the 2024 SRF Note) in substantially the form attached hereto as Exhibit A, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval) are hereby approved and the execution and delivery of the Loan Agreement and the 2024 SRF Note, on behalf of the Town, are hereby authorized and directed. The Loan Agreement and the 2024 SRF Note shall be executed on behalf of the Town by the Mayor (or in his absence, the Mayor Pro Tempore) and attested by the Town Clerk. Certain duties and responsibilities in the Loan Agreement with respect to the Project and the construction thereof (as set forth in Article I and Article III thereof) shall be exercised and undertaken by the Commission which duties and responsibilities are hereby approved by the Town.

SECTION 8. Approval of Debt Service Fund and Debt Service Reserve Fund Agreement. The Debt Service Fund and Debt Service Reserve Fund Agreement in substantially the form attached hereto as Exhibit B, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval), is hereby approved; and the execution and delivery of the Debt Service Fund and Debt Service Reserve Fund Agreement on behalf of the Town is hereby authorized and directed. The Debt Service Fund and Debt Service Reserve Fund Agreement shall be executed on behalf of the Town by the Mayor (or in his absence, the Mayor Pro Tempore) and attested by the Town Clerk.

SECTION 9. Further Actions. The Mayor, Town Administrator, Town Clerk and Town Attorney, or any of them acting alone, are hereby authorized and directed to take any and all such further actions as shall be deemed necessary or desirable in order to effectuate the issuance of the 2024 SRF Note pursuant to the Loan Agreement and to carry out the intentions of this Series 2024 Note Ordinance, and are hereby authorized to execute and deliver such certificates, instruments and agreements as they shall deem necessary or desirable.

SECTION 10. Notices. All notices, certificates or other communications hereunder or under the Ordinance shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows:

If to the Town:

Town of Seabrook Island
Attention: Mayor/Town Manager
2001 Seabrook Island Road
Seabrook Island, South Carolina 29455

If to the Commission:

Seabrook Island Utilities Commission
Attention: Commission Chairman
2902-A Seabrook Island Road
Seabrook Island, South Carolina 29455

If to the State Authority:

Office of Local Government – State Revolving Fund
Attn: Director
1201 Main Street, Suite 1600
Columbia, South Carolina 29201

If to the Trustee, Registrar or Paying Agent:

U.S. Bank Trust Company, National Association
Attention: Corporate Trust Services
2 Concourse Parkway, Suite 800
Atlanta, Georgia 30328

The Town, the Commission, the State Authority, the Trustee, the Registrar and the Paying Agent may, by notice given to the other parties, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11. Ordinance a Contract. This Series 2024 Note Ordinance shall be a contract between the Town and the State Authority, and shall be enforceable as such against the Town.

SECTION 12. Repeal. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Series 2024 Note Ordinance shall take effect and be in full force from and after its passage and approval.

SECTION 13. Prior Ordinance. This Series 2024 Note Ordinance is intended to replace the authorization provided for in Ordinance No. 2021-06 of the Town (the “Prior Ordinance”) and not be additive thereto. Upon enactment of this Series 2024 Note Ordinance, the Prior Ordinance is repealed in its entirety.

SECTION 14. Effective Date. This Series 2024 Note Ordinance shall become effective upon its enactment.

[Signature Page Follows]

SIGNED AND SEALED this ____ day of _____, 2024, having been duly adopted by the Town Council for the Town of Seabrook Island on the ____ day of _____, 2024.

First Reading: May 28, 2024
Public Hearing: June 25, 2024
Second Reading: June 25, 2024

TOWN OF SEABROOK ISLAND

Bruce Kleinman, Mayor

LEGAL REVIEW

Stafford J. McQuillin, Town Attorney
Approved as to legal form only

ATTEST

Katharine E. Watkins, Town Clerk

EXHIBIT A

Form of Loan Agreement

LOAN AGREEMENT

between

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

and

TOWN OF SEABROOK ISLAND

Dated

June ____, 2024

relating to

Wastewater Treatment Plant Effluent Storage and Pumping Improvements

South Carolina Water Pollution Control Revolving Fund

Loan Number: X1-273-24-727-02

No. ____ of Two Executed Original Counterparts

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "*Agreement*") is entered into as of the ____ day of June, 2024, between the SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, a public instrumentality of the State of South Carolina (the "*Authority*") and the TOWN OF SEABROOK ISLAND, a municipal corporation of the State of South Carolina (the "*Project Sponsor*").

WITNESSETH:

WHEREAS, the Authority is authorized by Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the "*Act*") to administer the South Carolina Water Pollution Control Revolving Fund (the "*Fund*") for the purpose of assisting Project Sponsors (as defined in the Act) in the construction of, among other things, publicly owned treatment works as defined in the Federal Water Pollution Control Act, Chapter 26, Title 33, United States Code, as amended (the "*Federal Act*"); and

WHEREAS, the South Carolina Department of Health and Environmental Control (the "*Department*") is authorized by the Act to, among other things, develop a priority system and prepare an annual plan to ensure compliance with the Federal Water Pollution Control Act; and

WHEREAS, the Authority is authorized by the Act to enter into Loan Agreements (as defined in the Act) with Project Sponsors in order to finance Projects (as defined in the Act); and

WHEREAS, the Act authorizes Project Sponsors, among other things, to undertake Projects, to receive assistance in the financing of such Projects by way of loans made from the Fund and to enter into loan agreements providing for the repayment of amounts received from the Fund, together with interest thereon; and

WHEREAS, the Project Sponsor proposes to acquire and construct the facilities described in Appendix "A" hereto (the "*Project*"), which Project will be part of the Project Sponsor's water and sewer system (the "*System*"); and

WHEREAS, the Project Sponsor proposes to finance the Project with a loan made from the Fund, such loan to be pursuant to, and on a parity with debt previously issued under, an ordinance enacted by the Project Sponsor on February 5, 1997 entitled "ORDINANCE 1997-01 AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF WATER AND SEWER SYSTEM REVENUE BONDS OF THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA; PRESCRIBING THE FORM OF BONDS; LIMITING THE PAYMENT OF THE BONDS SOLELY TO THE REVENUES DERIVED FROM THE OPERATION OF THE SYSTEM AND PLEDGING THE REVENUES TO SUCH PAYMENT; CREATING CERTAIN FUNDS AND PROVIDING FOR PAYMENTS INTO SUCH FUNDS; AND MAKING OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH

THE FOREGOING", as amended by supplemental ordinances enacted by the Project Sponsor on April 26, 2005 and December 13, 2011 (as so amended, the "**General Bond Ordinance** ");

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

ARTICLE I

LOAN

SECTION 1.1. Loan Made and Accepted; Repayment. In consideration of the mutual promises of this Agreement, and upon and subject to its terms and conditions, the Authority agrees to make, and the Project Sponsor agrees to accept, the loan herein provided for (the "**Loan**"). The obligation of the Project Sponsor to repay the Loan and interest thereon is evidenced by this Agreement and a promissory note (the "**Note**") registered in the name of the Authority. The amount of the Loan (the "**Loan Amount**"), the interest rate on the Loan and the repayment schedule with respect to the Loan (the "**Repayment Schedule**") shall be as set forth in Appendix "B" hereto, as may be changed or modified pursuant to Section 1.4 hereof; the terms and form of the Note are set out in Appendix "E". The Project Sponsor shall make payments with respect to the Loan at the times and in the amounts set forth in Appendix "B", as modified, on the due date of any such payment.

SECTION 1.2. Purpose Limited to Project. The Project Sponsor shall use the proceeds of the Loan only to pay the actual eligible costs of the Project. The Project is described in Appendix "A" and more specifically as approved in the Project files of the Department. Except to the extent otherwise approved in writing by the Authority, only the costs shown in the Project budget set forth in Appendix "A" shall be allowed and only in the amounts provided for each category. Costs of construction shall be allowed only for work called for in plans and specifications approved by the Department. Proceeds may not be used to pay for labor performed by employees of the Project Sponsor but may be used to pay for materials installed by them.

SECTION 1.3. Disbursements.

1.3.1. The Authority shall make, and the Project Sponsor shall accept, full or partial disbursements only against incurred, actual eligible costs up to the Loan Amount and by category as provided in this Agreement.

1.3.2. For purposes of making requests for disbursement and representing the Project Sponsor in all administrative matters pertaining to administration of this Agreement, the Project Sponsor shall designate a single officer or employee (the "**Sponsor Representative**") prior to the first disbursement request.

1.3.3. When the Project Sponsor has paid the incurred Project costs and is seeking reimbursement for payment of such costs previously paid by the Project Sponsor, or when the Project Sponsor is seeking funds with which to pay incurred Project costs, disbursement from the Fund shall be remitted to the Project Sponsor via a check or an electronic funds transfer based on how the Project Sponsor is set up with the State Treasurer's Office to receive payments.

1.3.4. Before any disbursement, the Project Sponsor shall execute any documents requested by the Authority reasonably necessary or convenient to the foregoing and shall have satisfied all conditions of Section 1.6 hereof.

1.3.5. Requests for disbursement may be made only after the costs for which the draw is requested have been incurred. The Project Sponsor may not request a disbursement until all construction contracts are signed. The first request for disbursement submitted by the Project Sponsor pursuant to this Agreement shall include an amount for incurred construction costs and all amounts requested by the Project Sponsor for payment or reimbursement of amounts set forth in any of the categories "Planning and Design Engineering", "Land Acquisition", and "Legal and Appraisal Fees" which appear in the Project Budget in Appendix "A" hereto. The Project Sponsor shall not request disbursement against retainage until retainage is paid and shall not request disbursement for change orders unless such change orders have been approved by the Department. Unless otherwise prescribed in Appendix "A", when the Project budget indicates that the Loan shall bear only a portion of the eligible costs of the Project, or a portion of certain itemized costs, any draw shall not exceed the same proportion of such costs reported for disbursement.

1.3.6. Requests for disbursement shall be made on forms of the Department unless the Authority or Department otherwise directs, and shall be accompanied by such invoices and other proofs as the Authority and Department may reasonably require. The final disbursement shall not be released until the Department issues its approval to place the Project into operation (the "***Permit to Operate***"). Unless otherwise approved by the Authority, no disbursement requests will be accepted more than one hundred eighty (180) days after the date of such Permit to Operate.

1.3.7. The Authority may require that each draw request be submitted to the Authority and Department at least twenty-one (21) days before the day disbursement is needed and may limit draw requests to one per month. The Authority will exert its best efforts to disburse funds in response to a draw request within twenty-one (21) days of receiving such request, but no assurance is given by the Authority that such schedule will be met and the Authority shall incur no liability to any Project Sponsor. Processing disbursements on shorter notice or faster schedule shall not amend this provision.

SECTION 1.4. Changes in Payment Initiation Date, the Loan Amount and Repayment Schedule.

1.4.1. The Loan Amount has been determined, in part, upon the basis of the projected cost of the Project as shown in Appendix "A". The Payment Initiation Date shown in Appendix "B" (the "***Payment Initiation Date***") is determined by a combination of factors, including, but not limited to the expected Project schedule shown in Appendix "A". Appendix "B" shows the Repayment Schedule anticipated by the parties on this basis and provides for repayment of the Loan, including interest thereon, in eighty (80) equal, or substantially equal, quarterly payments beginning on the first day of the third month after the month of the Payment Initiation Date. The Loan Amount, the Payment Initiation Date and the Repayment Schedule may be changed but only as provided in the following Section 1.4.2. The Interest Rate is fixed for the term of the Loan and may not be changed from the rate originally established in Appendix "B" hereof.

1.4.2. (a) At the written request of the Project Sponsor, submitted to the Authority no later than sixty (60) days prior to the original Payment Initiation Date in Appendix "B", the Payment Initiation

Date may be extended once by the Authority to any date not later than the earlier to occur of (i) six (6) months from the original Payment Initiation Date in Appendix "B", or (ii) thirty (30) months from the first day of the month following the date of this Agreement, or (iii) the first day of the month following the date of the Permit to Operate issued by the Department for the operation of the Project.

(b) In the event the Permit to Operate the Project is issued by the Department more than one (1) month prior to the Payment Initiation Date stated in Appendix "B", the Authority may require that either the Payment Initiation Date be accelerated to the first day of the month following the date of the Permit to Operate, or the term of the Loan be shortened by a minimum of three (3) months.

(c) The Project Sponsor may request that the Loan Amount be increased by including in principal on the Payment Initiation Date the interest which has accrued on amounts theretofore advanced from the Fund. Any such request shall be submitted in writing to the Authority by the Project Sponsor not less than thirty (30) days prior to the Payment Initiation Date.

(d) The Authority or the Project Sponsor may initiate a reduction to the Loan Amount at any time there is a determination that a lesser amount is required for completion of the Project.

(e) The initial Repayment Schedule with respect to the Loan set forth in Appendix "B" shall be modified to reflect (i) changes in the Loan Amount, (ii) extension or acceleration of the Payment Initiation Date, and (iii) any other modification thereto agreed to by the Authority and the Project Sponsor.

(f) Modification of the Repayment Schedule resulting from a change in the Loan Amount subsequent to the Payment Initiation Date shall be made such that:

(i) at the time of final disbursement pursuant to Section 1.3 the Authority shall determine the final Loan Amount;

(ii) a revised Repayment Schedule shall be calculated by the Authority based on the final Loan Amount, the interest rate set forth in Appendix "B" and payment in eighty (80) equal, or substantially equal, quarterly installments beginning on the first day of the third month after the month of the Payment Initiation Date; and

(iii) any difference between the amount theretofore paid by the Project Sponsor prior to the revision of the Repayment Schedule and the amount which would have been paid had the revised schedule been in effect from and after the Payment Initiation Date shall be credited against the next payment, or payments, due under the revised Repayment Schedule.

(g) For purposes of the Repayment Schedule, any amounts disbursed subsequent to the Payment Initiation Date shall be considered to have been advanced on the Payment Initiation Date.

1.4.3. Any change in the Loan Amount, extension or acceleration of the Payment Initiation Date or modification of the Repayment Schedule shall be documented administratively by notice under this Agreement and shall be reflected in the substitution of a revised Appendix "B" hereto reflecting any

such change or modification. In connection with any such change or modification, the Authority may, but need not, impose new terms and conditions, including cancellation of the Note and execution of a new Note.

SECTION 1.5. Deadline for Borrowing and Termination of Promise to Lend. The Authority, in its sole discretion, may terminate its promise to lend all of, or any unadvanced portion of, the Loan Amount which has not been advanced if:

1.5.1. The Project Sponsor has not entered into all construction contracts applicable to the Project within six (6) months of the date of this Agreement; or

1.5.2. The Project Sponsor does not request disbursement of the unborrowed balance of the Loan Amount on or before the one hundred eightieth (180th) day following the date of the Permit to Operate issued by the Department for the Project; or

1.5.3. An Event of Default (as defined in Section 5.1 hereof) occurs (in which event the remedies for default likewise shall be available); or

1.5.4. A circumstance arises or becomes known which, in the Authority's sole discretion and opinion, (a) substantially impairs the ability of the Project Sponsor to complete the Project, to operate the Project or to repay the Loan, or (b) substantially impairs the merit of the Project.

SECTION 1.6. Conditions Precedent to Disbursement of Loan Proceeds. In addition to any other conditions herein provided, the Authority's obligation hereunder to make disbursements from the Fund for advances on the Loan shall be subject to satisfaction of the following conditions:

1.6.1. The Project Sponsor's representations and warranties shall remain true and correct in all material respects;

1.6.2. No Event of Default shall have occurred under this Agreement or the Note;

1.6.3. The Project Sponsor has complied with the requirements of Sections 1.3, 1.4 and 1.5;
and

1.6.4. There shall be on deposit in the Debt Service Reserve Fund required by this Agreement the amount required at such time to be on deposit therein.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

The Project Sponsor represents and warrants to the Authority as follows:

SECTION 2.1. Status of Project Sponsor. The Project Sponsor is a municipal corporation of the State of South Carolina (the "*State*"), authorized to acquire and construct the Project and to operate the Project and provide wastewater collection/treatment services.

SECTION 2.2. Financial Statements. The financial statements of the Project Sponsor delivered to the Authority are true and correct in all material respects, have been prepared in accordance with generally accepted accounting principles for units of government, consistently applied, and fairly present the respective financial condition of the subjects thereof as of the respective dates thereof. No material adverse change has occurred in the financial conditions reflected in the financial statements since their date and no additional borrowing has been made by the Project Sponsor since then other than borrowing specifically disclosed and approved by the Authority. All other information submitted by the Project Sponsor in support of its application for this Loan is true and correct in all material respects as of the date of this Agreement, and no material adverse change with respect to the Project Sponsor has occurred.

SECTION 2.3. Pending Litigation. There are no actions, suits or proceedings, at law or in equity, in court or before any governmental or administrative agency, either pending or to the knowledge of the Project Sponsor reasonably to be considered threatened, which may impair the validity or enforceability of the Note or this Agreement or the Project Sponsor's ability to repay the Loan or to construct and operate the Project for revenue.

SECTION 2.4. No Conflicting Transactions. Consummation of the transactions hereby contemplated and performance of this Agreement will not result in any breach of, or constitute a default under, any deed to secure debt, mortgage, deed of trust, indenture, security agreement, lease, bank loan or credit agreement, municipal charter, ordinances, contracts or other instruments to which the Project Sponsor is a party or by which it may be bound or affected.

SECTION 2.5. Ownership of Premises. The Project Sponsor owns in fee simple the real property which presently constitutes or which will constitute the Project and the main operating facilities of the Project and of the System as a whole, and further owns in fee simple or by sufficient easement the real property upon, across or under which the Project Sponsor has or will have its collection or trunk lines, manholes, pump stations and the like, including those to be a part of the Project and otherwise. Property of which the Project Sponsor has taken possession pursuant to Section 28-2-90 of the South Carolina Eminent Domain Procedure Act (Title 28, Chapter 2, Code of Laws of South Carolina, 1976, as amended), and in connection with which no action pursuant to Section 28-2-470 of such statute has been instituted within thirty (30) days of the condemnation notice with respect to such property, shall be deemed owned

in fee simple by the Project Sponsor pursuant to this Section 2.5. The Project Sponsor has good record title to the real property described above (or has possession pursuant to the Eminent Domain Procedure Act, as described above) with only such exceptions of record as do not limit the fee simple ownership and do not and will not interfere with the full use and enjoyment of the premises by the Project Sponsor. With respect to the personal property and fixtures of the Project Sponsor necessary or convenient to the System and its operation, there are no liens or other claims of record against such property or other evidence of adverse ownership, and the Project Sponsor owns such personal property and fixtures in fee simple without conflicting claim of ownership.

SECTION 2.6. Other Project Arrangements. The Project Sponsor has secured the utilities, access, governmental approvals and other arrangements reasonably to be considered necessary for the undertaking of the Project.

SECTION 2.7. No Construction Default. Neither the Project Sponsor nor its contractor, architect or engineer for the Project or any related project is in default of any agreement respecting the Project or a related project.

SECTION 2.8. No Default. There is no default on the part of the Project Sponsor under this Agreement or the Note, and no event has occurred and is continuing, which, with notice or the passage of time would constitute a default under any part of this Agreement or the Note.

SECTION 2.9. Effect of Draw Request. Each request for and acceptance of disbursement by the Project Sponsor shall be affirmation that the representations and warranties of this Agreement remain true and correct in all material respects as of the date of the request and acceptance, that no breach of other provisions hereof has occurred, and that no adverse developments affecting the financial condition of the Project Sponsor or its ability to complete the Project or to repay the Loan plus interest thereon have occurred since the date of this Agreement unless specifically disclosed in writing by the Project Sponsor in the request for disbursement. Unless the Authority is notified to the contrary, such affirmations shall continue thereafter.

ARTICLE III

COVENANTS

SECTION 3.1. Contract Award, Construction Inspection and Completion.

3.1.1 The Project Sponsor should not execute construction contracts or issue the notice to proceed with respect to the Project prior to receiving written approval from the Department to award construction contracts.

3.1.2 The Project Sponsor shall provide and maintain competent and adequate engineering supervision and continuous inspection of the Project to ensure that the construction conforms with the plans and specifications approved by the Department. A monthly inspection report shall accompany each disbursement request.

3.1.3 The Project Sponsor shall cause the Scope of Work identified in Appendix "A" to be completed pursuant to the Project Schedule also defined in Appendix "A" hereto. The Project Sponsor shall require all contractors to satisfactorily complete all work within the time stated in the executed construction contract. Extension of any contract completion date requires the Department's approval. Any costs incurred as a result of a time extension which has not received approval by the Department shall not be eligible for Loan participation.

3.1.4 The Project Sponsor shall pay all costs to complete the Project not covered by the Loan and commits itself to complete the construction of the operable treatment works and to complete the treatment system of which this Project is a part.

SECTION 3.2. Disbursements. The Project Sponsor shall receive and promptly disburse the funds to be provided hereunder as trust funds for the purpose of paying the eligible costs of the Project and for no other purpose.

SECTION 3.3. Release of Responsibility. The Project Sponsor shall undertake the Project on its own responsibility and, to the extent permitted by law, shall release and hold harmless the Authority, the Department, the State and their officers, members and employees from any claim arising in connection with the design, construction or operation of the Project or any other aspect of the System including any matter due solely to their negligence.

SECTION 3.4. Other Agreements. The Project Sponsor shall comply with all terms and conditions of any construction contracts, architectural or engineering agreements, trust indentures, security deeds, promissory notes, loan agreements, or the like affecting the Project, the premises of the System and its operation. The Project Sponsor shall require its construction contractor to furnish both a performance bond and payment bond in the full amount of the construction contract. The requirement of such bonds shall be for the convenience of the Authority only and shall not be an undertaking by the Authority to the Project Sponsor or any third party.

SECTION 3.5. Accounting and Auditing.

3.5.1. Accounting. The Project Sponsor shall account for the Project and System in accordance with generally accepted accounting principles (GAAP), including financial, statistical, property, and supporting documentation. All accounting records shall be kept using GAAP accounting, and applying all relevant Government Accounting Standards Board (GASB) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets.

3.5.2. Audit. Within six (6) months of the end of each fiscal year of the Project Sponsor, the Project Sponsor shall tender to the Authority an annual financial audit by a certified public accountant. The conduct of the audit and the audit shall be in accordance with Generally Accepted Auditing Standards as defined in Government Auditing Standards, Comptroller General of the United States, December 1, 2011, and revisions, updates or successors thereto.

SECTION 3.6. Ratings from Rating Agencies. If the Reserve Requirement, as defined in Section 4.2.1 herein, is initially, or at any time during the term of the Loan, set at a level that is less than the maximum amount due on the Note during any full calendar year, the Project Sponsor shall submit to the Authority a copy of its latest long-term, unenhanced underlying rating, affirmation thereof, and any new or updated credit report on the System and/or any Parity Debt, as defined in Section 4.3.2 herein, from S&P Global Ratings, or its respective successors and assigns, ("**S&P**") or Moody's Investors Service, Inc., or its respective successors and assigns, ("**Moody's**"), and from each, if both S&P and Moody's issued ratings. Additionally, the Project Sponsor shall immediately notify, and submit to, the Authority any commentaries, updated outlooks/reports, CreditWatch placements, ratings changes or downgrades, or other actions from S&P and/or Moody's with respect to the System and/or any Parity Debt.

SECTION 3.7. Insurance. The Project Sponsor covenants and agrees that so long as any amount remains unpaid on the Note:

(A) It will insure and at all times keep the Project insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in an amount equal to the replacement cost of the Project;

(B) It will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the Project Sponsor against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System;

(C) All insurance policies shall be open to the inspection of the Authority at any reasonable time; and

(D) All money received by the Project Sponsor as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by the Project Sponsor from insurance policies covering the Project may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be applied to payment of the Note.

SECTION 3.8. Compliance with Governmental Authority. The Project Sponsor shall comply with all environmental laws, rules and other provisions of legal force and effect and all such other provisions which govern the construction or operation of the Project or the System.

SECTION 3.9. Adequate Rates. The Project Sponsor shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System as shall be sufficient to meet the requirements of this Agreement, and the Project Sponsor specifically covenants and agrees to maintain rates and charges for all services furnished by the System which shall at all times be sufficient:

3.9.1. To provide for the punctual payment of the principal of and interest on the Note and any other indebtedness of the Project Sponsor payable from revenues of the System that may from time to time hereafter be outstanding;

3.9.2. To maintain the Debt Service Reserve Fund required by this Agreement in accordance with the provisions hereof;

3.9.3. To provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order;

3.9.4. To build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order; and

3.9.5. To discharge all other obligations imposed by the Act, by this Agreement, and by the General Bond Ordinance.

The Project Sponsor further covenants and agrees that it shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System which, together with other income, are reasonably expected to yield annual Net Revenues, as defined in the General Bond Ordinance, in any fiscal year equal to the greater (i) one hundred ten percent (110%) of the annual principal and interest on all debt paid from or secured by revenues of the System; or (ii) such other percentage of the annual principal and interest on all debt secured by revenues of the System as the Project Sponsor shall have covenanted that its Net Revenues would meet with respect to other outstanding indebtedness of the System.

SECTION 3.10. Review of Rates. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will review the adequacy of its rates and charges to comply with the requirements of this Agreement promptly upon any material changes in circumstances, but not less frequently than once in each fiscal year of the Project Sponsor. The Project Sponsor shall submit any adjustments to its rates and charges to the Authority immediately upon adoption.

SECTION 3.11. Disclosure of Events to Authority. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will submit to the Authority event specific information

within thirty (30) days of an event adversely affecting more than five (5) percent of revenues of the System and any other information which is otherwise required to be released to a municipal bond information repository service

SECTION 3.12. Procurement Requirements. The Project Sponsor shall comply with all procurement requirements of law and, to the extent compliance therewith does not contravene any provision of law applicable to the Project Sponsor, shall comply with the procurement requirements set forth in Appendix "C" hereto.

SECTION 3.13. Inspection and Information. On reasonable notice, the Authority or the Department shall have for its own convenience and benefit, and without obligation to the Project Sponsor or any third party, the right to audit the books and records of the Project Sponsor as they may pertain to or affect the System and this Agreement and to enter upon the premises to inspect the Project. The Project Sponsor shall cause its architects, engineers, contractors, and auditors to cooperate during such inspections including making available any documents, records, reports or other materials pertinent to the Project and the inspection. The Project Sponsor shall comply with all reasonable requests by the Authority or the Department for information pertaining to the Project Sponsor's compliance with this Agreement.

SECTION 3.14. Consent to Changes. Without consent of the Authority and Department, the Project Sponsor shall make no modifications or changes to the Project, or allow to continue any defect, which would damage or reduce the value of the Project or the System. The Project Sponsor shall not divide the Project into component projects in order or in effect, so as to defeat the provisions of this Agreement. The Project Sponsor covenants that it shall remain the owner of the Project and agrees that, except as provided for herein or in the General Bond Ordinance, it will not convey, transfer, mortgage or otherwise encumber the Project, the System or the revenues derived therefrom during the term of this Agreement without the express prior written approval of the Authority.

SECTION 3.15. Additional Covenants. The Project Sponsor further covenants and agrees that:

3.15.1. Neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except as disclosed and provided for herein or in the General Bond Ordinance;

3.15.2. It will permit no free service to be rendered, or use to be made of the services and facilities of the System and for the services and facilities of the System used by the Project Sponsor, the reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the Project Sponsor shall be deemed revenue derived from the operation of the System, and shall be accounted for in the same manner as other revenues of the System;

3.15.3. It will permit no customer to be connected to the System, or to receive any service afforded by the System, unless such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;

3.15.4. It will maintain in effect rules and regulations requiring connection to the System by all persons within the jurisdiction of the Project Sponsor to whom the services of the System shall be available and shall impose availability fees and charges with respect to customers and properties within its corporate limits to which or whom service is available but which or who have not connected into the System; and

3.15.5. So long as any amount due with respect to the Note is unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State, and the Project Sponsor hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the System or any part thereof, or any revenues therefrom, except in the manner authorized herein or in the General Bond Ordinance, and, except as permitted by the General Bond Ordinance, it will not sell, lease or dispose of any portion of the System, necessary or useful, and the Project Sponsor further obligates itself and covenants and agrees with the Authority to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Agreement.

ARTICLE IV
ESTABLISHMENT OF FUNDS AND
DISPOSITION OF REVENUES

SECTION 4.1. Establishment of Gross Revenue Fund, Debt Service Fund, Operation and Maintenance Fund, and Depreciation and Contingent Fund. Beginning on the first day of the month following the delivery of the Note, except with respect to the Debt Service Fund, and continuing until all amounts due with respect to the Note have been paid in full, the following funds shall be established and maintained:

4.1.1. The Project Sponsor shall establish a Gross Revenue Fund, defined as the Revenue Fund in the General Bond Ordinance, into which shall be placed all receipts, income and revenue that the Project Sponsor shall derive, directly or indirectly, from the ownership of the System. Moneys in the Gross Revenue Fund may be withdrawn on order of the Project Sponsor, but shall be made use of only in the manner and in the order of priority specified in Section 4.3 hereof.

4.1.2. Beginning in the month of the Payment Initiation Date, the Project Sponsor shall provide for the establishment of a Series 2024 Debt Service Fund, including an Interest Account and Principal Account therein (the "*Debt Service Fund*"), as a means of providing for the payment of the principal and interest on the Note as the same shall fall due. Moneys in the Debt Service Fund shall be used solely to pay the principal of and interest on the Note, and for no other purpose. The Debt Service Fund shall be kept in the complete custody and control of the Trustee, as defined in Section 4.4 herein and as established under the General Bond Ordinance. Withdrawals from the Debt Service Fund shall be made only by the Trustee who shall transmit to the Authority the sums required to pay principal and interest on the Note.

4.1.3. The Project Sponsor shall establish an Operation and Maintenance Fund in order to provide for the payment of all expenses incurred in connection with the administration and operation of the System, and such expenses as may be reasonably necessary to preserve the System in good repair and working order.

4.1.4. The Project Sponsor shall establish a Depreciation and Contingent Fund, defined as the Capital Improvements Fund in the General Bond Ordinance, in order to build up a reserve for the depreciation of the System, for contingencies, and for improvements, betterments and extensions of the System. Moneys in this fund shall be used solely for the purpose of restoring or replacing depreciated or obsolete items of the System; paying the cost of improvements, betterments and extensions to the System, other than those necessary to maintain the System in good repair and working order; paying the cost of extraordinary maintenance and repair; and, if necessary, to fund any deficiency in the Debt Service Fund or Debt Service Reserve Fund.

4.1.5. In the event the Project Sponsor shall have established funds analogous to, or serving the purpose of, the funds required to be established by this Article IV, such funds may be continued and employed for the purposes of this Agreement, and the Project Sponsor shall not be required to establish duplicate funds.

SECTION 4.2. Establishment and Funding of Debt Service Reserve Fund.

4.2.1. Prior to delivery of this Agreement to the Authority, the Project Sponsor shall establish, and there shall be maintained until payment in full of the Note, a Series 2024 Debt Service Reserve Fund (the "**Debt Service Reserve Fund**") to provide a reserve for payment of principal of and interest on the Note. The Debt Service Reserve Fund Requirement (the "**Reserve Requirement**") shall initially equal at least the maximum amount due on the Note during any full calendar year and shall remain at such level subject to provisions of the following Section 4.2.2.

4.2.2. (a) If the Project Sponsor receives a long-term underlying rating on the System and/or any Parity Debt in at least the "A" category from S&P or Moody's, and from each, if both S&P and Moody's issue ratings, the Reserve Requirement may be reduced to zero subject to the following provisions.

(i) The Project Sponsor submits the S&P and/or Moody's ratings to the Authority to evidence eligibility for a Reserve Requirement of zero and receives written approval from the Authority to change the amount of the Reserve Requirement.

(ii) The Project Sponsor's General Bond Ordinance permits Parity Debt to have a zero level Reserve Requirement.

(b) To continue the zero Reserve Requirement, the Project Sponsor shall fully comply with all requirements of Section 3.6 herein for submitting S&P/Moody's ratings/affirmations/updated credit reports and for immediately providing any other rating agency actions related to the System and/or any Parity Debt.

(c) If there is no longer any current rating or if either the S&P or Moody's rating is downgraded below the "A" category, the Reserve Requirement shall immediately increase to the maximum annual amount due on the Note, and the Project Sponsor shall be required to meet the new requirement within one year through twelve (12) equal monthly deposits, beginning in the month following any such downgrade or loss of rating for the System and/or Parity Debt.

(d) In the event the Reserve Requirement is ever increased as provided in Section 4.2.2(c) above due to a ratings downgrade or loss and subsequently upgraded to the level established in Section 4.2.2(a), then the Reserve Requirement shall revert to zero and any excess money in the Debt Service Reserve Fund shall be applied as provided in Section 4.4.3 hereof.

4.2.3. The Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the Note. Money in the Debt Service Reserve Fund shall be used only to

prevent a default in the payment of the Note, by reason of the fact that money in the Debt Service Fund is insufficient for such purposes.

4.2.4. Prior to the delivery of this Agreement to the Authority, the Project Sponsor shall deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be funded pursuant to Section 4.2.1, funds in an amount, or investments permitted by Section 4.4.3 having a value, equal to the Reserve Requirement. In the event that the Reserve Requirement shall increase due to an increase in the Loan Amount pursuant to Section 1.4.2(c), the Project Sponsor shall immediately deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be funded pursuant to Section 4.2.2, funds in an amount equal to such increase in the Reserve Requirement.

SECTION 4.3. Disposition of Revenues. All revenues derived from the operation of the System shall be deposited in the Gross Revenue Fund. Beginning in the month following the delivery of this Agreement with respect to payments pursuant to Sections 4.3.1 and 4.3.3 to 4.3.5, inclusive, and beginning in the month of the Payment Initiation Date with respect to payments pursuant to Section 4.3.2, withdrawals from the Gross Revenue Fund shall be made in the following order of priority and on or before the twentieth (20th) day of each month with respect to Sections 4.3.2, 4.3.3 and 4.3.4

4.3.1. There shall be deposited into the Operation and Maintenance Fund that sum which has been currently determined by the Project Sponsor to be the cost of operating and maintaining the System for the next ensuing month.

4.3.2. The monthly fraction of the next payment of principal and interest to become due on the Note on the next succeeding payment date shall be deposited in the Debt Service Fund. Simultaneously with making the monthly deposit in the Debt Service Fund required by this Section 4.3.2, the Project Sponsor shall deposit (a) in a fund for the payment of amounts due with respect to the November 10, 2005 promissory note of the Project Sponsor to the Authority relating to loan number X3-025-05-1010009-01 from the South Carolina Drinking Water Revolving Loan Fund (the "**2005 SRF Note**"), the monthly fraction of the next payment of principal and interest to become due on the 2005 SRF Note; (b) in a fund for the payment of amounts due with respect to the January 30, 2012 promissory note of the Project Sponsor to the Authority relating to loan number X1-149-12-727-01 from the Fund (the "**2012 SRF Note**"), the monthly fraction of the next payment of principal and interest to become due on the 2012 SRF Note; (c) in a fund for the payment of amounts due with respect to the Project Sponsor's Water and Sewer System Refunding Revenue Bonds, Series 2015 (the "**2015 Revenue Bonds**"), the monthly fraction of the next payment of principal and interest to become due on the 2015 Revenue Bonds; and (d) into a fund or funds for the payment of amounts due with respect to any obligations of the Project Sponsor (the "**Obligations**") secured by a pledge of Net Revenues (as defined in Section 7.1 herein) on a parity with the pledge securing the Note, the 2005 SRF Note, the 2012 SRF Note and the 2015 Revenue Bonds, the monthly fraction or fractions of the next payment or payments due on any such Obligation or Obligations. The 2005 SRF Note, the 2012 SRF Note, the 2015 Revenue Bonds and the Obligations are hereinafter

sometimes referred to as "*Parity Debt*". In the event amounts available for payments into the funds with respect to the Note and all Parity Debt are not sufficient to make all payments then required to be made, such available amounts shall be deposited into such funds on a pro rata basis.

4.3.3. (a) In the event any amounts shall be withdrawn from the Debt Service Reserve Fund in order to provide for payment of any amounts due with respect to the Note, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount of any such withdrawal and such deposits with respect to any such withdrawal shall begin in the month following such withdrawal and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(b) In the event the Reserve Requirement for the Debt Service Reserve Fund is increased pursuant to any provision of Section 4.2.2 herein, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount necessary to fully meet the Reserve Requirement, and such deposits shall begin in the month following a ratings downgrade or loss and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal such increased Reserve Requirement.

(c) If the value of the Debt Service Reserve Fund is ever less than the Reserve Requirement, other than as provided in (a) or (b) above, or as provided in Section 4.2.4 with respect to any increase in the Loan Amount, there shall be deposited in the Debt Service Reserve Fund not less than one-fourth (1/4) of an amount equal to the total Reserve Requirement deficiency, beginning in the month following such a determination. Such deposits shall continue to be made until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(d) Nothing in this Section 4.3.2 (a), (b) or (c) shall preclude the Project Sponsor from fully funding the Reserve Requirement in a more timely fashion than so prescribed.

4.3.4. If, in any month, for any reason, the Project Sponsor shall fail to pay all or any part of the money it has herein agreed to pay into said Debt Service Fund or Debt Service Reserve Fund, the amount of any such deficiency shall be added to and shall become a part of the amount due and payable into said Debt Service Fund or Debt Service Reserve Fund in the next succeeding month.

4.3.5. There shall be deposited from time to time into the Depreciation and Contingent Fund an amount determined by the Project Sponsor to be needed for the Depreciation and Contingent Fund in its annual budget for the System.

4.3.6. Any revenues remaining after the foregoing deposits have been made shall be disposed of for any lawful purpose and in such manner as the Project Sponsor shall determine to be in the interest of the System.

SECTION 4.4. Concerning the Debt Service Fund and the Debt Service Reserve Fund. The Debt Service Fund created pursuant to Section 4.1.2 hereof and the Debt Service Reserve Fund created

pursuant to Section 4.2 hereof shall be established by a financial institution (the "*Trustee*") chosen by the Project Sponsor with the written approval of the Authority. The Debt Service Fund and the Debt Service Reserve Fund shall be held by the Trustee in a bank whose deposits are insured by the Federal Deposit Insurance Corporation and administered by the Trustee in accordance with provisions of the General Bond Ordinance and the following provisions of this Section 4.4. The Trustee shall acknowledge and accept its duties and responsibilities with respect to the Debt Service Fund and the Debt Service Reserve Fund in a written instrument delivered to the Authority with this Agreement.

4.4.1. The Trustee shall notify the Authority in writing of the date of the initial amount deposited into the Debt Service Fund for purposes of the Note, and the initial amount deposited for the Debt Service Reserve Fund, if required to be funded. If the Project Sponsor fails to deposit the amount required by this Agreement in either fund at the time required for such deposit, the Trustee, no later than the fifth day after the date on which such deposit is to be made, shall provide written notification to the Project Sponsor, with a copy to the Authority, of the amount required for deposit into the Debt Service Fund or the Debt Service Reserve Fund pursuant to the provisions of this Agreement. The Trustee shall also verify balances in the Debt Service Reserve Fund, as requested by the Authority, but no less often than semiannually during any period of monthly deposits and no less often than annually when the full Reserve Requirement is met and maintained.

4.4.2. From sums deposited in the Debt Service Fund by the Project Sponsor, the Trustee shall transmit to the Authority an electronic funds transfer or a check made payable to "Office of Local Government - SRF" in the amount, and at the times, required by the Agreement and Note. If insufficient sums exist in the Debt Service Fund for any payment then due, the Trustee shall transfer the amount needed for payment from the Debt Service Reserve Fund and the Trustee shall notify the Project Sponsor of the amounts required to be deposited in the Debt Service Reserve Fund in order to replenish such a withdrawal and have on deposit therein the amount required by this Agreement. A copy of any such notice shall be provided to the Authority by the Trustee.

4.4.3. Pending disbursement pursuant to this Section 4.4, money in the Debt Service Reserve Fund shall be invested and reinvested in investments permitted by Sections 6-5-10 and 6-6-10 of the South Carolina Code of Laws. Subject to the remaining provisions of this Section 4.4.3, the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. Whenever, and as of any date of calculation, the value of the securities and money in the Debt Service Reserve Fund shall exceed the Reserve Requirement, such excess shall, at the direction of the Project Sponsor, either be used to effect partial prepayment of the Note, or shall be removed from the Debt Service Reserve Fund and transferred into the Debt Service Fund.

4.4.4. Upon payment in full of all amounts due with respect to the Note, which payment shall be evidenced to the Trustee in writing by the Authority, the Trustee shall pay over all amounts remaining in the Debt Service Fund and Debt Service Reserve Fund to the Project Sponsor upon the receipt of written directions from the Project Sponsor and the Trustee shall thereafter have no further responsibilities under this Agreement.

ARTICLE V
EVENTS OF DEFAULT

SECTION 5.1. Events of Default. The following occurrences shall constitute Events of Default hereunder:

(A) The Project Sponsor fails to comply with any of the covenants, terms and conditions made in this Agreement;

(B) The Project Sponsor fails to pay any amount due on the Note at the time and in the manner provided in the Note and this Agreement;

(C) Any representation, warranty or statement made by the Project Sponsor in this Agreement or in connection with it or the Loan shall be or become untrue, incorrect or misleading in any material respect;

(D) The Project Sponsor makes an assignment for benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions for appointment of a receiver or trustee for any substantial part of its property or is the subject of such a petition or commences or has commenced against it or its property (a) any similar proceeding under any bankruptcy law or other debtor-relief or similar law or (b) any foreclosure of any mortgage or similar implementation of a trust indenture or like instrument;

(E) Dissolution of the existence of the Project Sponsor;

(F) Construction of the Project is not carried out with reasonable dispatch, ceases and is not resumed for forty-five (45) days or is abandoned; and

(G) The Authority reasonably suspects the occurrence of any default or Event of Default by the Project Sponsor, and following request by the Authority, the Project Sponsor fails to provide evidence reasonably satisfactory to the Authority that such default or Event of Default has not in fact occurred.

ARTICLE VI

REMEDIES

SECTION 6.1. Acceleration. Upon the occurrence of an Event of Default, the principal balance of the Note may be declared immediately due and payable in the manner prescribed by and in accordance with the terms of the General Bond Ordinance. In such event, there shall be due and payable on the Note an amount equal to the total principal amount outstanding on the Note, plus all interest accrued thereon and which will accrue thereon to the date of payment.

SECTION 6.2. Additional Remedies and Enforcement of Remedies. Upon the occurrence and continuance of any Event of Default, and subject to the limitations of the General Bond Ordinance, the Authority may proceed forthwith to protect and enforce its rights by such suits, actions or proceedings as the Authority shall deem expedient, including but not limited to:

(A) Requiring the Project Sponsor to carry out its duties and obligations under the terms of this Agreement and under the Act;

(B) Suit upon all or any part of the Note;

(C) Civil action to require the Project Sponsor to account as if it were the trustee of an express trust for the Authority;

(D) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; and

(E) Enforcement of any other right of the Authority including the right to make application for the appointment of a receiver to administer and operate the System.

SECTION 6.3. Remedies Not Exclusive. No remedy by the terms of this Agreement conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or existing at law or in equity or by statute (including the Act) on or after the date hereof.

SECTION 6.4. Termination of Proceedings. In case any proceeding taken by the Authority on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Authority, the Authority and the Project Sponsor shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Authority shall continue as if no such proceeding had been taken.

ARTICLE VII

SECURITY

SECTION 7.1. Pledge of Revenues. For the payment of the Note and as security for its other obligations under this Agreement, the Project Sponsor hereby grants to the Authority a pledge of, and lien upon, the Net Revenues of the System as defined in the General Bond Ordinance. Such pledge and lien upon the Net Revenues shall be on a parity in all respects to the pledge and lien thereon securing any Parity Debt (as defined in Section 4.3.2) and shall at all times and in all respects be and remain superior to any pledges made to secure any other obligations of the Project Sponsor payable from the revenues of the System except to the extent otherwise agreed to in writing by the Authority. Parity Debt may be issued only in compliance with Article III of the General Bond Ordinance or, if the General Bond Ordinance is no longer in effect, only with the prior written approval of the Authority.

SECTION 7.2. Statutory Lien. As additional security for the obligations of the Project Sponsor under this Agreement, there is hereby granted to the Authority a statutory lien upon the System, pursuant to Section 6-21-330 of the Code of Laws of South Carolina, 1976, as amended.

SECTION 7.3. Additional Security. Upon any failure of the Project Sponsor to make any payment to the Authority in accordance with the provisions of the Note and this Agreement, the Authority shall, without further action, require the State Treasurer to pay to the Authority, subject to the provisions of the Act, the amount of state appropriations as the Project Sponsor may become entitled to until all delinquent payments under the Note have been paid.

ARTICLE VIII

SPECIAL REVOLVING FUND PROVISIONS

SECTION 8.1. Compliance. The Project Sponsor agrees that no date reflected in this Agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in a National Pollutant Discharge Elimination System permit (the "*NPDES Permit*"). It is the Project Sponsor's obligation to request any required modification of applicable permit terms or other enforceable requirements.

SECTION 8.2. Standard Conditions. The Project Sponsor acknowledges and agrees to comply with the following Federal and/or State requirements:

(A) The Project Sponsor shall provide access to the Project work whenever it is in preparation or progress and provide proper facilities for access and inspection. The Project Sponsor shall allow the Regional Administrator of the Environmental Protection Agency, the Comptroller General of the United States, the Department and the Authority, or any authorized representative, to have access to any books, documents, plans, reports, papers, and other records of the contractor which are pertinent to the Project for the purpose of making audit, examination, excerpts, copies, and transcriptions.

(B) Pursuant to requirements of the Federal Water Pollution Control Act, as amended on June 10, 2014 (the "*Federal Act*"), the Project Sponsor shall comply with the Davis-Bacon Act and certify that all laborers and mechanics employed by prime contractors and subcontractors are paid wages at rates not less than those listed on the prevailing wage rate contained in the Project's contract documents and that all applicable provisions of the Davis-Bacon Act have been met. The Project Sponsor shall require the prime contractor to comply with the Davis-Bacon Act. See Attachment #1.

(C) The Project Sponsor shall not presently be debarred for noncompliance with Federal Law and shall not award contracts to any firm that is presently debarred for noncompliance with Federal Law where the contract amount equals or exceeds the federal small purchase procurement threshold.

(D) The Project shall comply with "American Iron and Steel" provisions, as set forth in the Federal Act and related American Iron and Steel implementation guidance, requiring that all of the iron and steel products used in the Project be produced in the United States unless a waiver is granted by the U.S. Environmental Protection Agency. The Project Sponsor shall require all bidders to comply with the American Iron and Steel provisions.

(E) Pursuant to requirements of Section 603(d)(1)(E) of the Federal Act, the Project Sponsor of a project involving the repair, replacement or expansion of a publicly owned treatment works shall develop and implement a fiscal sustainability plan ("*FSP*") or certify that it has developed and implemented such a plan. Sponsors with an existing and implemented FSP shall certify to that effect.

ARTICLE IX
GENERAL CONDITIONS

SECTION 9.1. No Waiver. No disbursements shall waive any provision of this Agreement or the Note or preclude the Authority from declaring a default if the Project Sponsor is unable to satisfy any such provisions or perform hereunder.

SECTION 9.2. Satisfactory Proceedings. All proceedings taken in connection with transactions provided for in this Agreement shall be satisfactory to the Authority.

SECTION 9.3. Evidence. Any condition of this Agreement which requires a submission of evidence of the existence or nonexistence of facts shall imply as a condition the existence or nonexistence, as the case may be, of such fact or facts, and the Authority shall, at all times, be free independently to establish to its satisfaction and in its absolute discretion such existence or nonexistence.

SECTION 9.4. No Beneficiaries. All conditions of the obligations of the Authority to make disbursements are imposed solely and exclusively for its benefit, its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or to assume that the Authority will refuse to make disbursements in the absence of strict compliance. No person shall be deemed the beneficiary of any such conditions or any other provisions of this Agreement.

SECTION 9.5. Review and Inspection of Work. Any audit or review of plans and specifications and any inspection of the work shall be for the convenience of the Authority and Department only in order to determine that they are within the approved scope of the Project. No such review and inspection, approvals and disapprovals shall be an undertaking by the Authority or Department of responsibility for design or construction.

SECTION 9.6. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail to the other party hereto, with instruction to show to whom delivered and return receipt requested addressed as follows:

If to the Project Sponsor:

Town of Seabrook Island
c/o Seabrook Island Utility Commission
2902-A Seabrook Island Road
Seabrook Island, South Carolina 29455

Attention: Commission Chairman

If to the Authority:

South Carolina Water Quality Revolving Fund
Authority
c/o Office of Local Government - SRF
South Carolina Rural Infrastructure Authority
1201 Main Street
Suite 1600
Columbia, South Carolina 29201

Attention: Patricia A. Comp

Each party may notify the other by the same process of any change of such address. Loan requests and disbursements and other routine loan administration may be conducted by regular mail.

SECTION 9.7. No Joint Venture, Etc. The Authority is not a partner, joint venturer, or in any other way a party to the Project or the operation of the System of the Project Sponsor. The Authority shall not be in any way liable or responsible by reason of the provisions hereof, to the Project Sponsor or any third party, for the payment of any claims in connection therewith.

SECTION 9.8. Assignment. This Agreement may not be assigned by the Project Sponsor without the prior written consent of the Authority. The Authority may assign the Note and this Agreement, and any such holder and assignee of same shall succeed to and be possessed of the same rights as the Authority under both to the extent so transferred or assigned.

SECTION 9.9. Entire Agreement. This Agreement and the Note contain the entire terms of this Agreement and transaction. They may not be changed, waived or discharged in whole or in part, except by written instrument executed by the party sought to be charged therewith.

SECTION 9.10. Continuity. This Agreement shall be binding upon the legal representatives, successors and assigns of each party and shall inure to their benefit; provided, however, that nothing herein said shall be deemed to limit any restriction on assignment impressed upon the Project Sponsor.

SECTION 9.11. South Carolina Contract. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12. Limitations on Actions by Project Sponsor. No action shall be commenced by the Project Sponsor against the Authority for any claim under this Agreement unless notice thereof specifically setting forth the claim shall have been given to the Authority within thirty (30) days after the occurrence of the event or omission which the Project Sponsor alleges gave rise to such claim. Failure to give such notice shall constitute a waiver of any such claim. Liability of the Authority to the Project Sponsor for any breach of the terms of this Agreement shall not exceed a sum equal to the amount which the Authority shall have failed to disburse in consequence of a breach by the Authority of its obligations under this Agreement. Upon the making of any such payment by the Authority to the Project Sponsor, it shall be treated as a disbursement under this Agreement.

SECTION 9.13. Counterparts. This Agreement is executed in two counterparts, which are separately numbered, but each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

SECTION 9.14. Appendices. The appendices attached to this Agreement are a part of it.

SECTION 9.15. Special Conditions. The Statements of Special Conditions in Appendix "D" shall govern the matters they address.

SECTION 9.16. Time of Essence. Time is of the essence of this Agreement.

SECTION 9.17. Severability. If any provision of this Agreement, or any portion thereof, should be ruled void, invalid, unenforceable or contrary to public policy by any court of competent jurisdiction, any remaining provisions of this Agreement shall survive and be applied, and together with the invalid or unenforceable portion shall be construed or reformed to preserve as much of the original words, terms, purpose and intent as shall be permitted by law.

IN WITNESS WHEREOF, the Project Sponsor and the Authority have caused these presents to be signed, sealed and delivered all as of the date hereof.

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

(SEAL)

By: _____

Name: _____

Title: _____

Attest:

Its: _____

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

By: _____

Bonnie Ammons, Director,
Office of Local Government,
South Carolina Rural Infrastructure Authority

SCOPE OF WORK

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

Improvements/modifications to the existing Wastewater Treatment Plant Effluent Holding Pond to increase dike height by five (5) feet and install new Intermediate and Effluent Pump Station.

PROJECT BUDGET

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

<u>ITEM</u>	<u>CWSRF</u> <u>LOAN</u>	<u>RIA</u> <u>GRANT</u>	<u>TOTAL</u> <u>ELIGIBLE</u> <u>COSTS</u>
Planning and Design Engineering	\$ 335,085	\$	\$ 335,085
Legal and Appraisal Fees	60,000		60,000
Construction	10,312,176	1,000,000	11,312,176
Construction Contingency	1,065,609		1,065,609
Construction Inspection and Engineering	<u>322,000</u>		<u>322,000</u>
Total	\$ 12,094,870	\$ 1,000,000	\$ 13,094,870

Note: In the Construction category, all RIA grant funds will be disbursed first.

PROJECT SCHEDULE

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

<u>ACTION</u>	<u>DATE</u>
Bid Opening	April 9, 2024
Contract Execution	June 28, 2024
Notice to Proceed	July 15, 2024
Start of Construction	July 15, 2024
DHEC Permit to Operate	June 24, 2025

REPAYMENT SCHEDULE

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

Loan Amount: \$12,094,870

Payment Initiation Date: July 1, 2025

Interest Rate: 2.10% per annum

First Payment Due Date: October 1, 2025

- (1) Prior to the Payment Initiation Date, amounts disbursed shall bear interest from the date of the Authority's check or electronic funds transfer for each disbursement and accrued interest only shall be due on the Payment Initiation Date.
- (2) Repayment of the principal and interest shall be due in 80 installments, commencing on the first day of the third month after the month of the Payment Initiation Date and continuing quarterly on the first day of each third month thereafter.
- (3) Repayment shall be in 79 equal installments in the amount of One Hundred Eighty-Five Thousand Five Hundred Forty-One and 59/100 Dollars (\$185,541.59) each, and one final installment in the amount of One Hundred Eighty-Five Thousand Five Hundred Forty-One and 43/100 Dollars (\$185,541.43).

LOAN CLOSING FEE

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

Loan Amount: \$12,094,870

.50% Loan Closing Fee: \$60,474

The Loan Closing Fee identified above shall be due and paid at the time of delivery of the Loan Agreement, Note and other required Loan closing documents. Such fee is not reimbursable through the Loan.

Project Sponsor: Town of Seabrook Island

Loan Number: X1-273-24-727-02

PROCUREMENT REQUIREMENTS

Recycled Funds

- I. Prior to construction contract award, the Project Sponsor shall:
 - A. Advertise the Project for a minimum of thirty (30) days in advance of bid opening using at least one of the following methods:
 - 1. Local newspapers of general circulation.
 - 2. Statewide or regional newspapers of general circulation.
 - 3. The South Carolina Business Opportunities (SCBO).
 - B. Modify bid documents only by written addenda, which require prior Department approval.
 - C. Hold a public bid opening.
 - D. Utilize competitive sealed construction bids.
 - E. Require at least a five percent (5%) bid bond or certified check.
 - F. Require one hundred percent (100%) payment and performance bonds.
 - G. Require the contractor, during construction, to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property.
 - H. Follow, and require the prime contractor to follow, Davis-Bacon and Related Acts provisions.
 - I. Follow, and require the prime contractor to follow, American Iron and Steel Provisions.
 - J. If other funding sources are included which have stricter bidding requirements or if applicable Federal, State or local laws or ordinances have stricter requirements, these stricter requirements govern.
 - K. After bid opening, provide the Department with the following:
 - 1. Project Construction Summary — General (DHEC Form #1295).
 - 2. A certified copy of the advertisement with date(s) of publication.
 - 3. A copy of the Project Sponsor's Bidders List.
 - 4. Detailed bid tabulation certified by Project Sponsor's engineer.
 - 5. Proposal of successful bidder(s).
 - 6. Bid bond with associated Power of Attorney.
 - 7. Davis-Bacon wage rate(s) used in bidding the project.
 - 8. Engineer's award recommendation of low bidder(s) to Project Sponsor. If the award is recommended to other than the low bidder(s), provide justification for decision.
 - 9. Certified copy of Project Sponsor's tentative award resolution listing the proposed contractor(s) and contractor amount(s).
 - 10. A copy of the proposed prime contractor's Bidder's American Iron and Steel Certification (DHEC Form #2556).
 - 11. Certification Regarding Debarment, Suspension and Other Responsibility Matters (DHEC Form #3590) from the proposed prime contractor(s) and all subcontractors whose contract amount is expected to exceed \$25,000.

12. Project Inspection Designation Form (DHEC Form #2324), with all required attachments, indicating the selected method of providing continuous inspection during construction.
 - L. Receive Department approval to award the construction contract(s).
- II. Subsequent to construction contract award, the Project Sponsor shall submit the following to the Department as proof of compliance with procurement requirements:
- A. Executed contract documents.
 - B. Notice to Proceed.
 - C. Monthly Construction Inspection Report (DHEC Form #3587) for each month covered by a draw request.
 - D. Project Sponsor's Davis-Bacon Certification (DHEC Form #2557) with each draw request.
 - E. Project Sponsor's American Iron and Steel Certification (DHEC Form #0962) with each draw request.
 - F. Evidence of compliance with the "Signage Requirement."
- III. Subsequent to contract award, the Project Sponsor shall submit the following, for Department review and approval, on any proposed change orders:
- A. Need for the change.
 - B. Clear description of the change.
 - C. Cost and pricing data.
 - D. Documentation of negotiation.
 - E. For claims, information showing the claim did not result from the Project Sponsor's or contractor's mismanagement.
- IV. Project Sponsors who procure, via direct purchase, equipment and materials for projects shall submit the following for Department review and approval for each direct purchase:
- A. A copy of the equipment/material contract or purchase order is submitted for purposes of cost-documentation.
 - B. A letter from the Sponsor that its procurement code was followed for procuring the materials/equipment.
 - C. Debar/EEO Letter.
 - D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters, (DHEC Form #3590).
 - E. Bidder's American Iron and Steel Certification (DHEC Form #2556).

SPECIAL CONDITIONS

Project Sponsor: Town of Seabrook Island

Project Name: Wastewater Treatment Plant Effluent Storage and Pumping Improvements

Loan Number: X1-273-24-727-02

None.

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

**PROMISSORY NOTE TO SOUTH CAROLINA
WATER QUALITY REVOLVING FUND AUTHORITY FOR
SOUTH CAROLINA WATER POLLUTION CONTROL
REVOLVING FUND LOAN**

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA
WATER AND SEWER SYSTEM REVENUE BOND, SERIES 2024

FOR VALUE RECEIVED, the Town of Seabrook Island (the "*Project Sponsor*") promises to pay to the order of the South Carolina Water Quality Revolving Fund Authority (the "*Authority*") the principal sum owing from time to time by the Project Sponsor pursuant to, and in accordance with, the Loan Agreement (the "*Agreement*"), the terms of which are incorporated herein by reference, between the Project Sponsor and the Authority relating to Loan Number X1-273-24-727-02, Wastewater Treatment Plant Effluent Storage and Pumping Improvements, principal sum, rate of interest and amount and due date of payments thereunder being set forth in Appendix "B" to the Agreement. The records of the Authority with respect to the date and amount of payments on this Note shall be conclusive as to such matters. Interest shall be computed on a three hundred sixty-five-day year basis and compounded annually; the principal of this Note and any installment thereof shall bear interest until paid in full.

Time is of the essence of this Note.

The Project Sponsor may prepay the outstanding principal balance of this Note in whole or in part, together with any accrued interest thereon, at any time without penalty or premium; all such prepayments shall be applied against principal installments due on this Note in the inverse order of the maturity dates thereof.

All payments of principal and interest shall be made in money of the United States at the office of the Authority in Columbia, South Carolina, or at such place as the Authority may designate in writing, and shall be made in funds immediately available in Columbia, South Carolina.

The Project Sponsor agrees to pay at the time any such late payment hereunder is made a late charge of three percent (3%) of any payment not made on or before the tenth day of the month in which such payment is due. Interest which accrues after maturity of this Note or after its earlier acceleration shall be due and payable upon demand.

Payments shall be applied first to any late charge, then to interest, then to principal. There is no intent for any payment to exceed any legal limit on interest, if any such legal limit applies. If an excess sum occurs, it shall be applied to principal unless the Project Sponsor elects its return in writing.

If the Project Sponsor fails to make any payment of principal or interest within thirty (30) days of the date when due, or if the Project Sponsor defaults in the performance of any of the terms, covenants or conditions of any agreement or other documents concerning this Note, including without limitation the Agreement, the Authority may declare the principal of this Note and all unpaid interest accrued on it to be due and payable immediately, without prior notice or demand to the Project Sponsor.

The failure of the Project Sponsor to make any payment of principal or interest or both shall not constitute a default until thirty (30) days following the due date but the Authority shall have no obligation to give the Project Sponsor notice of any failure to make such payments. Upon any such payment default, the Authority shall immediately avail itself of the provisions of Section 7.3 of the Agreement relating to additional security for payment of amounts due on this Note.

The Project Sponsor waives presentment for payment, demand, protest, and notice of non-payment. Neither a failure to accelerate for default nor acceptance of a past due installment shall be a novation of this Note or constitute a waiver of the right to insist upon strict compliance with it and any related agreements and documents.

The Project Sponsor shall pay all costs of collection, including but not limited to reasonable attorney's fees if the Authority endeavors to collect this Note in any manner through an attorney at law. The rights and remedies of the Authority provided in this Note are cumulative and not exclusive of any other rights and remedies afforded the Authority by law or by any other document.

This Note shall be governed by and construed and interpreted in accordance with the laws of the State of South Carolina.

IN WITNESS WHEREOF, the Project Sponsor has caused this Note to be executed under its seal and to be registered in the name of the South Carolina Water Quality Revolving Fund Authority as of this ____ day of June, 2024.

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

[SEAL]

By: _____

Typed Name: _____

Title: _____

Attest:

Its: _____

CERTIFICATE OF AUTHENTICATION

This Promissory Note is the obligation issued pursuant to the Project Sponsor's Ordinance No. 1997-01 enacted on February 5, 1997, as amended on April 26, 2005 and December 13, 2011, and as authorized by the Project Sponsor's Ordinance No. 2024-04 enacted on June 25, 2024.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, TRUSTEE

By: _____, Authorized Officer

Typed Name: _____

**Davis-Bacon Wage Rates Required Under Federal Clean Water Act
For Subrecipients (Project Sponsors)**

1. Applicability of the Davis-Bacon (DB) Prevailing Wage Requirements

Under the Federal Clean Water Act, as amended on June 10, 2014, DB prevailing wage requirements were permanently applied to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations

- (a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
- (i) While the solicitation remains open, the subrecipient shall monitor <http://sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor <http://sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from <http://sam.gov/> into the ordering instrument.
- (c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract Provisions

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$2,000. Available from the Department.

4. Contract Provisions for Contracts in Excess of \$100,000

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$100,000. Available from the Department.

5. Compliance Verification

- (a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the subrecipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The subrecipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

EXHIBIT B

Form of Debt Service Fund and Debt Service Reserve Fund Agreement

DEBT SERVICE FUND AND
DEBT SERVICE RESERVE FUND AGREEMENT

between

THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

Dated: June 28, 2024

relating to

Town of Seabrook Island, South Carolina

Water and Sewer System Revenue Bond, Series 2024

SOUTH CAROLINA WATER POLLUTION CONTROL REVOLVING FUND

LOAN NUMBER: X1-273-24-727-02

DEBT SERVICE FUND AND DEBT SERVICE RESERVE FUND AGREEMENT

This DEBT SERVICE FUND AND DEBT SERVICE RESERVE FUND AGREEMENT, dated as of June 28, 2024, by and between the Town of Seabrook Island, South Carolina (the "Project Sponsor") and U.S. Bank Trust Company, National Association, a national banking association, as Trustee (the "Trustee");

WITNESSETH:

WHEREAS, the South Carolina Water Quality Revolving Fund Authority (the "State Authority") and the Project Sponsor have entered into a Loan Agreement (the "Loan Agreement") relating to South Carolina Water Pollution Control Revolving Fund Number: X1-273-24-727-02 (the "Loan") in order to finance wastewater treatment facilities as more fully described in the Loan Agreement; and

WHEREAS, pursuant to the Loan Agreement, and to evidence the Project Sponsor's obligation to repay the Loan, the Project Sponsor has delivered its promissory note (the "Note") in the principal amount of \$12,094,870, or such lesser principal sum as may be disbursed pursuant to the Loan Agreement; and

WHEREAS, Section 4.1.2 of the Loan Agreement requires the Project Sponsor to establish and maintain a Debt Service Fund for the Note (the "2024 Debt Service Fund") to provide for the payment of principal and interest on the Note; and

WHEREAS, Section 4.2.1 of the Loan Agreement requires the Project Sponsor to establish and maintain a Debt Service Reserve Fund for the Note (the "2024 Debt Service Reserve Fund") to provide a reserve for payment of principal of and interest on the Note; and

WHEREAS, the Project Sponsor has requested that the Trustee act as trustee with respect to the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund and the Trustee has agreed to so act;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Project Sponsor and the Trustee agree as follows:

SECTION 1. ACCEPTANCE OF TRUST. The Trustee hereby acknowledges and accepts the duties and responsibilities of the Trustee with respect to the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund as set forth in the Loan Agreement and particularly in Section 4.4 thereof. The Trustee acknowledges that, in accordance with Article IV of the Loan Agreement, it has established or will establish the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund at the times required by the Loan Agreement and that it will make payments from the 2024 Debt Service Fund to the State Authority in accordance with the schedule of payments presented to the Trustee by the State Authority, as such schedule may be amended by the State Authority from time to time.

SECTION 2. INDEMNITY. To the extent permitted by law and solely from available Net Revenues, the Project Sponsor hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Trustee and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against at any time, the Trustee (whether or not also indemnified against the same by the Project Sponsor or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund, the acceptance of the money deposited therein, and any investment, payment, transfer or other application of funds or securities by the Trustee in accordance with the provisions of this Agreement; provided, however, that the Project Sponsor shall not be required to indemnify the Trustee against its own negligence or willful misconduct. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 3. RESPONSIBILITIES OF TRUSTEE. The Trustee and its respective successors, assigns, agents and servants shall not be held to any liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the 2024 Debt Service Fund or the 2024 Debt Service Reserve Fund, the acceptance of the money deposited in the 2024 Debt Service Fund or the 2024 Debt Service Reserve Fund, or any investment, payment, transfer or other application of money or securities by the Trustee or any act, omission or error of the Trustee made in good faith in the conduct of its duties and not constituting negligence. The Trustee shall, however, be liable to the Project Sponsor for its negligent or willful acts, omissions or errors which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Trustee shall be determined by the express provisions of the Loan Agreement and this Agreement. The Trustee may consult with counsel, who may be counsel to the Project Sponsor, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Project Sponsor.

SECTION 4. RESIGNATION OF TRUSTEE. The Trustee may resign and thereby become discharged from the duties and obligations hereby created by notice in writing given to the Project Sponsor and the State Authority not less than sixty (60) days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Trustee hereunder, if such new Trustee shall be appointed before the time limited by such notice and shall then accept the duties and obligations thereof. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

SECTION 5. REMOVAL OF TRUSTEE.

(a) Subject to the requirements of Section 8.3 of the General Bond Ordinance (as defined in the Loan Agreement) the Trustee may be removed at any time by an instrument or concurrent instruments in writing, executed by the Project Sponsor and the State Authority.

(b) Subject to the requirements of Section 8.3 of the General Bond Ordinance (as defined in the Loan Agreement) the Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Project Sponsor or the State Authority.

SECTION 6. SUCCESSOR TRUSTEE. If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Project Sponsor shall, with prior written approval of the State Authority, appoint a Trustee to fill such vacancy.

SECTION 7. TERM. This Agreement shall commence upon its execution and delivery and shall terminate when the Note has been paid and discharged in accordance with the Loan Agreement, at which time all money and securities in the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund shall be delivered to the Project Sponsor.

SECTION 8. COMPENSATION FOR TRUSTEE. The Project Sponsor agrees to pay to the Trustee reasonable compensation for its services and to pay all of its expenses, including counsel fees, costs and expenses which it may incur in acting hereunder. To the extent that any portion of the compensation of the Trustee has been agreed to by any separate agreement, such separate agreement shall control, to the extent so intended. The obligations of the Project Sponsor under this Section 8 shall survive the resignation or removal of the Trustee.

SECTION 9. SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the Project Sponsor or the Trustee to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained shall be null and void and shall be severed from the remaining covenants and agreements and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 10. COUNTERPARTS. This Agreement will be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be but one and the same instrument.

SECTION 11. GOVERNING LAW. This Agreement shall be construed under the laws of the State of South Carolina.

SECTION 12. SECURITY FOR ACCOUNTS AND FUNDS. All accounts and funds maintained or held pursuant to this Agreement shall be continuously secured in the same manner as other deposits of trust funds are secured by the Trustee.

SECTION 13. BROKERAGE CONFIRMATIONS. The Project Sponsor acknowledges that regulations of the Comptroller of the Currency grant the Project Sponsor the right to receive brokerage confirmations of security transactions as they occur. The Project Sponsor specifically waives such right to notification to the extent permitted by law and acknowledges that, to the extent it directs the investment of funds held by the Trustee, it will receive periodic transaction statements that will detail all investment transactions.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

TOWN OF SEABROOK ISLAND, SOUTH CAROLINA

By: _____
Mayor

ATTEST:

Town Clerk

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

By: _____

Its: _____

The South Carolina Water Quality Revolving Fund Authority hereby approves U.S. Bank Trust Company, National Association as Trustee of the 2024 Debt Service Fund and the 2024 Debt Service Reserve Fund.

SOUTH CAROLINA WATER QUALITY
REVOLVING FUND AUTHORITY

By: _____
Bonnie Ammons, Director
Office of Local Government,
SC Rural Infrastructure Authority



Town of Seabrook Island

2001 Seabrook Island Road
Seabrook Island, SC 29455
townofseabrookisland.org



Community Promotion Grant 2024

Contact Us: (843) 768-9121

kwalkins@townofseabrookisland.org

The Town of Seabrook Island invites applications from eligible organizations for funding from the Community Promotion Grants program. Community Promotion Grants will be awarded to provide support for programs and activities that are designed to benefit the Town of Seabrook Island by promoting and enhancing community wellness, cultural and historical awareness, and economic development; or which improve citizen participation, satisfaction and sense of place. Applications will be accepted beginning on May 1, 2025, and will continue to be accepted until the earlier of October 1, 2024, or until all available funds have been committed.

1 APPLICANT INFORMATION			
Organization Name	Seabrook Island Village		
Contact Person	Anne R. Bavier		
Mailing Address	3132 Privateer Creek Road Seabrook Island SC 29455		
Phone Number	(860) 617-9940	Email Address	bavier85@gmail.com
Brief description of the organization and its membership	Seabrook Island Village (SIV), Neighbors helping Neighbors, is a volunteer group that assists residents to stay in their homes, maintain their independence and remain active in the community as long as it is safe to do so. Members may request services, such as: transportation to medical appointments, friendly visits, computer/electronic assistance. Last year, volunteers provided over 1200 hours of transportation. Fundraising projects keep costs low for members by supporting critical functions, like background checks and training for volunteers.		
What is the organization's annual budget?	\$ 27,000.00		
Is this organization registered as a non-profit organization under state and/or federal law?	<input checked="" type="checkbox"/> Yes If Yes, Tax ID # 83-3342522 <input type="checkbox"/> No		
If this organization is NOT registered as a non-profit organization, please explain how and why the organization operates as a not-for-profit under the grant's eligibility criteria			

2 GRANT AMOUNT	
Amount Requested (Min: \$250.00; Max: \$2,500.00)	\$ 2,500.00

3 PROJECT BUDGET		
In the space below, please provide a detailed budget showing how the requested funds will be spent if awarded:		
Item(s) or Service(s) to be Purchased	Vendor (If Known)	Amount Budgeted
locked entry box	Knox (6 boxes @ \$250 each)	\$ 1,500.00
Brain Health Workshop Oct 2024 handouts	Kinkos	\$ 150.00
Technology Support Brain Health Workshop	Chad Droze	\$ 400.00
brain health workshop publicity posters	Kinkos	\$ 200.00
Speaker gratuity	gift card to restaurant	\$ 250.00
		\$
	TOTAL	\$ 2,500.00

4 PURPOSE

In the space below, please describe how these funds will be used to benefit the Town of Seabrook Island

There are 50-60 Seabrookers who receive regular assistance from our trained volunteers. Increasingly, this population is unable to respond to Fire Dept assistance. Steve Mantle from Johns Island Fire Dept recommends that we put lock boxes on front doors of our most frail members to allow Fire Dept Responders to quickly enter a home. The boxes will hold keys for members' doors to avoid Fire Dept employees breaking into homes and losing critical time. The Fire Dept cannot purchase the boxes, but will install and coordinate their placement and coding with Fire Dept Master Key. Enabling fast entry of Fire Dept staff saves lives when people cannot open their doors.

We are continuing our workshop theme on Brain Health (October 24) with a workshop to address common issues and skills to identify changes and maintain brain health. Last year, over 140 people attended the first program (supported by TOSI). Their evaluations requested larger fonts on handouts, discussion opportunities and a workshop format to allow dialogue among participants and experts. People want this health education.

5 REIMBURSEMENT

Upon presentation of all required documentation and/or receipts, to whom should the grant check be sent?

SIV, 130 Gardiners Circle, PMB 512, Johns Island, SC 29455

Note: All documentation must be submitted to the Town Clerk no later than December 15th of the grant year.

6 CERTIFICATION

I hereby certify that all information contained herein is true and accurate to the best of my knowledge. I certify that I have the authority to submit this application on behalf of the above-named organization. I acknowledge that the Town reserves the right to require additional information and that the submittal of this application is not a guarantee of grant funding. On behalf of the organization, I acknowledge that any awarded funds shall be spent in accordance with all applicable laws and shall conform to the guidelines of the grant program. Furthermore, I acknowledge that the town is not party to nor liable for any dispute associated with the expenditure of awarded funds.

Applicant Signature	<i>Anne R Bavier</i>
Applicant Printed Name	Anne R. Bavier
Submittal Date	May 28, 2024

Please return completed applications to:

Town of Seabrook Island
Attn: Town Clerk
2001 Seabrook Island Road
Seabrook Island, SC 29455

**TOWN OF SEABROOK ISLAND
SPECIAL COMMITTEE ON SHORT-TERM RENTALS
COMMITTEE RECOMMENDATIONS TO TOWN COUNCIL**

Committee Chair’s Preface to Recommendations – The Special Committee on Short-Term Rentals has taken on a large task: gathering information and making recommendations geared toward maintaining the short-term rental business that Seabrook has traditionally hosted while addressing concerns raised about short-term rentals among many residents and other owners of properties on the island. The Committee held four public forums lasting over 12 hours, heard comments from approximately 85 interested persons either in person or via Zoom, and received and reviewed approximately 450 written comments from full-time residents, part-time residents, and property owners who rent their units.

The committee consists of stakeholders with varied views on these topics, and varied perspectives on how – or whether – the Town should address them. This make-up was intended to elicit a broad perspective of views on each of the topics considered. To provide the strongest guidance to Council, it was hoped for consensus on as many issues as possible. To some degree we achieved that. Otherwise, we have cast votes after much discussion – all of which is viewable on the videos of each meeting that are available on the Town’s website. Provided below are the results of such votes.

A. OCCUPANCY RESTRICTIONS

1. Maximum 2 per bedroom + 2 (reduced for houses over 2,500 sq. ft. from 2 per bedroom + 4)
2. Effective day licensing year 2025
3. This applies only to STRs¹
4. **[4/3/2024 meeting, unanimous, as to this Section A.]²**

B. OVERNIGHT RESIDENTIAL PARKING

1. Limits for single-family home STRs

¹ Some regulations will apply to all residential units (albeit with potentially different remedies for violations between homes with and without STR permits), while others will apply only to STRs. Each proposed provision will specify whether it applies to all or is limited to STRs.

² In many instances all Committee members agreed to a provision and no formal vote was needed or taken. Where a vote was taken it is reflected in Minutes prepared by the Assistant Town Administrator, the relevant portions of which are incorporated into this Report.

- a. The lesser of (1) 1 vehicle per bedroom, except for a minimum of 2 for a one-bedroom rental, or (2) the maximum number of parking spaces on designated parking areas. “Designated parking areas” includes the driveway, garage and guest parking space(s) as specified by SIPOA Policies and Procedures for Residential Development Sec. II(c)(1)(d). Driveways and guest parking spaces may be either permeable or impermeable. The maximum number will be self-certified by the owner or owner’s agent, with penalties for incorrect reporting.³ **[4/3/2024 meeting, unanimous.]** All of the foregoing is subject to a maximum number of four vehicles per rental unit. **[4/29/2024 meeting, unanimous.]**
- b. LSVs are included in the definition of vehicle. **[4/3/2024 meeting, unanimous.]**
- c. No requirement that an owner must provide access to the garage and renters instructed to use the garage if more than two cars would otherwise be parked on the driveway. **[4/29/2024 meeting minutes, as amended 5/6]:**

Chair May moved to recommend short-term rentals require the use of the garage when there are more than 2 vehicles permitted. No second was made. The motion failed.

- 2. Limits for multi-family residential unit STRs — Maintain as is from the existing ordinance (“A dwelling which is permitted to operate as a SHORT-TERM RENTAL UNIT shall have a minimum of one (1) off-street parking space. The required off-street parking may be provided on the same property as the rental unit or, if the unit is located within a multi-family development with a common parking area, within that development’s common parking area.”). **[4/3/2024 meeting, unanimous.]**
- 3. Restrictions for all residential units, regardless of STR status.
 - a. Parking — Apply the existing ordinance language currently applicable only to STRs, see sec. 1(j)(ii), “General requirements for off-street parking,” to all residential units.
 - b. Oversize vehicles — Apply the existing ordinance language currently applicable only to STRs, see sec. 1(j)(iii), “Commercial vehicles, oversized vehicles, and equipment.” **[4/3/2024 meeting, unanimous.]**

C. LSV RENTALS — A renter’s usage of the STR permit holder’s LSV is prohibited, whether or not the LSV is rented for a separate charge. **[4/29/2024 meeting minutes]:**

³ The existing ordinance addresses this concept of accurate self-reporting. See STR, sec. 4(iii): “It shall be a violation of this section to . . . iii. Falsify or misrepresent material facts on a SHORT-TERM RENTAL permit application.”

Chair May moved to recommend prohibiting short-term rental permit holders from allowing rental guests to use vehicles (including LSV's) regardless of whether paid in a separate charge or included in the cost of the rental; Mr. Sever seconded. All voted in favor. The recommendation was approved.

D. NOISE

1. Night-time restrictions
 - a. Hours: 10 PM to 7 AM
 - b. Qualitative, not decibel-based: (1) No amplified sound audible outside of the residence, including, in adjoining multi-family residences, and (2) No unnecessary or unusually loud sound, or any sound which disrupts the peace and quiet of any neighborhood or adjoining units in a multi-family environment, and which annoys, disturbs, injures or endangers the comfort, repose, health, peace or safety of reasonable persons of ordinary sensibilities.
 - c. Applicable to all residential units, regardless of STR status.
2. No daytime noise regulations, except, dogs heard barking outside the residence (including in adjoining multi-family residences) for longer than 30 minutes. Applicable to all residential units, regardless of STR status.
3. **[4/3/2024 meeting, unanimous as to this Section D.]**

E. DRONES — Recreational drones prohibited in the Town. [4/29/2024 meeting minutes, as amended 5/6]:

Chair May moved to recommend for council to consider to prohibit the launching and landing of drones within the Town, except for approved commercial, educational and similar uses; Ms. Buck seconded. All voted in favor. The recommendation was approved.

F. BIKES AND BEACH GEAR VISIBILITY

1. Bicycles and beach gear shall not be placed on landscaped or pine straw areas.
2. Beach towels, bathing suits and other clothing are not to be hung on or draped over exterior railings of homes or villas.⁴

⁴ This language is taken from SIPOA's Rules and Regulations, § VI(B).

3. The foregoing nos. 1-2 would apply 24 hours, and to all residences regardless of STR status. **[4/8/2024 meeting, unanimous.]**
4. Bicycles and beach gear shall not be visible from the street or adjoining properties from dusk to dawn. This provision applies to all residences regardless of STR status, but not to residences in a regime or association. **[4/29/2024 meeting, unanimous.]**

G. GARBAGE

1. Single-family — Place curbside no earlier than noon the day before pickup; remove pail by 7:00 pm the day of pickup.⁵
2. Multi-family — Any regime that uses dumpsters⁶ shall use provided dumpsters for trash disposal. Dumpster pick-up service shall be sufficiently frequent to avoid trash overflow. Dumpsters shall be stored on an approved screened pad. Any trash overflow shall be immediately remedied by regime management.
3. The foregoing provisions would apply to all residences regardless of STR status.
4. A valid contract with a licensed service that takes out and removes garbage containing is a defense to the finding of a violation. The citation should be dismissed if the property owner presents the valid contract to the Town.
5. **[4/29/2024 meeting, unanimous as to this Section G.]**

H. LOCAL CONTACT (in addition to existing requirements)

1. The existing ordinance requires that each rental unit have a local contact. However, Staff has reported various weaknesses with the current requirement and therefore the Committee recommends additional requirements as follows. The local contact must sign an acknowledgement, to be submitted with permit application or renewal, documenting that he/she has voluntarily agreed to be the local contact and assumes responsibility for the following duties:
 - a. Being physically present on the property within 2 hours if physical presence is required.
 - b. Regardless of whether physical presence is required, being able to respond and resolve problems within two hours of notification, unless the type of problem is not reasonably resolvable within two hours, in which case the

⁵ The intent is to be consistent with SIPOA Rules & Regulations. Where the SIPOA R&R is inconsistent with SIPOA's chart captioned "SIPOA GARBAGE SCHEDULE 2024," the R&R is used.

⁶ Based on information provided at the April 29, 2024 meeting, Bay Pointe may be the only regime that uses dumpsters.

contact must have started taking steps to resolve the problem within two hours.

- c. In the event of a water leak, the contact should be able to shut off the water or know the appropriate person to cause the water to be shut off.
 - d. The responsibility is 24/7. It is the responsibility of the local contact to have coverage arrangements while on vacation or is otherwise unable to respond to calls, and further, to ensure that calls to the 24/7 contact get routed to the coverage person.
2. The local contact's cell phone number and email address must be supplied on the permit application.
 3. Local contact requirements apply only to STRs.
 4. **[4/8/2024 meeting, unanimous as to this Section H.]**

I. EDUCATION OF RENTERS

1. The Committee recommends that TOSI develop a short brochure, placard, sign or other type of notice that concisely conveys rules and other important information applicable to renters' stays. The graphic design should optimize renters' desire to read and absorb the material.⁷ A link or reference to the TOSI ordinance should be provided for those who wish to read the full version of the rules.
2. TOSI should endeavor to cooperate with SIPOA to prepare one notice for both entities to avoid duplicative materials that may confuse renters.
3. A copy must be emailed to the renter before the stay commences. If SIPOA agrees to do so, an additional copy shall be handed out when the renter obtains a gate pass.
4. **[4/8/2024 meeting, unanimous as to this Section I.]**

J. ADVERTISING

The Committee recommends the following enhancements to the existing advertising requirements of the existing STR ordinance (§ 1(k)).

1. In addition to existing requirements, any advertisement must include the maximum number of vehicles permitted. **[4/8/2024 meeting, unanimous.]**

⁷ See, for example, the Town of Kiawah Island's Good Neighbor Brochure, [https://cms2.revize.com/revize/kiawahisland/Communications/Updated GOOD NEIGHBOR BROCHURE.pdf](https://cms2.revize.com/revize/kiawahisland/Communications/Updated_GOOD_NEIGHBOR_BROCHURE.pdf).

2. Any advertisement must state one of the following: (1) the advertised property has no access to Seabrook Island Club amenity cards; (2) Seabrook Island Club amenity cards are available for purchase with this property; or (3) Seabrook Island Club amenity cards are included with this property at no additional charge for the amenity card. **[4/29/2024 meeting, unanimous.]**
3. The current violation definition for falsely stating the occupancy limit in advertising (sec. 4(iv)) should be replaced by language to the effect of: "It shall be a violation of this section to. . . (iv) misstate any facts in advertising the property for STR." **[4/8/2024 meeting, unanimous.]**

K. ENFORCEMENT

1. In order for there to be an accurate history of violations at a property, a citation should be issued for each violation observed by a code enforcement officer. (The cited property owner shall have all rights to contest the citation in court as provided by law.) **[Discussed extensively at 4/8/2024 Meeting as predicate of enforcement system.] (See, e.g., at 1:00, 2:18, 2:33, 2:52, 3:00.)**
2. Fines **[5/6/2024 meeting, unanimous.]**
 - a. Fines shall be assessed as follows for the initial and successive violations within a 12-month period:
 - (i) Warning
 - (ii) \$50
 - (iii) \$100
 - (iv) \$250
 - (v) Misdemeanor
 - b. Where the property is managed by an agency/property manager, joint and several liability with the agent or manager.
3. Assessment of Points/Suspensions
 - a. A point system should be established for violations. Points should be assessed as outlined below in addition to any fine.
 - b. Any property for which violations are issued within a rolling 12-month period that accumulates 9 points (subject to any contested court proceedings) would be suspended for 60 days. **[Existing ordinance, § 5(a)(i)(b), discussed at 5/6 meeting].⁸** The violations need not be of the same type to accumulate

⁸ There was some discussion at the May 6 meeting about extending the length of a suspension, for example to 90 days, but there was no resolution on this. Likewise, there was discussion to

points, i.e., if there is one relating to noise, one to garbage, and one to incorrect local contact information, they would all be added together.

- c. Two suspensions within any rolling 24-month period results in revocation. **[Existing ordinance, § 5(b)(f), discussed at 5/6 meeting.]**

4. The points to be assigned to each violation are:

- a. 9 Points (Immediate Suspension) **[5/6/2024 meeting, unanimous.]**
 - i. Material misstatements on the permit application
 - ii. Lack of working fire extinguisher and smoke detectors following 48 hours' notice to correct
 - iii. Unpaid fines, fees and penalties (subject to pending court proceedings) for more than 60 days
 - iv. Unpaid taxes following the tax filing deadline, subject to proof of authorization of payment to a third-party payment service
- b. 3 Points + additional provisions: Inaccurate or outdated designation of local contact, and/or unavailability of local contact — 3 points + 1 point for each additional day following the day of the citation + immediate suspension until a valid local contact is designated. **[5/6/2024 meeting, unanimous.]**
- c. 3 Points **[5/6/2024 meeting, unanimous.]**
 - i. Exceeding occupancy restrictions
 - ii. Renting or otherwise allowing the use of owner's LSV
 - iii. Violation of noise restrictions
 - iv. Violation of advertising requirements, subject to 5-business-day grace period for correction of all primary advertising sites, i.e., all advertising sites with which the property owner or agent has direct communications for purpose of placing advertising
- d. 1 point
 - i. Garbage violation. **[5/6/2024 Meeting, informal canvass, proposal passed 4-2; in favor: Lehman, Kirchoff, Murphy, May; opposed: Buck, Sever.] (2:38 in video.)**
- e. 0 points
 - i. Failure to distribute educational materials.

the effect that, except in the case of immediate suspensions as set forth in §§ 4(a) and (b), a grace period of 2 weeks should be permitted to allow for orderly arrangements for rental guests scheduled to be on the property within the grace period. This, too, was not resolved.

- ii. Parking violations. A motion was made to assign 1 point to this violation, but failed. **[5/6/2024 Meeting, informal canvass, proposal failed 3-4; in favor: Lehman, Kirchoff, May; opposed: Buck, Sever, Murray, Murphy.] (2:18 in video.)**
- iii. Bikes and beach gear visibility. A motion was made to assign 1 point to this violation, but failed. **[5/6/2024 Meeting, informal canvass, proposal failed 3-4; in favor: Lehman, Kirchoff, May; opposed: Buck, Sever, Murray, Murphy.]**

L. RESTRICTIONS ON STR OWNERSHIP AND STR LIMITS

- 1. Commercial corporate ownership of short-term rental properties should be prohibited. Family LLCs, trusts, and similar structures are not considered commercial and are excluded. **5/13/2024 Meeting Minutes:**

Councilman May moved to recommend prohibiting business and/or corporate ownership of short-term rentals, excluding family LLC's, trusts, etc.; Ms. Buck seconded. All voted in favor.

- 2. Ownership of multiple STR permits should be prohibited. **5/13/2024 Meeting Minutes:**

Councilman May moved to recommend prohibiting multiple (two or more) short-term rental permits; Ms. Lehman seconded. A vote was taken as follows:

**In Favor: Johnson, Kirchoff, Lehman, May
Opposed: Buck, Murray, Sever**

The motion passed 4-3.

- 3. A minimum two-night stay requirement should be imposed on all STR properties. **5/13/2024 Meeting Minutes:**

Councilman May moved to recommend a minimum stay of two nights; Ms. Lehman seconded. A vote was taken as follows:

**In Favor: Buck, Johnson, Kirchoff, Lehman, Sever, May
Opposed: Murray**

The motion passed 6-1.

M. STR CAPS

1. There should be caps on STRs of some type at some number(s) or percentage(s), if particulars can be approved by a majority. **5/13/2024 Meeting Minutes:**

Councilman May moved to recommend to council some form of caps, particulars to be subject to further motions; Ms. Lehman seconded. A vote was taken as follows:

**In Favor: Johnson, Kirchoff, Lehman, May
Opposed: Buck, Murray, Sever**

The motion passed 4-3.

2. The Committee decided to recommend to Town Council for its consideration alternative options, without deciding which is preferable: (1) uniform island-wide; or (2) an overlay zoning district imposed on the existing zoning may, with one cap, and the area outside the overlay district with a different cap.⁹ **5/20/2024 Meeting Minutes:**

Councilman May moved to recommend an island wide cap, an overlay district, or cap by district to council; Ms. Lehman seconded. A vote was taken as follows

**In favor: Buck, Johnson, Kirchoff, Lehman, Sever, May
Opposed: Murray**

The motion passed 6-1.

3. Town Staff proposed an overlay district as set forth on a map to be presented to Council. The Committee considered whether to modify the overlay district to remove the Front Beach homes and North Beach Village homes from the overlay district. The Committee preferred the staff recommendation. **5/20/2024 Meeting Minutes:**

The committee took a roll call vote on the overlay districts presented to the committee, specifically staff's recommendation (overlay option 1) or the overlay as staff presented with the front beach homes and north beach village removed from the overlay (overlay option 2). The vote was as follows:

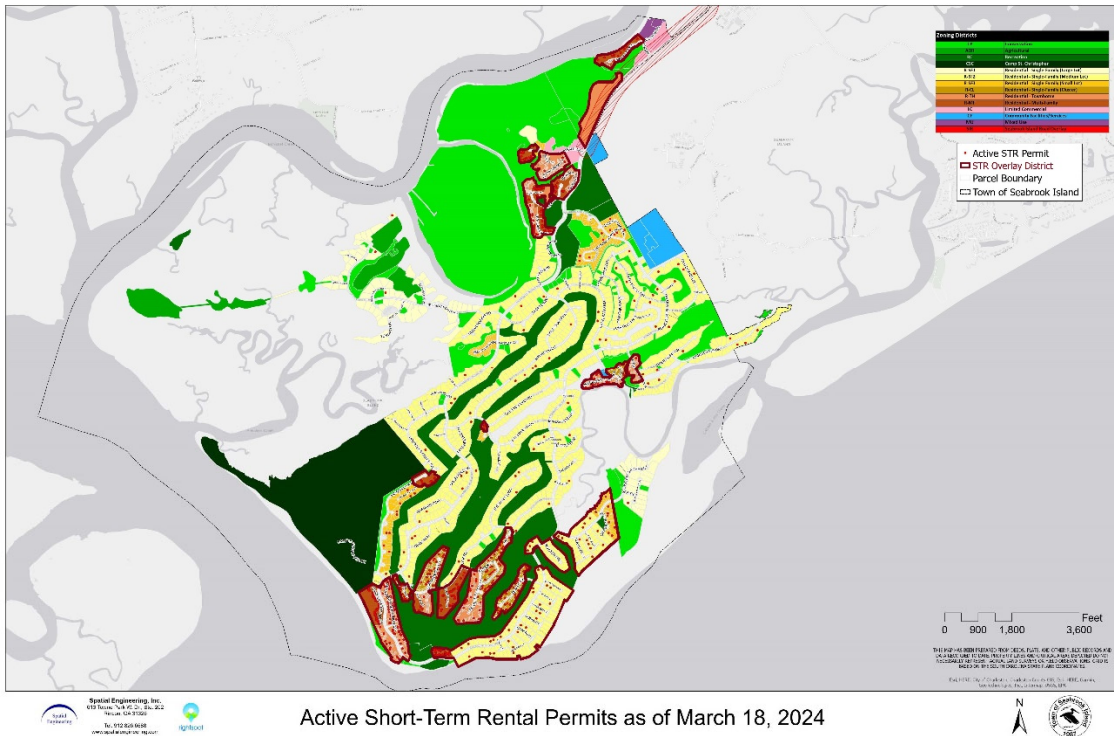
<u>Member</u>	<u>Option Chosen</u>
Lehman	Option 1

⁹ The members of the Committee who voted against imposing any caps at all (see M(1) above) participated in subsequent votes recommending the structure and numbers of proposed caps with the express proviso that their preference is to have no caps at all. Therefore, participation in these votes does not imply that they support any caps.

Sever	Option 2
Johnson	Option 1
Kirchoff	Abstain
Buck	Option 1
Murphy	Option 2
May	Option 1

With Option 1 with 4 votes, Option 2 with 2 votes, and one abstention; Option 1 was approved for recommendation.

Overlay District Option 1



Active Short-Term Rental Permits as of March 18, 2024

- Consistent with the Committee’s prior decision to recommend alternative caps to Town Council, i.e., a uniform island-wide cap and separate caps for overlay and non-overlay districts (see § M(2) above), a uniform island-wide cap was recommended. **5/20/2024 Meeting Minutes:**

Councilman May moved to recommend an island wide cap; Ms. Kirchoff seconded. A vote was taken as follows:

In favor: Buck, Johnson, Kirchoff, Lehman, Sever, May
Opposed: Murray

The motion passed 6-1.

- The Committee considered whether a cap should apply inside the overlay district as well as outside of the overlay district. The Committee decided to recommend caps for both. **5/20/2024 Meeting Minutes:**

Ms. Lehman moved to recommend when reviewing the overlay district to assign caps to each portion inside and outside of the district; Mr. Johnson seconded. A vote was taken as follows:

In Favor: Johnson, Lehman, Sever, May
Opposed: Buck, Kirchoff, Murray

The motion passed 4-3.

- The Committee considered whether to recommend cap levels for the two alternatives previously recommended (see § M(2)), or whether instead to leave the levels to Council to decide. The Committee decided to recommend levels. **6/3/2024 Meeting Minutes:**

Councilman May moved for the committee to make recommendations as to cap levels for the two options discussed at the prior meeting (overlay vs. non-overlay cap and townwide cap); Ms. Lehman seconded. A vote was taken as follows:

In Favor: May, Lehman, Johnson, Murphy, Sever
Opposed: Buck, Murray

The motion passed by a vote of 5-2.

- At the outset of discussion of cap levels for the overlay/non-overlay alternative, four proposals were made; two were withdrawn leaving two to be considered. **6/3/2024 Meeting Minutes:**

Staff proposed a cap of 550 inside of the overlay district and 100 outside of the overlay district, for a total of 650. Members of the committee discussed the staff proposal, but the staff proposal was not voted on.

Committee members proposed the following options for the cap levels:

OPTION 1: Overlay vs. Non-Overlay Cap

<u>Member</u>	<u>Inside Overlay</u>	<u>Outside Overlay</u>	<u>Total</u>
Lehman	525	125	650
Sever	557	110	667
Johnson	434	109	543
Buck	Same as the Sever proposal		
Murphy	Same as the Sever proposal		

Murray	No proposal		
May	525	100	625

**Lehman withdrew her proposal and supported the May proposal
Johnson withdrew his proposal and supported the May proposal**

In Favor of Sever/Buck/Murphy Proposal (Inside Overlay: 557; Outside Overlay: 110): Sever, Buck, Murphy, Murray

In Favor of May/Lehman/Johnson Proposal (Inside Overlay: 525; Outside Overlay: 100): May, Lehman, Johnson

The Sever/Buck/Murphy Proposal (Inside Overlay: 557; Outside Overlay: 110) passed by a vote of 4-3.

8. The Committee recommended that the alternative uniform townwide cap be 667.
6/3/2024 Meeting Minutes:

OPTION 2: Townwide Cap

In Favor of Sever/Buck/Murphy Proposal (Townwide: 667): Sever, Buck, Murphy, Murray

In Favor of May/Lehman/Johnson Proposal (Townwide: 625): May, Lehman, Johnson

The Sever/Buck/Murphy Proposal (Townwide: 667) passed by a vote of 4-3.

N. GRANDFATHERING

Four grandfathering proposals were unanimously agreed to. These apply to ownership restrictions (see § L(1)-(2) above) as well as to caps. Note that the Committee did not formally vote on whether existing STR permits should be grandfathered. This is because, since the formation of the Committee, it has been considered a given that existing permits will be grandfathered. The Committee therefore considered the following refinements to the basic grandfathering assumption that all existing permit holders will continue to be able to maintain their permits (subject to suspension or revocation for violations as set forth above) so long as they continue to own the property.

1. Throughout the Committee’s work there was extensive discussion of permits held by owners for the purpose of essentially keeping the owner’s options open as to renting, but without any present intent to rent. These were colloquially referred to as “insurance permits.” The Committee proposes to disallow the grandfathering of insurance permits. To be exempt from a cap, the property would have to make at least \$5,000 in rental income the prior year, or else the

owner would have to demonstrate that the property is advertised and actively available for rent. **6/3/2024 Meeting Minutes:**

Minimum Income Threshold to Maintain STR Permit

Councilman May moved to recommend that an STR permit holder be exempt from the cap if they demonstrate rental income of at least \$5,000 during the prior year; if an owner does not have \$5,000 in rental income, they may demonstrate to the zoning administrator that the STR was advertised and actively available for rent; Ms. Lehman seconded. All voted in favor.

The motion passed by a vote of 7-0.

2. The Committee recommended that properties under construction on the effective date of any caps that may be enacted by Town Council should be eligible for a permit if applied for within a short period of time after the Certificate of Occupancy is obtained. A question that arises from this is, when does construction begin? To give wide latitude to this provision, the Committee determined that it should be deemed to start when the property owner first submits conceptual design plans to the SIPOA Architectural Review Committee (or similar process for any property not subject to SIPOA ARC review). The Committee noted that this grandfathering provision will quickly diminish in impact following the effective date of any caps, until it will have no ongoing effect. As reflected below, the proposal voted on did not specify the number of days after the COO is issued by which the permit must be applied for, but the initial proposal, before extended further discussion, allowed for 30 days. **[1:55 in video.]** Additionally, the Committee recommended that Staff determine the best process for it to track construction. **[2:14 in video.] 6/3/2024 Meeting Minutes:**

Exceptions for Dwellings Under Construction

Councilman May moved to recommend that property owners be exempt from the cap if they have submitted construction plans to the ARC prior to the effective date of the ordinance; Ms. Lehman seconded. All voted in favor.

The motion passed by a vote of 7-0.

3. The Committee recommended that permits on property transfers exempt from the deed recording fee, such as deed transfers by inheritance, be available for continuation by the grantee(s) if a new permit is applied for. **6/3/2024 Meeting Minutes:**

Exempt Transfers

Councilman May moved to recommend that existing STR permits may be transferred in limited circumstances, such as transfer of the property to a family member, transfer following the death of the property owner, or if the transaction is otherwise exempt from the deed recording fee (similar to the language included in the 2023 draft ordinance); Ms. Buck seconded. All voted in favor.

The motion passed by a vote of 7-0.

4. In light of concerns expressed by some property owners that any caps would depress property values if their property could not be marketed as a STR, the Committee recommended providing a period during which owners with existing STR permits who wish to sell their property along with the right to transfer the right to a permit may do so. Thus, if caps are enacted by Town Council, even if an owner's property is in a district with a cap that has been reached, the purchaser of the property would be able to apply for and receive a permit. At that point the property would revert to the grandfathering provisions otherwise applicable. The Committee recommended a period of two years from the effective date of any caps to complete the sale, and 30 days for the new owner to apply for the STR permit. **6/3/2024 Meeting Minutes:**

Councilman May moved to recommend that existing STR permits may be transferred following the sale of the property; provided, the sale must be completed within two years of the effective date of the ordinance and the new property owner must apply for a permit within 30 days following the closing date; Ms. Lehman seconded. All voted in favor.

The motion passed by a vote of 7-0.

O. ADMINISTRATIVE PROVISIONS

1. South Carolina law provides that a new property owner must honor rental obligations entered into by the seller for a period of 90 days. Currently, the new owner must apply for a new annual permit to be able to fulfill that obligation. Town Staff recommended that new owners who do not wish to continue renting the property be able to obtain temporary permits. The Committee concurred with that recommendation. **6/3/2024 Meeting Minutes:**

Temporary STR Permits

A discussion took place regarding an exemption from the cap for temporary STR permits when the purchaser of an existing STR unit must honor the rental obligations of the prior owner. Staff reviewed the language from the 2023 draft ordinance which would allow for temporary permits if the property was sold subject to pre-existing rental agreements that would commence within 90 days of closing; provided the new owner could only

honor those existing agreements and the temporary permit would automatically expire after 120 days. If the owner seeks to accept new rental agreements or continue renting after 120 days, then they must apply for a new permit and would be subject to the cap.

While no formal vote was taken, committee members were in agreement to recommend in favor of temporary permits (similar to the language included in the 2023 draft ordinance).

2. Staff proposed two additional administrative change proposals that were adopted by the Committee. **6/3/2024 Meeting Minutes:**

Staff recommended two administrative changes to the STR ordinance:

1) Allow the zoning administrator to withhold the issuance of STR permits for specified reasons (similar to the language included in the 2023 draft ordinance); and

2) Eliminate the requirement for annual STR permit renewals and allow a STR permit to remain valid indefinitely as long as it remains in good standing.

Councilman May moved to recommend in favor of the administrative changes recommended by staff; Ms. Buck seconded. All voted in favor.

The motion passed by a vote of 7-0.

**TOWN OF SEABROOK ISLAND
SPECIAL COMMITTEE ON SHORT-TERM RENTALS**

Darryl May, Chair
Nancy Buck
Ted Johnson
Tracey Kirchoff
Debra Lehman
Starr Murphy
Susan Murray
Oliver Sever

Beach Patrol Activity Report

May 2024

Enforcement Actions

Category	Code Section	Verbal Warning	Written Warning	Ordinance Summons	Violation Total
Beached Boat	§ 32-48	5	0	0	5
BeachFire	§ 32-51	0	0	0	0
Critical Habitat	§ 32-43(a)	8	0	0	8
Dune	§ 32-41	2	0	0	2
Fishing	§ 32-57	0	0	0	0
Glass	§ 32-53	5	0	0	5
Harass Animal	§ 32-43(a)	0	0	0	0
Leash	§ 32-44	29	0	0	29
Other	Various	2	0	0	2
Shovel	§ 32-54	0	0	0	0
Storage	§ 32-50	0	0	0	0
Swim/Wade	§ 32-43(b)	0	0	0	0
Vehicle	§ 32-42	0	1	0	1
TOTAL		51	1	0	52

Other Activities

Category	Subcategory	Total
Rescue	Person	0
	Boat	0
Medical Calls	Major Medical	0
	Minor Medical	4
	Jellyfish	0
	Stingray	1
Other	Missing Persons	0
	Prevention	10
	Public Assist	1
	Trash Service	7
	Wildlife	10
TOTAL		33

Beach Patrol Activity Report

Year-to-Date 2024

Enforcement Actions

Category	Code Section	Verbal Warning	Written Warning	Ordinance Summons	Violation Total
Beached Boat	§ 32-48	10	0	0	10
BeachFire	§ 32-51	0	0	0	0
Critical Habitat	§ 32-43(a)	12	0	0	12
Dune	§ 32-41	11	0	0	11
Fishing	§ 32-57	0	0	0	0
Glass	§ 32-53	8	0	0	8
Harass Animal	§ 32-43(a)	5	0	0	5
Leash	§ 32-44	107	10	0	117
Other	Various	2	0	0	2
Shovel	§ 32-54	0	0	0	0
Storage	§ 32-50	0	0	0	0
Swim/Wade	§ 32-43(b)	0	0	0	0
Vehicle	§ 32-42	1	1	0	2
TOTAL		156	11	0	167

Other Activities

Category	Subcategory	Total
Rescue	Person	0
	Boat	0
Medical Calls	Major Medical	0
	Minor Meidcal	4
	Jellyfish	0
	Stingray	1
Other	Missing Persons	0
	Prevention	16
	Public Assist	5
	Trash Service	14
	Wildlife	19
TOTAL		59

TOWN OF SEABROOK ISLAND

ORDINANCE NO. 2024-__

ADOPTED _____

AN ORDINANCE AMENDING THE TOWN CODE FOR THE TOWN OF SEABROOK ISLAND, SOUTH CAROLINA, SO AS TO SEPARATE THE DUTIES OF THE TOWN CLERK AND TOWN TREASURER; TO CREATE THE POSITION OF TOWN PROSECUTOR; TO REPEAL THE PUBLIC WORKS COMMITTEE AS A STANDING COMMITTEE OF THE TOWN; TO AMEND THE PROCEDURE FOR ADOPTING AND AMENDING GENERAL PERSONNEL POLICIES AND PROCEDURES FOR THE TOWN AND ITS EMPLOYEES; AND OTHER MATTERS RELATED THERETO

WHEREAS, Chapter 2 of the Town Code for the Town of Seabrook Island (the “Town Code”) contains various general provisions for the administration of the town, including: form of government; personnel policies; composition, qualifications and organization of town council; meeting procedures, committees and ordinances; officers and departments of the town; financial administration; and emergency preparedness; and

WHEREAS, the Mayor and Council for the Town of Seabrook Island desire to amend the Town Code so as to separate the duties of the Town Clerk and Town Treasurer; to create the position of Town Prosecutor; to repeal the Public Works Committee as a standing committee of the Town; and to amend the procedure for adopting and amending general personnel policies and procedures for the Town and its employees; and

WHEREAS, in consequence of the foregoing amendments, the Town Council further desires to amend the provisions of Section 1-3 (Definitions); Section 10-3 (Clerk [of Court] designated); Chapter 12 (Elections); and Section 26-21 (State accommodations tax advisory committee); to eliminate conflicting and/or outdated provisions; and

WHEREAS, the Mayor and Council advertised and held a public hearing on the proposed amendments during a duly called meeting on _____, 2024; and

WHEREAS, the Mayor and Council believe it is fitting and proper to amend the Town Code to achieve the objectives referenced herein;

NOW, THEREFORE, pursuant to the authority granted by the Constitution and the General Assembly of the State of South Carolina, **BE IT ORDAINED BY THE MAYOR AND COUNCIL FOR THE TOWN OF SEABROOK ISLAND, S.C.:**

SECTION 1. Amending Section 1-3 of the Town Code. The Town Code for the Town of Seabrook Island, South Carolina; Chapter 1, General Provisions; Section 1-3, Definitions and rules of construction; is hereby amended to read as follows:

Sec. 1-3. Definitions and rules of construction.

In the construction of this Code and of all other town ordinances, the following rules shall be observed, unless such construction would be inconsistent with the manifest intent of the town council:

Code. The term "Code," "this Code" or "Town Code" means The Town Code for the Town of Seabrook Island, South Carolina, as designated in section 1-2.

Computation of time. The term "computation of time" means the time within which an act is to be done and shall be computed by excluding the first day and including the last day, and if the last day is a Saturday, Sunday or legal holiday, that shall be excluded.

Council or town council. The term "the council" or "the town council" means the Town Council of the Town of Seabrook Island, South Carolina.

County. The term "the county" or "this county" means the County of Charleston, South Carolina.

Gender. The term "gender" means a word importing the masculine gender only shall extend and be applied to females and to firms, partnerships and corporations as well as to males.

May. The term "may" is permissive or directory.

Number. The term "number" means words used in the singular include the plural, and the plural includes the singular number.

Oath, swear, sworn, affirm, affirmed. The term "oath" includes an affirmation in all cases in which, by law, an affirmation may be substituted for an oath, and in such cases the terms "swear" and "sworn" shall be equivalent to the terms "affirm" and "affirmed."

Officers and officials of the town. Whenever reference is made to officials, boards, commissions, departments, etc., by title only (~~i.e.e.g.,~~ mayor, council, administrator, clerk/treasurer, chief of police, etc.), they shall be deemed to refer to the officials, boards, commissions and departments of the town, unless the context clearly indicates or requires a different meaning.

Owner. The term "owner," as applied to a building, condominium or land, includes any part owner, joint owner, tenant in common, joint tenant or tenant by the entirety, of the whole or a part of such building or land.

Person. The term "person" extends and is applied to firms, partnerships, associations, organizations and bodies politic and corporate, or any combinations thereof, as well as to individuals.

Personal property. The term "personal property" includes money, goods, chattels, things in action and evidences of debt.

Preceding, following. The terms "preceding" and "following" mean next before and next after, respectively.

Property. The term "property" includes real and personal property.

Real property and real estate. The terms "real property" and "real estate" include lands, tenements, condominiums and timesharing arrangements.

Roadway. The term "roadway" means that portion of a street improved, designated or ordinarily used for vehicular travel.

S.C. Code 1976. The abbreviation "S.C. Code 1976" means the South Carolina Code of Laws of 1976, as amended from time to time.

Shall. The term "shall" is mandatory.

Sidewalk. The term "sidewalk" means a paved, surfaced or leveled strip of land in front or on the sides of a house or lot of land lying between, and generally parallel to, the property line and the street, used as a pedestrian walkway.

Signature or subscription. The term "signature" or "subscription" includes a mark when the person cannot write.

State. The term "the state" or "this state" means the State of South Carolina.

Street. The term "street" shall be construed to embrace streets, avenues, boulevards, roads, alleys, viaducts and all other public ways and thoroughfares.

Tenant or occupant. The term "tenant" or "occupant," as applied to a building or land, includes any person who occupies the whole or a part of such building or land, whether alone or with others.

Tense. Terms used in the present tense include the future as well as the present.

Town. The term "the town" or "this town" means the Town of Seabrook Island, South Carolina.

Written or in writing. The term "written" or "in writing" includes any representation of words, letters or figures, whether by printing or otherwise.

SECTION 2. Amending Chapter 2 of the Town Code. The Town Code for the Town of Seabrook Island, South Carolina; Chapter 2, Administration; is hereby amended to read as follows:

Chapter 2 - ADMINISTRATION

ARTICLE I. IN GENERAL

Sec. 2-101. Form of government.

The mayor-council form of government, as provided for in S.C. Code 1976 Secs. 5-9-10 through 5-9-40 is hereby adopted for the Town of Seabrook Island, pursuant to S.C. Code 1976 Secs. 5-1-10 et seq.

Sec. 2-102. Personnel policies and procedures ~~adopted~~.

~~In order to establish g~~General personnel policies and procedures for the town and its employees, ~~the "Town of Seabrook Island Employee Handbook," dated December 19, 2023, is hereby adopted and incorporated by reference as if fully set forth in this section may be adopted by town council by resolution.~~ The ~~Employee Handbook personnel policies and procedures~~ may be updated from time to time by subsequent resolution of town council, upon recommendation by the mayor.

Sec. 2-103. Corporate limits.

The corporate limits of the town shall be those now and hereafter specified by law, along with any alterations which may be made from time to time as provided for by law. A map and a description of the corporate limits shall be maintained in the office of the town clerk/~~treasurer~~.

Sec. 2-104. Town seal.

The town shall maintain and keep at town hall an official town seal bearing "Town of Seabrook Island, S.C." which shall be used to authenticate all ordinances, resolutions and minutes.

Secs. 2-105—2-200. [Reserved]

ARTICLE II. MAYOR AND COUNCIL

Sec. 2-201. Composition and qualifications.

The municipal council of the town shall be composed of a mayor and four council members who shall be qualified electors of the town. A majority of the town council shall constitute a quorum for the purpose of conducting town business.

Sec. 2-202. Election and terms of office.

- (A) *Mayor*. The mayor shall be elected to a two-year term of office.
- (B) *Town council members*. Town council members shall be elected to a two-year term of office.

Sec. 2-203. Oath of office.

The mayor and town council members, before entering upon the duties of their respective offices, shall take the following oath of office:

"I do solemnly swear (or affirm) that I am duly qualified, according to the Constitution of this State, to exercise the duties of the office to which I have been elected and that I will,

to the best of my ability, discharge the duties thereof, and preserve, protect and defend the Constitution of this State and of the United States.

As Mayor (or Council Member) of the Town of Seabrook Island, I will equally, fairly, and impartially, to the best of my ability, and skill, exercise the trust reposed in me, and will use my best endeavor to preserve the peace and carry into effect according to law the purposes for which I have been elected. So help me God."

Sec. 2-204. Town council.

- (A) *In general.* Except as otherwise provided by law, all powers of the town and the determination of all matters of policy shall be vested in the town council, and the town council shall provide for the exercise thereof and for the performance of all duties and obligations imposed on the town by law. Each member of town council, including the mayor, shall have one vote.
- (B) *Powers.* Consistent with the powers, duties, and responsibilities conferred by state law, the town council shall have the power to:
 - (1) Establish municipal departments, offices, and agencies;
 - (2) Investigate any department of the town government and any office or agency thereof;
 - (3) Prescribe the functions of all departments, offices, and agencies; provided, however, no function assigned by law to a particular department, office, or agency may be discontinued or assigned to any other agency;
 - (4) Establish fines and penalties for the violation of municipal ordinances and regulations not exceeding five hundred dollars or imprisonment not exceeding thirty days, or both;
 - (5) Adopt an annual budget, pursuant to public notice;
 - (6) Levy and collect taxes on real and personal property, make assessments, and establish uniform service charges;
 - (7) Levy a business license tax on gross income;
 - (8) Grant, renew, or extend franchises for the use of public streets and beaches;
 - (9) Authorize the borrowing of money and pledge the full faith and credit of the town;
 - (10) Purchase, lease, sell, or otherwise acquire or dispose of real and personal property;
 - (11) Provide public services including, but not limited to, police protection, recreation, public works, lifeguard, and other safety related services;

- (12) Appoint and commission as many code enforcement officers as may be necessary for the proper security, general welfare, and convenience of the town;
- (13) Guide development in accordance with existing and future needs and promote the public health, safety, morals, convenience, order, appearance, prosperity, and general welfare through the adoption of local zoning and land development regulations;
- (14) Provide for the abatement of public nuisances;
- (15) Elect a mayor pro tempore;
- (16) Employ an administrator to assist the mayor in the discharge of his or her duties;
- (17) Appoint or retain the town clerk, ~~treasurer~~, town attorney, town prosecutor, and chief municipal judge, and associate judges;
- (18) Appoint members to the Accommodations Tax Advisory Committee, Board of Zoning Appeals, Planning Commission, and all advisory and special committees of the town; and
- (19) Enact, amend, or repeal any regulation, resolution, or ordinance which appears to be necessary and proper for the security, general welfare, and convenience of the town, or for preserving health, peace, order, and good government within it, and which is not inconsistent with the Constitution and general law of the state.

Sec. 2-205. Mayor.

- (A) *In general.* The mayor shall be the chief administrative officer of the town. The mayor shall be responsible to the town council for the administration of all affairs for which he or she is charged and shall have the powers and duties as prescribed by law.
- (B) *Powers.* As authorized by statute, the mayor is empowered to:
 - (1) Appoint and, when deemed necessary for the good of the town, suspend or remove employees and appointive administrative officers, except as otherwise provided by law. He or she may authorize any administrative officer who is subject to his or her direction and supervision to exercise these powers with respect to subordinates in that officer's department, office, or agency;
 - (2) Direct and supervise the administration of all departments, offices, and agencies of the town, except as otherwise provided by law;
 - (3) Preside at town council meetings and vote as other council members;
 - (4) Act to ensure that all laws and ordinances of the town, subject to enforcement by him or her, or by officers subject to his or her direction and supervision, are faithfully executed;

- (5) Prepare and submit the annual operating budget and capital program to the town council for review and adoption;
 - (6) Submit to the town council and make available to the public a complete report on the finances and administrative activities of the town as of the end of each fiscal year;
 - (7) Make such other reports as the town council may require concerning the operations of municipal departments, offices, and agencies subject to his or her direction and supervision;
 - (8) Appoint the chairperson of all advisory committees of the town;
 - (9) Establish and appoint all ad hoc committees of the town council; and
 - (10) Perform such other duties as may be prescribed by law under the mayor-council form of government.
- (C) *Miscellaneous powers.* The mayor is authorized to negotiate and enter into agreements, subject to ratification by the town council, with other jurisdictions for the initiation and/or continuance of public services for the town.
- (D) *Emergency powers.*
- (1) *Authority.*
 - a. *Declaration.* The mayor may, upon the happening, or probable happening, of any one or more of the following events, declare a state of emergency to exist within the town's corporate limits:
 - a. The occurrence of civil unrest or rioting, to include the formation of any unruly mob;
 - b. The existence of a state of war, whether declared or not, or of any insurrection;
 - c. The occurrence of any tornado, hurricane, cyclone, major fire, earthquake, flood, tsunami or any other force of nature that disrupts or threatens to disrupt the normal activities of the community;
 - d. The occurrence of acts of arson, terrorism, or similar activities that unduly alarm and/or threaten the public;
 - e. The occurrence of an accident or incident which materially and adversely disrupts the normal operation of the town or the ability of its residents to conduct a routine way of life;
 - f. The occurrence of a pandemic or other public health emergency; and

- g. Any other threatening event designated as an emergency by town council.
- b. *Proclamation.* The state of emergency shall be declared by a proclamation signed by the mayor and posted on the official town bulletin board located at Seabrook Island Town Hall and shall be effective immediately upon posting. The proclamation shall be in substantially the following language:

"It has been determined that (here state the event giving rise to the emergency) has occurred (or is likely to occur) within the corporate limits of the Town of Seabrook Island, South Carolina, and that accordingly, a state of emergency does in fact exist. Therefore, I hereby proclaim a state of emergency and invoke the emergency provisions of Section 2-205 of the Town Code."

- (2) *Vested extraordinary powers.* In the event a state of emergency is declared by the mayor under the provisions of this section, the mayor shall become vested with the following extraordinary powers, which may be exercised at his or her discretion:
 - a. To establish a curfew within the town's corporate limits;
 - b. To prohibit the sale of:
 - 1. Gasoline, explosives, dynamic and/or any other type of inflammable or explosive materials;
 - 2. Firearms; or
 - 3. Any other materials or supplies, or any component parts thereof, which could be readily utilized as weapons;
 - c. To disperse unlawful assemblies or congregations of people;
 - d. To suspend the issuance of permits;
 - e. To order the evacuation of the town;
 - f. To designate off-limit areas;
 - g. To commandeer boats and vehicles;
 - h. To restrict trade and commercial activities;
 - i. To make emergency purchases pursuant to Sec. 2-625(C)(3);
 - j. To request the assistance of the military and/or law enforcement forces of federal, state, and/or other local agencies; and

k. To take such action as appears necessary in his or her judgment to protect life and property and maintain peace and good order within the town.

(3) *Issuance of orders.* Any orders issued by the mayor under his or her extraordinary powers during a declared state of emergency shall be effective immediately, or at such other time as the mayor shall specifically designate, with the posting of the orders upon the official town bulletin board located at Seabrook Island Town Hall, or upon verbal communications by the mayor directly to the person whom the order is intended to affect.

(4) *Ending emergency.* The state of emergency shall legally end when the mayor determines that the peace and good order of the town are no longer threatened and declares this in a proclamation which shall be posted upon the official town bulletin board located at Seabrook Island Town Hall, or upon a majority vote of town council, whichever occurs first.

(5) *Penalty.* Anyone violating any provision of this section, or any orders issued by the mayor under this section, shall, upon conviction, be punished pursuant to the general penalty provisions contained within Sec. 1-7 of the Town Code.

Sec. 2-206. Mayor pro tempore.

(A) *Election.* After any general election, the town council shall, at the first regular meeting of the newly constituted council, elect from its membership a mayor pro tempore to serve for a term of not more than two years.

(B) *Duties.* The mayor pro tempore shall act as mayor during the absence or disability of the mayor. If a vacancy occurs in the office of mayor, the mayor pro tempore shall serve as acting mayor until a successor is elected.

(C) *Temporary absence of mayor pro tempore.* In the event of ~~the~~ sickness or temporary absence of the mayor pro tempore, while acting as mayor, the town council shall elect from its membership a temporary presiding officer.

(D) *Vacancy.* If a vacancy occurs in the office of mayor pro tempore, the town council shall elect from its membership a new mayor pro tempore.

Sec. 2-207. Compensation and expenses.

(A) *Salary.* The mayor and members of town council may receive an annual salary, the amount of which shall be fixed by ordinance.

(B) *Procedure for establishing or increasing salaries.* Any ordinance establishing or increasing the salaries of the mayor and members of town council shall not become effective until the commencement date of the terms of two or more members elected at the next general election following adoption of the ordinance, at which time it will become effective for all members regardless of whether they were elected in such election.

- (C) *Expense reimbursement.* The mayor and town council members may be reimbursed for any actual expenses incurred and documented in the performance of their official duties. An expense form detailing each expenditure shall be submitted to the town ~~clerk~~/treasurer in a timely manner with receipts attached. The use of personal vehicles for official town business shall be reimbursed at the prevailing standard mileage rate, as published by the Internal Revenue Service. The mayor and members of town council may not receive reimbursement for alcohol or for expenses incurred by their spouses or dependents.

Secs. 2-208—2-300. [Reserved]

ARTICLE III. MEETINGS AND PROCEDURES

DIVISION 1. TOWN COUNCIL

Sec. 2-301. Regular meetings.

- (A) *Meeting schedule.* The town council's regular meeting shall be held on the fourth Tuesday of each month. In months when the fourth Tuesday falls during the same week as the observance of a town holiday, the regular meeting may be held on an alternate date during the same month, provided the change is approved by a majority of town council. Unless rescheduled in accordance with subsection (B), all regular meetings shall be called to order at 2:30 p.m. At the beginning of each year, the town council shall give written public notice of the dates, times, and locations of all regular meetings for that calendar year.
- (B) *Rescheduled meetings.* If it is anticipated that a quorum will not be achieved for any regular meeting scheduled in accordance with subsection (A), the mayor or a majority of town council members shall reschedule the meeting to take place on an alternate date and/or time during the same month as the regular meeting. Written public notice of any rescheduled meeting shall be provided as soon as practicable, but no less than 24 hours prior to the start of the meeting.
- (C) *Open to the public.* All town council meetings shall be open to the public.

Sec. 2-302. Other meetings.

Other town council meetings including, without limitation, special called meetings, emergency meetings, joint meetings, workshops, and work sessions, may be held at any time on the call of the mayor or a majority of town council members. The town clerk/~~treasurer~~ shall provide notice of all meetings, as provided in Sec. 2-305.

Sec. 2-303. Duty to attend meetings.

Except for instances where there is good and reasonable cause for their attendance to be excused, it shall be the duty of the mayor and town council members to attend all town council meetings.

Sec. 2-304. Presiding officer; clerk; parliamentarian.

- (A) *Presiding officer.* The mayor shall serve as the presiding officer of all town council meetings. Questions of order shall be decided by the mayor without debate, subject to appeal to the full council. It shall be the responsibility of the mayor to preserve order at all times.
- (B) *Clerk.* The town clerk/~~treasurer~~ shall serve as the clerk of council.
- (C) *Parliamentarian.* The town attorney shall act as the parliamentarian.

Sec. 2-305. Notice of meetings.

- (A) *Notice to the media.* The town clerk/~~treasurer~~ shall provide notice to the media of the date, time, location, and subject of all town council meetings as soon as practicable. All meeting minutes shall reflect that the media was so notified.
- (B) *Notice to the public.* The town clerk/~~treasurer~~ shall provide notice to the public of all town council meetings by posting the date, time, location, and agenda for each meeting on the official town bulletin board located at Seabrook Island Town Hall and on the town website at least 24 hours prior to the start each meeting.
- (C) *Exceptions.* The requirements of this section shall not apply to emergency meetings of town council.

Sec. 2-306. Agenda; order of business.

- (A) *Agenda required.*
 - (1) *Regular meetings.* The town clerk/~~treasurer~~ shall publish an agenda for all regular town council meetings as soon as practical, but no less than 24 hours prior to the start of the meeting. The agenda shall list all items to be considered by the town council in accordance with the order of business provided in subsection (B) of this section. The agenda may not be amended within 24 hours of the meeting, except as provided in paragraph (3) of this subsection-~~(C)~~.
 - (2) *Special meetings.* The town clerk/~~treasurer~~ shall publish an agenda for all other town council meetings as soon as practical, but no less than 24 hours prior to the start of the meeting. The agenda may not be amended within 24 hours of the meeting, except as provided in paragraph (3) of this subsection-~~(C)~~.
 - (3) *Amendments to agenda.* Once a meeting agenda has been posted, no items may be added to the agenda without an additional 24 hours' notice to the public, which must be made in the same manner as the original posting. After the meeting begins, an item upon which action can be taken only may be added to the agenda by a two-thirds vote of the members present and voting; however, if the item is one upon which final action can be taken at the meeting or if the item is one in which there has not been and will not be an opportunity for public comment with prior public notice

given in accordance with this section, it may only be added to the agenda by a two-thirds vote of the members present and voting and upon a finding by the town council that an emergency or an exigent circumstance exists if the item is not added to the agenda.

(B) *Order of business.*

(1) *Regular meetings.* The order of proceedings for all regular town council meeting shall be as follows:

- a. *Call to order/roll call/pledge of allegiance.* The mayor shall call the meeting to order at the appointed time and determine whether a quorum is present. The mayor, or an individual designated by the mayor, may begin the meeting by leading the assembly in reciting the Pledge of Allegiance.
- b. *Executive session.* The town council may enter executive session pursuant to the provisions of Sec. 2-312.
- c. *Approval of minutes.* The town council shall review and approve any unapproved minutes from its previous meeting(s). The town clerk/~~treasurer~~ shall read the minutes upon request by any two or more town council members.
- d. *Presentations.* Persons or groups wishing to make a formal presentation to the town council shall submit a written request to the town clerk/~~treasurer~~ no later than one week prior to the meeting date. Upon approval by the mayor, the town clerk/~~treasurer~~ shall add the presentation to the town council agenda. Each presentation shall be limited to ten minutes. There shall be no more than three presentations during any regular meeting.
- e. *Public hearing items.* The mayor shall announce the opening of the public hearing. The mayor shall then read the title of the first public hearing item listed on the agenda and open the floor for public comment on that item. Each speaker shall be limited to three minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for public comments on each public hearing item. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/~~treasurer~~ of a desire to speak prior to the start of the meeting. Upon conclusion of the public hearing, the mayor shall close the public hearing. If there is more than one public hearing item listed on the agenda, the mayor shall repeat these steps for each public hearing item.
- f. *Citizen comments.* During the first citizen comment period, any citizen may speak pertaining to any item listed on the meeting agenda which does not require a public hearing. Each speaker shall be limited to three minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/~~treasurer~~ of a desire to speak prior to the start of the meeting.

- g. *Reports of town boards, commissions and committees.* The town council shall receive reports, if any, from town boards, commissions, and committees in the following order:
 1. Advisory committees established pursuant to Sec. 2-401;
 2. Special committee established pursuant to Sec. 2-402;
 3. Ad hoc committee established pursuant to Sec. 2-403;
 4. Board of Zoning Appeals;
 5. Planning Commission;
 6. State Accommodations Tax Advisory Committee; and
 7. Utility Commission.

- h. *Reports of town officers.* The town council shall receive reports, if any, from town officers in the following order:
 1. Mayor;
 2. Town administrator;
 3. Town clerk/~~treasurer~~;
 - ~~4. Town attorney; and~~
 4. Town treasurer; and
 5. Zoning administrator.

- i. *Ordinances for second reading.* The town council shall review and take action upon all ordinances which are listed on the agenda for second reading consideration. All ordinances must be in the form as specified in Sec. 2-342.

- j. *Ordinances for first reading.* The town council shall review and take action upon all ordinances which are listed on the agenda for first reading consideration. All ordinances must be in the form as specified in Sec. 2-342.

- k. *Other action items.* The town council shall review and take action upon all resolutions and other action items which are listed on the agenda for consideration.

- l. *Items for information or discussion.* The town council may receive, review, and discuss, but not take action upon, any other town matter placed on the agenda by the mayor, a member of town council, or the town administrator.

- m. *Citizen comments.* During the second citizen comment period, any citizen may speak pertaining to any town matter, except personnel matters. Each speaker shall be limited to three minutes in which to make his or her comments. Town council shall allow no more than 30 minutes for citizen comments. Preference shall be given to individuals who have signed up or otherwise notified the town clerk/~~treasurer~~ of a desire to speak prior to the start of the meeting.
 - n. *Council comments.* The mayor and members of town council may provide comments or ask questions on any town matter.
 - o. *Adjournment.* Upon conclusion of all town council business, the mayor shall call for a motion to adjourn the meeting.
- (2) *Other meetings.* The order of proceedings for all other town council meetings including, without limitation, special called meetings, emergency meetings, joint meetings, workshops, and work sessions, shall be as provided on the published on the agenda for that meeting. No items may be added to the published agenda without 24 hours' notice.
- (3) *Suspending or altering order of proceedings.* The order of proceedings described herein may be suspended or altered by unanimous consent of the town council members present.

Sec. 2-307. Minutes.

- (A) *Preparation.* The town clerk/~~treasurer~~ shall attend all town council meetings and keep minutes of the proceedings.
- (B) *Approval.* Meeting minutes shall be approved at the next regular meeting of the town council. Minutes do not constitute the official record of a meeting until approved by town council.
- (C) *Public record.* Upon approval by the town council, all meeting minutes shall be maintained on file in the office of the town clerk/~~treasurer~~ as a permanent public record. Meeting minutes shall be made available for public review in accordance with the requirements of the South Carolina Freedom of Information Act.

Sec. 2-308. Quorum.

- (A) *Determination of quorum.* Immediately at the hour appointed for the town council meeting, the mayor shall take the chair and call the meeting to order. He or she shall then direct the town clerk/~~treasurer~~ to call the roll. If a quorum is present either in person or by means of electronic equipment, as provided in Sec. 2-314, the mayor shall proceed with the town council business as prescribed by the agenda. If a quorum of the town council fails to appear within 15 minutes after the appointed start time, no member shall be required to attend longer, unless he or she chooses to do so.

- (B) *Conflicts of interest.* A member present but disqualified from voting on a question by state law or due to a conflict of interest shall not be counted for purposes of a quorum.

Sec. 2-309. Rules of order.

- (A) *In general.* Except as otherwise required by state law or the Town Code, all proceedings shall be governed by Robert's Rules of Order, Newly Revised Edition.
- (B) *Addressing town council.* A member who desires to speak shall respectfully address the mayor and shall not commence to speak until recognized. When two or more members request to speak at the same time, the mayor shall determine the order in which each member is recognized. Town council members shall conduct themselves with decorum; ~~shall refrain from personalities,~~ and shall avoid any disrespect to other members of town council or the public. Every member while speaking shall confine himself or herself to the subject under debate.
- (C) *Interruption.* Unless a member who has the floor yields for that purpose, no member shall interrupt another while speaking, except to submit a parliamentary inquiry or to make a point of order.
- (D) *Length and number of times a member may speak.* No member shall speak for more than ten minutes continuously on any one question. No member shall speak a second time on the same question until every member who desires to speak shall have had an opportunity to speak. No member shall speak more than twice on the same question.
- (E) *Decisions of the chair; appeals.* All questions of order shall be decided by the mayor without debate. In the event of an appeal of the mayor's decision, the mayor shall refer the question to the full council, and the final decision shall be determined by majority vote.
- (F) *Parliamentary inquiry.* Any member may make a parliamentary inquiry of the mayor at any time during the meeting.
- (G) *Points of order.* Any member may make a point of order without a second at any time. The mayor may speak to points of order in preference to other members and shall decide all such questions, subject to appeal to the full council by motion duly seconded. No other business shall be in order until the question on the appeal has been decided.
- (H) *Suspending or altering rules.* Any of the rules mentioned herein may be suspended or altered by unanimous consent of the town council members present.

Sec. 2-310. Motions.

- (A) *Form of motion.* A motion may be made by any member, either orally or in writing. An oral motion shall be reduced to writing upon request of any member of town council. A motion shall not be placed before the town council for a vote unless and until it has been duly seconded by another member.

- (B) *Decision on motions.* Every motion, when offered and seconded, shall be decided by a vote of town council unless the motion is withdrawn by its maker or superseded by an approved substitute motion.
- (C) *Reconsideration.* A motion to reconsider must be made by a member who voted with the prevailing side. A motion to reconsider must be made during the same meeting or at the next succeeding meeting.

Sec. 2-311. Voting.

- (A) *Majority vote required.* No motion may be officially decided in the affirmative except upon the favorable vote of a majority of those voting. A town council member attending a meeting by means of telephone, audio, or video conference link may cast a vote, as provided in Sec. 2-314. If a vote is equally divided, the question shall be decided in the negative.
- (B) *Town council members required to vote; conflicts of interest.* It is the duty of the mayor and each town council member present, including those attending by means of telephone, audio, or video conference link, to vote on every question except when required to refrain from voting by state law due to a conflict of interest. Those in favor of the question shall respond by saying or indicating "aye," and those opposed to the question shall respond by saying or indicating "nay." If a member abstains from voting, the effect is the same as if he or she voted on the prevailing side.
- (C) *Form of vote.* All votes taken by the town council shall be by voice vote or roll call, at the direction of the mayor. A roll call vote may be requested by any member of town council. In the event of a roll call vote, the town clerk/~~treasurer~~ shall call each member by name in alphabetical order, with the mayor voting last.
- (D) *Members prohibited from leaving the meeting.* No member of town council may leave the meeting while a vote is taking place without the permission of the mayor.
- (E) *Recording.* Each motion and the result of every vote shall be recorded in the meeting minutes.
- (F) *Opportunity for members to explain vote.* Any member may have his or her reasons for voting for or against any questions recorded in the minutes of the meeting by gaining recognition by the mayor immediately following the vote and then briefly stating his or her reasons.

Sec. 2-312. Executive session.

- (A) *In general.* By majority vote in a public meeting, town council may enter executive session to discuss any item expressly permitted by S.C. Code 1976 Sec. 30-4-70. The reason for the executive session shall be stated publicly.
- (B) *Voting in executive session prohibited.* No vote or formal action shall be taken in executive session.

- (C) *Disclosure.* When an executive session is listed on a published town council agenda, the town clerk/~~treasurer~~ shall add the following disclaimer on the agenda: “Please Note: Town Council may take action on Executive Session Items listed on the agenda when they come back into Public Session.”
- (D) *Minutes.* Minutes of executive sessions shall not be taken unless required by majority vote of town council. Minutes of executive sessions shall not be public records.
- (E) *Disclosure prohibited.* It shall be unlawful for a member of town council or person in attendance to disclose to another person or make public the substance of a matter discussed in executive sessions.

Sec. 2-313. Additional rules.

The town council may, from time to time, by ordinance or resolution, adopt such additional rules, not inconsistent with this article, as may be necessary or expedient for the transaction of its business.

Sec. 2-314. Remote participation and voting.

Provided a quorum is present, either in person or by means of electronic equipment, the mayor and/or any member of town council may participate in and cast votes via telephone, audio, or video conference link provided that the member attending remotely is able to both hear the meeting and what is transpiring and that his or her comments and vote may be heard by those attending and/or viewing the meeting, including members of the public. If an executive session is called, only those allowed in the executive session pursuant to state law should be able to hear and be heard by the person attending the meeting remotely. To the extent possible, any eligible person who needs to attend such meetings remotely shall notify the mayor or town administrator in advance of the meeting; provided, however, such notice shall not be required for any meeting which is advertised and held solely by means of electronic equipment (ie. “virtual” meeting”).

Secs. 2-315—2-340. [Reserved]

DIVISION 2. ORDINANCES AND RESOLUTIONS

Sec. 2-341. Ordinance required.

- (A) *When required.* The town council shall act by ordinance in all matters required by law to be done by ordinance, including:
- (1) Adopting or amending an administrative code or code of ordinances;
 - (2) Establishing, altering or abolishing any municipal department, office or agency;
 - (3) Providing for an ordinance violation penalty or establishing a rule or regulation in which an ordinance violation penalty is imposed for violation;

- (4) Appropriating funds and adopting a budget;
 - (5) Granting, renewing, extending, or amending franchises, licenses or rights in public streets or public property, and closing abandoned streets after public notice and a public hearing;
 - (6) Levying taxes, assessing property for improvements, or establishing charges for services;
 - (7) Extending the corporate boundaries of the town by annexation;
 - (8) Selling, conveying, or leasing or authorizing the conveyance or lease of any lands of the town, or contracting to do so;
 - (9) Authorizing the borrowing of money or the issuance of bonds; and
 - (10) Amending or repealing any ordinance regarding the above matters.
- (B) *Other matters.* In all other matters, unless otherwise required by law, town council may act either by ordinance or resolution, written or oral, recorded in the minutes.

Sec. 2-342. Form of ordinances and resolutions.

- (A) *Form of ordinances.* Every proposed ordinance shall be introduced in writing in the form required for final adoption, which shall include:
- (1) A title briefly describing the content of the ordinance;
 - (2) A preamble, if appropriate, citing findings, reasons, or basis for the ordinance or resolution, if desired and appropriate;
 - (3) An enacting clause which shall be styled as follows: " Be it Ordained by the Mayor and Council of the Town of Seabrook Island, S.C.";
 - (4) The provisions of the ordinance including section numbers if the ordinance is to be codified or amend an existing codified ordinance;
 - (5) Citation of any ordinance repealed;
 - (6) The effective date of the ordinance;
 - (7) The approval of the town attorney as to form and the assignment of an ordinance number;
 - (8) Space for dates of readings and public hearing, if appropriate; and
 - (9) Space for the signatures of the mayor or presiding member of town council and the town clerk attesting notice, if required, and certifying enactment/adoption.

- (B) *Form of resolutions.* There shall be no standard form for resolutions. Resolutions submitted in writing may be in similar form approved by the town attorney.

Sec. 2-343. Introduction of ordinances.

An ordinance may be proposed by the mayor, any member of town council, the planning commission, the town administrator, or the head of any department of the town with the approval of the town administrator. A proposed ordinance shall be referred to the town attorney for review and approval as to form. If requested, the town attorney shall render assistance in the preparation of required notices, if any, and in drafting ordinances. After an ordinance is in proper form, the town attorney shall send the ordinance to the town clerk/~~treasurer~~ to be held for public inspection and to be placed on a regular agenda or special agenda, as appropriate. An ordinance is considered to be introduced when it appears on an agenda during a public meeting of town council and its title is read. Any member of town council may request a full reading of a proposed ordinance at its introduction and first reading.

Sec. 2-344. Enactment of ordinances.

- (A) *In general.* An ordinance must be prepared in writing and introduced in the form required for final adoption, as provided in Sec. 2-342.
- (B) *Two readings required.* No ordinance may be adopted until it has been read two times and on separate days with at least six days between each reading.
- (C) *Introduction.* The introduction and reading of any ordinance shall be by the reading of the title only unless full reading is requested by one or more members of town council.
- (D) *Public hearing.* After the introduction of an ordinance, any member of town council may request a public hearing be held on the ordinance if one is not required by law. If the request is approved by a majority of town council members present, a public hearing shall be advertised and held prior to adoption of the ordinance. The town clerk/~~treasurer~~ shall advertise the public hearing notice in a newspaper of general circulation within the town at least 15 days prior to the public hearing date. A public hearing may be held on the same date as the final reading.
- (E) *Amendments.* An ordinance may be amended at first reading without limitation. An ordinance may be amended at final reading only if the original intent of the ordinance is not changed or significantly altered.
- (F) *Signatures and filing.* Upon final adoption by vote of town council, ~~an~~ approved ordinances shall be signed by the mayor and attested by the town clerk/~~treasurer~~. The town clerk/~~treasurer~~ shall file and maintain all ordinances as permanent public records.
- (G) *Time period to act on ordinance.* If a proposed ordinance does not receive the required two readings within a twelve-month time period from the date of introduction, it shall automatically be tabled, and no further action may be taken on the proposed ordinance.

Sec. 2-345. Emergency ordinances.

To meet public emergencies affecting life, health, safety or the property of the people, town council may adopt emergency ordinances; provided, such ordinances shall not levy taxes, grant, renew or extend a franchise, or impose or change a service rate. Every emergency ordinance shall be enacted by the affirmative vote of at least two-thirds of the town council members present. An emergency ordinance is effective immediately upon its enactment without regard to any reading, public hearing, publication requirements, or public notice requirements. Emergency ordinances shall expire automatically as of the sixty-first day following the date of enactment.

Sec. 2-346. Introduction of resolutions.

A voice motion is considered to be the introduction of an oral resolution which requires no written record other than a notation in the meeting minutes. A resolution proposed in writing shall be introduced in the same manner as an ordinance.

Sec. 2-347. Adoption of resolutions.

Written and oral resolutions may be adopted on one reading unless a public hearing is set by a majority of town council members present. Upon request by town council, a public hearing shall be advertised and held in the same manner as described in Sec. 2-344(D).

Sec. 2-3498. Codification of ordinances.

- (A) *Codification of permanent ordinances required.* The town clerk/~~treasurer~~ shall send all ordinances of a general and permanent nature to the publishing company to be codified in the Code of Ordinances on a quarterly basis. Copies of the Code of Ordinances shall be made available for public inspection in the office of the town clerk/~~treasurer~~ on the town's website. Paper copies of the Code of Ordinances may be purchased from the town clerk/~~treasurer~~ at a cost not to exceed \$25.00.
- (B) *Citation by reference.* Any standard code of technical regulations, state statute or regulation, county ordinance or regulation, or rate schedule which is adopted by reference may be cited in the Code of Ordinances by reference and maintained in separate volumes.

Secs. 2-35049—2-400. [Reserved]

ARTICLE IV. COMMITTEES

Sec. 2-401. Advisory committees.

- (A) Community Promotions and Engagement Committee
 - (1) *Established; powers and duties.* The Seabrook Island Community Promotions and Engagement Committee is hereby established. The committee is charged with the following powers and duties:

- a. To assist with the creation, planning, preparation, promotion, execution and evaluation of various town-sponsored events and activities;
 - b. To identify resources necessary to ensure the success of town-sponsored events and activities including, but not limited to, sponsors, vendors, suppliers, entertainment, crowd control and public safety;
 - c. To review and provide recommendations to town council on the procurement and awarding of contracts for goods and services related to town events and activities;
 - d. To develop, recommend and implement strategies for engaging town residents, property owners, visitors and businesses;
 - e. To provide recommendations on overall communication strategies and methods;
 - f. To administer the town's Community Promotions Grant program; and
 - g. To perform such other duties which may be assigned or requested by town council.
- (2) *Membership.* The Community Promotions and Engagement Committee shall consist of five (5) members, one (1) of whom shall be a town council member appointed by the mayor to serve as chair of the committee. The remaining four (4) members shall be nominated by the chair and appointed by a majority vote of town council; provided, no more than two (2) town council members, including the chair, may be appointed as members of the committee. All members shall serve for a term of two (2) years, to run concurrently with the terms of the mayor and members of town council. Any member who resigns prior to the expiration of his or her term shall do so in writing to the town clerk/~~treasurer~~. Any member may be removed for cause by a majority vote of the town council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. The mayor and any other town council member who is not a member of the committee may attend and participate in committee meetings in an advisory (ie. non-voting) capacity.
- (3) *Meetings; quorum; rules of order; voting.* The Community Promotions and Engagement Committee shall meet at least once per quarter at a date and time scheduled by the chair or a majority of the committee's membership. All meetings shall be held at Town Hall, unless otherwise advertised, and shall be open to the public. At least three (3) members must be present to constitute a quorum, and no official business may be conducted without a quorum present. Except as otherwise required by state law or town ordinance, all proceedings of the committee shall be governed by Robert's Rules of Order. Official decisions or actions by the committee shall require a majority vote of those members present and voting. Proxy votes shall not be permitted. Any member who has a direct or indirect conflict of interest in any matter before the committee shall be disqualified from participating in any discussion or decision related thereto.

(4) *Public notice; public records.* Public notice shall be given for each meeting pursuant to S.C. Code 1976 Sec. 30-4-80. The town clerk/~~treasurer~~ shall prepare an agenda containing the date, time and location of each meeting, as well as a list of items for action and/or discussion. The town clerk/~~treasurer~~ shall act as secretary to the committee and shall prepare and keep written minutes of all committee meetings. Unless exempt by state law, all records of the Community Promotions and Engagement Committee are deemed public records and shall be made available for inspection upon request.

(B) Environment and Wildlife Committee

(1) *Established; powers and duties.* The Seabrook Island Environment and Wildlife Committee is hereby established. The committee is charged with the following powers and duties:

- a. To review and provide recommendations to town council on general matters related to the town's environment and wildlife;
- b. To periodically review and provide recommendations to town council on updates to the town's beach management ordinance;
- c. To coordinate with outside entities, community organizations and state and federal agencies on issues related to the town's environment and wildlife;
- d. To identify, develop and recommend programs and/or projects which enhance awareness, promote conservation and protect the community's environmental and wildlife resources, including programs and/or projects which may be eligible for grant funding;
- e. To monitor current and proposed legislation, regulations and litigation at the state and federal level which may impact the town's environment and wildlife;
- f. To review and provide recommendations to town council on the procurement and awarding of contracts for goods and services related to town's environment and wildlife; and
- g. To perform such other duties which may be assigned or requested by town council.

(2) *Membership.* The Environment and Wildlife Committee shall consist of five (5) members, one (1) of whom shall be a town council member appointed by the mayor to serve as chair of the committee. The remaining four (4) members shall be nominated by the chair and appointed by a majority vote of town council; provided, no more than two (2) town council members, including the chair, may be appointed as members of the committee. All members shall serve for a term of two (2) years, to run concurrently with the terms of the mayor and members of town council. Any member who resigns prior to the expiration of his or her term shall do so in writing

to the town clerk/~~treasurer~~. Any member may be removed for cause by a majority vote of the town council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. The mayor and any other town council member who is not a member of the committee may attend and participate in committee meetings in an advisory (ie. non-voting) capacity.

- (3) *Meetings; quorum; rules of order; voting.* The Environment and Wildlife Committee shall meet at least once per quarter at a date and time scheduled by the chair or a majority of the committee's membership. All meetings shall be held at Town Hall, unless otherwise advertised, and shall be open to the public. At least three (3) members must be present to constitute a quorum, and no official business may be conducted without a quorum present. Except as otherwise required by state law or town ordinance, all proceedings of the committee shall be governed by Robert's Rules of Order. Official decisions or actions by the committee shall require a majority vote of those members present and voting. Proxy votes shall not be permitted. Any member who has a direct or indirect conflict of interest in any matter before the committee shall be disqualified from participating in any discussion or decision related thereto.
- (4) *Public notice; public records.* Public notice shall be given for each meeting pursuant to S.C. Code 1976 Sec. 30-4-80. The town clerk/~~treasurer~~ shall prepare an agenda containing the date, time and location of each meeting, as well as a list of items for action and/or discussion. The town clerk/~~treasurer~~ shall act as secretary to the committee and shall prepare and keep written minutes of all committee meetings. Unless exempt by state law, all records of the Environment and Wildlife Committee are deemed public records and shall be made available for inspection upon request.

(C) Public Safety Committee

- (1) *Established; powers and duties.* The Seabrook Island Public Safety Committee is hereby established. The committee is charged with the following powers and duties:
 - a. To develop and maintain a planning process which will result in the systematic preparation and continual re-evaluation and updating of all elements of the town's Comprehensive Emergency Plan;
 - b. To review and provide recommendations to town council on general matters related to public health and safety;
 - c. To identify resources necessary to ensure the safety and well-being of the public;
 - d. To coordinate with outside entities, community organizations and emergency service providers on issues related to emergency management and disaster response planning;
 - e. To coordinate with emergency service providers including, but not limited to, law enforcement, fire suppression and emergency medical services, to plan for and respond to potentially unsafe or life-threatening situations;

- f. To review and provide recommendations to town council on the procurement and awarding of contracts for emergency-related goods and services;
 - g. To undertake public relations activities to increase the public's awareness of potential hazards affecting the Seabrook Island community including, but not limited to, hurricanes, floods, tornadoes and earthquakes; and
 - h. To perform such other duties which may be assigned or requested by town council.
- (2) *Membership.* The Public Safety Committee shall consist of five (5) members, one (1) of whom shall be a town council member appointed by the mayor to serve as chair of the committee. The remaining four (4) members shall be nominated by the chair and appointed by a majority vote of town council; provided, no more than two (2) town council members, including the chair, may be appointed as members of the committee. All members shall serve for a term of two (2) years, to run concurrently with the terms of the mayor and members of town council. Any member who resigns prior to the expiration of his or her term shall do so in writing to the town clerk/~~treasurer~~. Any member may be removed for cause by a majority vote of the town council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. The mayor and any other town council member who is not a member of the committee may attend and participate in committee meetings in an advisory (ie. non-voting) capacity.
- (3) *Meetings; quorum; rules of order; voting.* The Public Safety Committee shall meet at least once per quarter at a date and time scheduled by the chair or a majority of the committee's membership. All meetings shall be held at Town Hall, unless otherwise advertised, and shall be open to the public. At least three (3) members must be present to constitute a quorum, and no official business may be conducted without a quorum present. Except as otherwise required by state law or town ordinance, all proceedings of the committee shall be governed by Robert's Rules of Order. Official decisions or actions by the committee shall require a majority vote of those members present and voting. Proxy votes shall not be permitted. Any member who has a direct or indirect conflict of interest in any matter before the committee shall be disqualified from participating in any discussion or decision related thereto.
- (4) *Public notice; public records.* Public notice shall be given for each meeting pursuant to S.C. Code 1976 Sec. 30-4-80. The town clerk/~~treasurer~~ shall prepare an agenda containing the date, time and location of each meeting, as well as a list of items for action and/or discussion. The town clerk/~~treasurer~~ shall act as secretary to the committee and shall prepare and keep written minutes of all committee meetings. Unless exempt by state law, all records of the Public Safety Committee are deemed public records and shall be made available for inspection upon request.

~~(D) Public Works Committee~~

~~(1) Established; powers and duties.~~ The Seabrook Island Public Works Committee is hereby established. The committee is charged with the following powers and duties:

- ~~a. To develop, recommend, and provide oversight of an ongoing capital improvements plan for the town;~~
- ~~b. To review and provide recommendations to town council on major upgrades, expansion and improvements to the town's road and drainage infrastructure;~~
- ~~c. To review and provide recommendations to town council on road maintenance projects including, but not limited to, major repairs, rehabilitation, landscape and vegetation control;~~
- ~~d. To review and provide recommendations to town council on pathway and greenway areas including, but not limited to, maintenance, enhancement and bike and pedestrian safety;~~
- ~~e. To review and provide recommendations to town council on traffic operations including, but not limited to, signage, crosswalks, signals, traffic calming devices, lighting, and similar measures;~~
- ~~f. To review and provide recommendations to town council on the construction and expansion of town buildings and other facilities, as well as major upgrades thereto;~~
- ~~g. To review and provide recommendations to town council on issues related to surface water management;~~
- ~~h. To review and provide recommendations to town council on major beach-related projects including, but not limited to, the installation and maintenance of erosion control devices, beach renourishment and periodic relocation of Captain Sams Inlet;~~
- ~~i. To review and provide recommendations to town council on proposed plans, designs and architectural renderings, as well as overall project scopes and budgets;~~
- ~~j. To coordinate with outside entities, community organizations, private developers and state and federal agencies on issues related to the town's facilities and infrastructure;~~
- ~~k. To review and provide recommendations to town council on the procurement of goods and services related to town facilities and infrastructure; and~~
- ~~l. To perform such other duties which may be assigned or requested by town council.~~

~~(2) *Membership.* The Public Works Committee shall consist of five (5) members, one (1) of whom shall be a town council member appointed by the mayor to serve as chair of the committee. The remaining four (4) members shall be nominated by the chair and appointed by a majority vote of town council; provided, no more than two (2) town council members, including the chair, may be appointed as members of the committee. All members shall serve for a term of two (2) years, to run concurrently with the terms of the mayor and members of town council. Any member who resigns prior to the expiration of his or her term shall do so in writing to the town clerk/treasurer. Any member may be removed for cause by a majority vote of the town council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. The mayor and any other town council member who is not a member of the committee may attend and participate in committee meetings in an advisory (ie. non voting) capacity.~~

~~(3) *Meetings; quorum; rules of order; voting.* The Public Works Committee shall meet at least once per quarter at a date and time scheduled by the chair or a majority of the committee's membership. All meetings shall be held at Town Hall, unless otherwise advertised, and shall be open to the public. At least three (3) members must be present to constitute a quorum, and no official business may be conducted without a quorum present. Except as otherwise required by state law or town ordinance, all proceedings of the committee shall be governed by Robert's Rules of Order. Official decisions or actions by the committee shall require a majority vote of those members present and voting. Proxy votes shall not be permitted. Any member who has a direct or indirect conflict of interest in any matter before the committee shall be disqualified from participating in any discussion or decision related thereto.~~

~~(4) *Public notice; public records.* Public notice shall be given for each meeting pursuant to S.C. Code 1976 Sec. 30-4-80. The town clerk/treasurer shall prepare an agenda containing the date, time and location of each meeting, as well as a list of items for action and/or discussion. The town clerk/treasurer shall act as secretary to the committee and shall prepare and keep written minutes of all committee meetings. Unless exempt by state law, all records of the Public Works Committee are deemed public records and shall be made available for inspection upon request.~~

Sec. 2-402. Special committees.

(A) *Authority.* Town council shall have the authority to establish, by resolution, any special committee deemed necessary for a specific purpose and duration. A resolution establishing a special committee shall specify, at a minimum:

(A) The purpose, powers, and duties of the special committee;

(B) The number and qualifications of special committee members, as well as their method of appointment;

(C) The duration or deadline within which the special committee shall complete its work; and

- (D) Any special rules, requirements, provisions, or directives, as deemed necessary by the town council.

Sec. 2-403. Ad hoc committees.

The mayor may appoint ad hoc committees made up of town council members for any proper council purpose, subject to such direction and control as the mayor may provide.

Secs. 2-404—2-500. [Reserved]

ARTICLE V. OFFICERS AND DEPARTMENTS

Sec. 2-501. Town administrator.

- (A) *Office created.* Pursuant to S.C. Code 1976 Sec. 5-9-40, the office of town administrator is hereby established.
- (B) *Appointment.* The town administrator shall be recommended by the mayor and appointed by the town council.
- (C) *Term.* The town administrator shall serve at the pleasure of the mayor and town council for an indefinite term unless the appointment is made pursuant to a contract or employment agreement, in which case the contract or employment agreement ~~shall~~ may be for a fixed term.
- (D) *Compensation.* The town administrator shall receive such compensation as the town council may determine from time to time.
- (E) *Removal.* The town administrator may be removed from office by a majority vote of town council.
- (F) *Duties.* The town administrator shall work under the supervision of the mayor and shall be responsible for the discharge of all administrative functions delegated by the mayor. The town administrator shall act as the zoning administrator when this position is not filled.

Sec. 2-502. Town clerk/~~treasurer.~~

- (A) *Office created.* Pursuant to S.C. Code 1976 Sec. 5-7-220, the office of town clerk/~~treasurer~~ is hereby established.
- (B) *Appointment.* The town clerk/~~treasurer~~ shall be recommended by the mayor and appointed by the town council.
- (C) *Term.* The town clerk/~~treasurer~~ shall serve at the pleasure of the mayor and town council for an indefinite term unless the appointment is made pursuant to a contract or

employment agreement, in which case the contract or employment agreement ~~shall~~may be for a fixed term.

(D) *Compensation.* The town clerk/~~treasurer~~ shall receive such compensation as the town council may determine from time to time.

(E) *Removal.* The town clerk/~~treasurer~~ may be removed from office by a majority vote of town council.

(F) *Duties.* The duties of the town clerk/~~treasurer~~ shall include the following:

(1) Providing notice of town council and other meetings to its members and the public;

(2) Keeping and maintaining a record of all proceedings;

(3) Receiving and delivering all petitions, motions, information, applications, and communications to the mayor and town council;

(4) Preserving and making available for public inspection all papers, records, and documents of every description pertaining to the town, including, without limitation, all agendas, minutes, ordinances, resolutions, maps, contracts, agreements, deeds, bonds, insurance policies, and financial records of the town, pursuant to the requirements of the South Carolina Freedom of Information Act and the South Carolina Department of Archives and History's General Records Retention Schedules for Municipal Records;

(5) Issuing all notices as required by law or as directed by the mayor or town council;

~~(6) Receiving and depositing all monies due or coming to the town and paying out monies as duly authorized;~~

~~(7) Maintaining a current account of all monies, accounts, and inventories of town property, real and personal, and rendering reports thereon as directed by the mayor or town council;~~

(6) Being the custodian of the town seal;

~~(8)~~(7) Accepting statements of candidacy from candidates for municipal offices and coordinating with the Charleston County Board of Voter Registration and Elections on the conduct of municipal elections; and

~~(9)~~(8) Performing such other relevant duties and services as shall from time to time be prescribed by the mayor and/or town council.

Sec. 2-503. Town treasurer.

(A) Office created. The office of town treasurer is hereby established.

(B) Appointment. The town treasurer shall be appointed by the mayor. The mayor may designate any administrative officer or employee who is subject to his or her direction and supervision to exercise the duties of town treasurer.

(C) Term. The town treasurer shall serve at the pleasure of the mayor for an indefinite term.

(D) Compensation. The town treasurer shall receive such compensation as the mayor may determine from time to time.

(E) Removal. When deemed necessary for the good of the town, the mayor may suspend or remove the town treasurer, except as otherwise provided by law or personnel rules adopted pursuant to Section 2-102.

(F) Duties. The duties of the town treasurer shall include the following:

(1) Receiving, processing, and depositing all monies due or coming to the town;

(2) Preparing and issuing all payments on behalf of the town, in accordance with approved budget allocations, procurement procedures, purchase authorizations, debt obligations, and other applicable policies and procedures;

(3) Processing employee payroll;

(4) Maintaining an itemized account of all receipts and disbursements;

(5) Providing monthly financial statements to the mayor and town council;

(6) Coordinating preparation of the town's annual audit and ensuring the timely filing of the annual audit report with all agencies and departments as required by law;

(7) Managing the town's investment programs in conformity with the provisions of Section 2-607;

(8) Assisting with preparation of the annual operating budget; and

(9) Performing such other relevant duties and services as shall from time to time be prescribed by the mayor and/or town council.

Sec. 2-50~~3~~4. Town attorney.

(A) ~~Office created~~Retention of Town Attorney. Pursuant to S.C. Code 1976 Sec. 5-7-230, the ~~office~~position of town attorney is hereby established.

(B) Minimum qualifications. The town attorney must be a member in good standing of the South Carolina Bar and be admitted to practice law in the state of South Carolina.

(C) ~~Appointment~~Retention. ~~After any general election, the town council shall, at the first regular meeting of the newly constituted council, appoint a town attorney. The town~~

attorney shall be recommended by the mayor and retained by the town council. For purposes of this section, the town attorney may be an individual or law firm hired or contracted to perform the duties set forth herein.

(D) *Term.* ~~The town attorney shall serve for a term of two (2) years, to run concurrently with the terms of the mayor and members of town council. The town attorney shall serve at the pleasure of the mayor and town council for an indefinite term unless the retention is made pursuant to a contract or employment agreement, in which case the contract or employment agreement may be for a fixed term.~~

(E) *Compensation.* The town attorney shall receive such compensation as the town council may determine from time to time.

(F) *Removal.* The town attorney may be ~~removed from office~~terminated by a majority vote of town council.

(G) *Duties.* The duties of the town attorney shall include the following:

(1) Entering appearance in all actions, cases, and special proceedings and conducting all suits in all courts in which the town is a party, except matters which are under the purview of the town prosecutor, as applicable;

(2) Drafting and/or reviewing the drafting of all ordinances, resolutions, agreements, and other instruments relative to the business of the town;

(3) Providing advice and opinions on questions of law when requested to do so by the mayor, town council or town administrator;

(4) Investigating titles;

(5) Attending all town council meetings when notified to do so; and

(6) Performing such other relevant duties as may be required by the mayor and town council.

Sec. 2-505. Town prosecutor.

(A) Retention of Town Prosecutor. The position of town prosecutor is hereby established.

(B) Minimum qualifications. The town prosecutor must be a member in good standing of the South Carolina Bar and be admitted to practice law in the state of South Carolina.

(C) Appointment. The town prosecutor shall be recommended by the mayor and retained by the town council. For purposes of this section, the town prosecutor may be an individual or law firm hired or contracted to perform the duties set forth herein. The town council may, at its discretion, designate the individual or law firm retained for the position of town attorney, pursuant to Section 2-504, to fulfill the duties of town prosecutor.

(D) Term. The town prosecutor shall serve at the pleasure of the mayor and town council for an indefinite term unless the retention is made pursuant to a contract or employment agreement, in which case the contract or employment agreement may be for a fixed term.

(E) Compensation. The town prosecutor shall receive such compensation as the town council may determine from time to time.

(F) Removal. The town prosecutor may be terminated by a majority vote of town council.

(G) Duties. Upon request by the mayor or town administrator, the town prosecutor may be charged with the following duties:

(1) Prosecuting violations of the Town Code and Development Standards Ordinance in the municipal court;

(2) Prosecuting appeals from the municipal court to the appellate courts;

(3) Negotiating plea agreements;

(4) Advising town staff on the interpretation of laws and strategies for prosecuting municipal violations;

(5) Conferring with members of town staff and federal and state enforcement agencies to coordinate responses to highly complex or sensitive cases; and

(6) Performing such other relevant duties as may be required by the mayor and town council.

Secs. 2-50~~46~~—2-600. [Reserved]

ARTICLE VI. FINANCIAL ADMINISTRATION

DIVISION 1. GENERALLY

Sec. 2-601. Fiscal year.

The town's fiscal year shall begin each year on January 1st and end each year on December 31st.

Sec. 2-602. Annual budget.

(A) *Required.* Pursuant to Article X, Section 7(b), of the South Carolina Constitution, the town council shall prepare, adopt, and maintain an annual budget which provides for sufficient income to meet the town's estimated expenses for the fiscal year.

(B) *Preparation.* No later than October 1st of each calendar year, the mayor shall prepare and submit to the town council a recommended budget for the upcoming fiscal year. The recommended budget shall include estimates of the needed and desired expenditures for

the upcoming fiscal year as well as estimates of the revenues available to pay for them. The mayor may, in his or her discretion, recommend separate budgets for capital expenditures or other specific purposes. Upon receipt of the recommended budget, the town council shall review and, if desired, revise the recommended budget prior to its adoption.

(C) *Adoption.* The town council shall adopt an annual budget, by ordinance, prior to the beginning of each fiscal year. The town council may, in its discretion, adopt separate budgets for capital expenditures or other specific purposes. Prior to adopting the annual budget ordinance, the town council shall advertise and conduct a public hearing, pursuant to S.C. Code 1976 Sec. 6-1-80.

(D) *Administration.*

(1) *Authority; limitations.* Following adoption, the mayor shall be responsible for administration of the budget. The mayor shall have the authority to approve any reasonable unbudgeted expenditure that may exceed a particular budget line-item budget but will not cause the total annual expenditures to exceed the total amount of the annual budget. The mayor shall have the authority to transfer any sum from one budget line item to another, or from one department or division to another department or division; provided, however, any transfer between funds must be approved by the town council, and any change in the budget which would increase or decrease the total of all authorized expenditures must also be approved by town council.

(2) *Use of funds and excess funds.* Revenues obtained from any source may be used for any appropriation named in the annual budget ordinance; provided, however, this provision shall not apply to revenues which are specifically restricted by the annual budget ordinance, the Town Code, the S.C. Code 1976, or any other applicable law or regulation. Actual revenues in excess of budgeted amounts may be administered by resolution of the town council.

(E) *Amendment.* The town council may amend the annual budget from time to time. Such amendments shall be made by ordinance.

Sec. 2-603. Expenditure of funds.

(A) *Responsibility.* It shall be the duty of the town ~~clerk~~/treasurer to prepare and issue all payments on behalf of the town, in accordance with approved budget allocations, procurement procedures, purchase authorizations, debt obligations, and other applicable policies and procedures. The town ~~clerk~~/treasurer is also responsible for the preparation and payment of employee payroll.

(B) *Methods of expenditure.* The town ~~clerk~~/treasurer shall be authorized to expend town funds or town-controlled funds, subject to the following provisions:

(1) *Payroll.* The town ~~clerk~~/treasurer shall pay, or cause to be paid, all town employees for wages earned during each payroll period. Payments shall be made by direct

deposit no later than the close of business on the 1st and 15th day of each month. The town ~~clerk~~/treasurer shall deduct from each employee's gross pay such taxes and other withholdings as may be required by federal and state taxing authorities. The town ~~clerk~~/treasurer shall also deduct from each employee's pay the employee's share of any premiums or plan contributions for insurance, retirement, and similar plans that are elected by the employee. The town ~~clerk~~/treasurer shall make such other deductions as may be required by law or court order.

(2) *Expenditures of \$5,000.00 or less.* For expenditures of \$5,000.00 or less, excluding those specified in subparagraph (4) below, the town ~~clerk~~/treasurer may issue payment by any of the following methods, subject to approval by the town administrator:

- a. Bank draft;
- b. Check;
- c. Credit or debit card;
- d. Electronic funds transfer; and
- e. Petty cash (limited to expenditures of \$100.00 or less).

(3) *Expenditures greater than \$5,000.00.* For expenditures greater than \$5,000.00, the town ~~clerk~~/treasurer shall issue payment by check, subject to approval by the town administrator.

(4) *Partial payments and installments.* Partial payments and installments made toward a contract or purchase order with a total value greater than \$5,000.00 shall be made by check, subject to approval by the town administrator.

(C) *Signatures required.* When payment is made by check, the check shall be signed by two authorized parties. For purposes of this section, the term "authorized parties" shall include the following town officials:

- (1) Mayor;
- (2) Town council members;
- (3) Town ~~clerk~~/treasurer; and
- (4) Any other individual authorized by resolution of town council to sign checks on behalf of the town.

Sec. 2-604. Forms of payment.

(A) *Responsibility.* Except as may otherwise be provided by state or federal law or regulation, the Town Code, or any other ordinance, resolution, or regulation of the town, it shall be

the duty of the town ~~clerk~~/treasurer to receive all fees for town licenses and permits, and all claims and accounts that may be due and payable to the town and shall deposit all monies belonging to the town in such bank(s) as the town council may direct.

(B) *Methods of payment.* The town ~~clerk~~/treasurer may accept payments made by any of the following methods:

- (1) Bank draft;
- (2) Cash;
- (3) Check;
- (4) Credit or debit card;
- (5) Electronic funds transfer; and
- (6) Money order.

(C) *Agreement for services.* The town ~~clerk~~/treasurer is authorized to determine the specific credit cards, bank cards, and electronic transfers that will be accepted as provided in this section and, subject to approval by the town administrator, may enter into a contract or service agreement with a bank or credit card vendor for the acceptance of credit and debit cards.

(D) *Fees and service charges.* In order to offset charges incurred by the town, the town ~~clerk~~/treasurer may impose and collect the following fees:

- (1) *Convenience fee.* The town ~~clerk~~/treasurer may collect a fee, not to exceed 4%, on any payment made by credit or debit card. The purpose of this fee is to recoup the actual payment processing charges incurred by the town.
- (2) *Returned check fee.* The town ~~clerk~~/treasurer may collect a \$25.00 fee for any check, draft, or other written order which is returned unpaid by the financial institution upon which the check was drawn. This fee shall be in addition to any other remedy allowed by law.

Sec. 2-605. Monthly financial statements required; posting.

The town ~~clerk~~/treasurer shall keep an itemized account of all receipts and disbursements and shall prepare, or cause to be prepared, statements of such accounts on a monthly basis. Monthly financial statements shall be made available to the mayor and town council no later than the fourth Monday of each month. Monthly financial reports shall also be made available for public inspection in the office of the town ~~clerk~~/treasurer and by posting on the town website.

Sec. 2-606. Annual audit.

- (A) *Required.* The town council shall provide for an annual independent audit of all financial records and transactions of the town and any agency funded in whole by the town. Such audit shall be made by a certified public accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the town government or any of its officers.
- (B) *Public record.* Upon completion, the annual audit report shall be made available for public inspection in the office of the town clerk/~~treasurer~~ and by posting on the town website.
- (C) *Filing requirement.* The town ~~clerk~~/treasurer shall file copies of the annual audit report with all agencies and departments as required by law, including, without limitation, the South Carolina Revenue and Fiscal Affairs Office and South Carolina State Treasurer's Office.

Sec. 2-607. Investment policy.

- (A) *Authority.*
 - (1) *State delegation.* Subject to the requirements and limitations of S.C. Code 1976 Secs. 6-5-10, 6-6-30, and 11-1-60, the town council maintains the authority to invest money subject to its control and jurisdiction into certain financial instruments expressly authorized by law.
 - (2) *Investment approval.* Funds which are subject to the town's control and jurisdiction shall not be invested unless the investment is authorized by town council resolution. A resolution authorizing the investment of town funds shall include, at a minimum, the amount to be invested, the investment type and description, the term of the investment, and the funding source(s) to be used to make the investment.
 - (3) *Management responsibility.* Management of the town's investment programs is delegated to the town ~~clerk~~/treasurer. As administrator of the town's financial program, the town ~~clerk~~/treasurer is assigned full discretionary management of the town's investments and shall report all transactions directly to the mayor and town administrator in a timely manner. The town ~~clerk~~/treasurer shall maintain all written agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements.
 - (4) *Authorization.* No person may knowingly invest town funds except as provided for in this section.
- (B) *Policy objectives.* The primary objectives of the town's investment activities are, in order of priority:
 - (1) *Safety.* Safety of principal is the foremost objective of the investment program. Investment of town funds shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The town shall seek to safeguard principal by a careful examination of credit risk and market risk of individual investments.

- a. *Credit risk.* The risk of loss due to failure of an issuer of a security shall be mitigated by investing in safe institutions and by diversifying funds so that the failure of any one issuer would not unduly harm the town's principal.
 - b. *Market risk.* The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the town's fund to less than five years.
- (2) *Liquidity.* The town's investment portfolio shall remain sufficiently liquid to enable the town to meet all operating expenditure requirements which might be reasonably anticipated.
 - (3) *Return on investment.* The town's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles taking into consideration the town's investment risk constraints and the cash flow characteristics of the portfolio. Whenever possible, consistent with risk limitations and prudent investment principles, the town shall strive to achieve returns at the market average rate of return for each investment type.
- (C) *Ethics and conflicts of interest.* All persons involved in the investment process shall refrain from personal financial activities that could conflict with proper execution of the town's investment program, or which could impair their ability to make impartial investment decisions. All financial interests in financial institutions and/or investments that are, or could be, perceived as a conflict of interest in making impartial investment decisions shall be immediately reported to the mayor and town administrator upon recognition of occurrence.
- (D) *Authorized investments.*
- (1) From the town's perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. No public deposit shall be made except in a qualified public depository as established by state law. The town ~~clerk~~/treasurer shall not give full discretionary authority to external investment managers. The town ~~clerk~~/treasurer shall not use external investment managers to purchase or sell securities or manage the town's portfolio unless specifically approved by the town council with a contract signed by the mayor and reviewed by the town attorney.
 - (2) Pursuant to S.C. Code 1976 Sec. 11-1-60, the town may invest money subject to its control and jurisdiction in the shares of any federal savings and loan association or in the shares of any building and loan association organized and existing under the laws of this state when such shares are insured by the Federal Deposit Insurance Corporation (FDIC) and also in bonds or debentures issued by any federal home loan bank or in the consolidated bonds or debentures issued by the Federal Home Loan Bank Board.

- (3) S.C. Code 1976 Sec. 6-5-10, limits the investment vehicles available to local agencies. The town's investment policy further restricts the permitted investments to those listed below:
- a. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States, including United States Treasury Bills, Notes and Bonds or those for which the full faith and credit of the United States are pledged for payment of principal and interest. Offerings must be A-rated or better.
 - b. Federal agency or United States government sponsored securities, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States Government sponsored enterprises. Obligations in this category referred to as "federal agencies" include, but are not limited to, issues by the Government National Mortgage Association, Federal Mortgage Association, and Federal Home Loan Mortgage Corporation. Offerings must be A-rated or better.
 - c. Savings and loan associations, to the extent that the same are insured by an agency of the federal government. Offerings must be A-rated or better.
 - d. Certificates of deposit. Certificates of deposit are fixed-term investments that are required to be collateralized depending on the specific security pledged as security. The town shall deposit funds only with financial institutions that operate in the United States of America. The Federal Deposit Insurance Corporation (FDIC) must insure these institutions.
 - e. General obligations of any of the counties, political subdivisions or municipal corporations of any state of the United States of America. Offerings must be A-rated or better.
 - f. Revenue bonds of any of the counties, political subdivisions or municipal corporations of any state of the United States of America, if the statute pursuant to which such revenue bonds are issued shall declare them to be legal investments. Offerings must be A-rated or better.
 - g. Stable value money market mutual funds. These types of investments are to be used primarily as overnight or short-term sweep accounts for interest and maturities with the town's custodial agent and the town's bank accounts.
 - h. S.C. Code Sec. 6-6-30, allows for the sale of investments within the State of South Carolina Local Government Investment Pool to all political subdivisions with consent of the governing bodies. Money invested with SCLGIP is pooled with state money in order to earn the maximum rate of return possible in a manner consistent with sound investment practices.
- (E) *Collateralization*. Pursuant to S.C. Code 1976 Sec. 6-5-15, depositories have duties and responsibilities toward public monies on deposit that may differ from their duties relative to nonpublic funds. South Carolina law requires public funds to be collateralized; that is,

the depository must secure its public fund accounts by maintaining with the agent of the depository securities having a market value consistent with the current state's policy. If a depository uses mortgage-backed securities as collateral for public funds, the market value of the securities must be consistent with the state's requirement. An independent third party with whom the entity has a current custodial agreement must always hold collateral. A clearly marked evidence of ownership, or a "safekeeping receipt," must be supplied to the town and retained in the office of the town ~~clerk~~/treasurer.

(F) *Safekeeping and custody.*

- (1) *Delivery vs. payment.* All trades of marketable securities shall be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to release of the town funds.
- (2) *Safekeeping.* Securities shall be held by an independent third-party custodian selected by the town. The custodian shall provide safekeeping receipts in the town's name and provide an annual financial report.

(G) *Diversification.*

- (1) *Purpose.* The purpose of diversification is to reduce overall portfolio risk while attaining benchmark average return. Diversification is intended to prevent over concentration in a specific maturity sector and prevent reliance on riskier instruments.
- (2) The town shall seek to diversify its investments by security type and institution. With the exception of U.S. Treasury securities and the State of South Carolina Local Government Investment Pool, no more than 50% of the town's total investment portfolio shall be invested in a single security type, and no more than 10% of the town's total investment portfolio shall be invested in any specific security.

(H) *Maturities.* To protect public funds from market yield losses resulting from rising interest rates, the town shall limit the maximum term of maturity. To the extent possible, the town shall attempt to match its investments with anticipated cash flow requirements. In order to maintain liquidity, no more than 70% of the portfolio shall have a maturity in excess of one year. Unless matched to specific cash flow, the town shall not directly invest in securities maturing more than five years from the date of purchase.

(I) *Internal controls.*

- (1) The Town ~~clerk~~/treasurer is responsible for ensuring compliance with the town's investment policies as well as for establishing systems of internal control to ensure that the assets of the town are protected from loss, theft, or misuse and to regulate the activities of delegated appointees.
- (2) The internal control's structure shall address the following points:
 - a. Custodial safekeeping;

- b. Avoidance of physical delivery of securities;
- c. Clear delegation of authority to appointees;
- d. Written confirmation of transactions for investments and wire transfers; and
- e. Assurance by the town's external auditor that the portfolio complies with applicable policies and procedures during the annual independent audit.

(J) *Performance standards.*

- (1) *Objective.* The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment constraints herein and the cash flow needs of the town.
- (2) *Market yield (benchmark).* While the investment policy is designed to provide control, the yield objective is also important. The town's investment strategy is active. The town ~~clerk~~/treasurer shall identify a comparable benchmark for each type of investment within the town's investment portfolio to determine whether proper market yields are being achieved. Given the strategy, the town shall strive to achieve returns at the market-average rate of return. The market-average of return is generally defined as the average return on three-month U.S. Treasury Bills, or the South Carolina Local Government Investment Pool administered by South Carolina State Treasurer. These indices are considered benchmarks for lower risk investment transactions and comprise a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with authorized type, maturity, collateralization, and diversification limitations identified herein.

(K) *Reporting.*

- (1) *Quarterly and annual reporting.* The town ~~clerk~~/treasurer shall provide the mayor and town council with quarterly updates on the town's overall investment performance. The town council shall annually review the town ~~clerk~~/treasurer's overall administration of the town's investment program in conjunction with the annual audit.
- (2) *Audit reporting.* The town's annual audit report should contain the following information that is subject to this investment policy:
 - a. The type of investment, name of the issuer, date of maturity, par, and cost in each investment;
 - b. The weighted average maturity of the investments;
 - c. Coupon, discount, or earnings rate;

- d. Par value, amortized book value, and market value;
- e. Percentage of the portfolio represented by each investment category;
- f. A description of the compliance with the statement of investment policy; and
- g. Such other information which, in the opinion of the independent auditor, shall be necessary and proper to ensure compliance with current disclosure guidelines, as promulgated by the Government Standards Accounting Board (GASB).

Sec. 2-608. Fund balance policy.

(A) *Purpose.* The town council hereby enacts the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The town's primary objective is to maintain a prudent level of financial resources to protect against service reductions and/or rate and fee increases due to temporary revenue shortfalls or unpredicted one-time expenditures. The town also seeks to maintain the highest possible credit ratings which are dependent, in part, upon the town's maintenance of a healthy fund balance.

(B) *Definitions.* For purposes of this section, the following definitions shall apply.

(1) *Fund balance.* Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund balance is reported in the governmental funds financial statements and generally represents the difference between current assets and current liabilities. Fund balance classifications represent a hierarchy based primarily on the extent to which the town is bound to honor constraints on specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- a. *Non-spendable fund balance.* Fund balances are classified as non-spendable when amounts cannot be spent because they are either: i) in non-spendable form, or ii) they are legally or contractually required to be maintained intact. The town includes items that are not expected to be converted to cash such as inventories and prepaid amounts.
- b. *Restricted fund balance.* Fund balances are reported as restricted when their use is restricted for specific purposes including: i) constraints on funds externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or ii) constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Committed fund balance.* Fund balances are reported as committed if their use is for a specific purpose as approved by formal action of the town council (majority vote). Amounts committed cannot be used for any other purpose unless the town council removes or changes the specific use by approving such action through

resolution at a town council meeting. Budget resolutions are considered a plan for specific use.

- d. *Assigned fund balance.* Fund balances are reported as assigned when constrained by the town's intent to use the funds for specific purposes that are neither restricted nor committed. Assigned fund balance includes: i) all remaining amounts (except negative balances) reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed, ii) amounts in the General Fund intended for a specific use identified by either the mayor or town ~~clerk~~/treasurer, and iii) amounts appropriated to eliminate a projected budget deficit in the subsequent year.
- e. *Unassigned fund balance.* Fund balances are reported as unassigned when the balances do not meet any of the above four criterion for classification. The Town reports positive unassigned fund balance in only the general fund. Negative unassigned fund balances may be reported in all governmental funds.

(C) *Appropriate level.*

(1) *Unassigned fund balance.*

- a. *Background.* In February 2009, the Governmental Accounting Standards Board (GASB) issued *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*. In that statement, the GASB recommended "...at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." In its publication entitled *Fund Balance Guidelines for the General Fund*, the Government Finance Officers Association (GFOA) further recommended that "The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance." Given the town's susceptibility to natural disasters and its limited revenue sources, the town council believes it is appropriate to establish and maintain a higher threshold for its unassigned fund balance than that recommended by GASB.
- b. *Minimum level.* The town's minimum unassigned fund balance shall be the greater of 50% of the current year's budgeted general fund operating expenditures, or \$500,000.00.
- c. *Maximum level.* The town's maximum unassigned fund balance shall be 100% of the current year's budgeted general fund operating expenditures.

- (2) *All other fund balance types.* No minimum or maximum fund balance shall be required, unless required by law.

(D) *Use of fund balance.*

- (1) *Spending prioritization.* For purposes of fund balance disbursement, unless otherwise approved by the town council, the town shall expend restricted fund balance when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Next, the town shall expend committed fund balance when an expenditure is paid for which unrestricted fund balance is available. The town would next disburse fund balance assigned for purposes of the fund before disbursing other assigned fund balance amounts. In the general fund, the town would disburse unassigned fund balance prior to disbursing fund balance assigned for financial policy reserve levels or amounts assigned to eliminate subsequent year's budget deficit.
- (2) *Spending of unassigned fund balance.* The town council understands that circumstances may exist that warrant the town use funds from the unassigned fund balance on a temporary basis. The town council has established the following instances where it may elect to use these funds, even if such use decreases the fund balance below the minimum percentage established by this policy:
 - a. An economic downturn which results in actual revenues being below budgeted revenues;
 - b. Unexpected and unappropriated costs to service and maintain current town operations;
 - c. Unexpected and non-budgeted costs related to emergencies, natural disasters, and/or litigation;
 - d. Grant matching;
 - e. Early retirement of debt;
 - f. To cover deficits in other funds due to a shortfall in budgeted revenues; and
 - g. Capital asset acquisition, construction, and improvement projects.

(E) *Replenishment.*

- (1) *Plan required.* If the unassigned fund balance is depleted below the minimum policy level, the town administrator, with consultation from the town ~~clerk~~/treasurer, shall develop a plan to replenish the unassigned fund balance to the minimum level. The plan must be approved by resolution of the town council and may include, as necessary, recommendations for rate and/or fee adjustments, expenditure reductions, transfers from other unrestricted funds, and the use of year-end budget surpluses. The plan should be reviewed and modified on an annual basis until the minimum policy level is achieved. Any increase in discretionary expenditures should be limited until the unassigned fund balance is restored to the minimum policy level.

(2) *Time*. The town shall endeavor to replenish the unassigned fund balance to the minimum policy level within three years of use.

(F) *Unassigned fund balance above formal policy requirement*. If, upon completion of the annual audit, the unassigned fund balance exceeds the maximum policy level, the town council may designate or expend such excess funds for capital projects, debt reduction, emergency reserves, and other non-recurring uses deemed appropriate.

Secs. 2-609—2-620. [Reserved]

DIVISION 2. PURCHASING REQUIREMENTS

Sec. 2-621. Authority and purpose.

(A) *State law reference*. This division is adopted pursuant to and in compliance with S.C. Code 1976 Sec. 11-35-5320, and S.C. Code Ann. Regs. 19-445.2155.

(B) *Purpose*. The purpose of this division is to maximize the purchasing value of public funds, to provide safeguards for maintaining quality and integrity within the procurement system, and to provide for the fair and equitable treatment of all parties in the procurement process.

Sec. 2-622. Definitions.

(A) As used in this division, the following definitions shall apply:

(1) “Invitation for bids” or “IFB” means a written or published solicitation issued by the procurement officer for bids to contract for the procurement or disposal of stated supplies, services, information technology, or construction, which will ordinarily result in the awarding of a contract or purchase order to the responsible bidder making the lowest responsive bid.

(2) “Most advantageous” means an offer, proposal, or response which has been judged by the town to be most beneficial based on the evaluation criteria contained within the RFP. In addition to cost, the evaluation criteria may include other factors, including, but not limited to:

- a. The vendor’s qualifications to provide the goods or services;
- b. The vendor’s approach to providing the goods or services;
- c. The vendor’s sufficiency of financial resources;
- d. The vendor’s ability to deliver the goods or services in a timely manner;
- e. The vendor’s quality of workmanship;
- f. The vendor’s character, integrity, judgment, reputation, and experience;

- g. The vendor’s history of satisfactory performance with similar projects; and
 - h. The vendor’s knowledge of, and ability to comply with, associated legal or regulatory requirements.
- (3) “Procurement” means the process and procedure for buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, information technology, or construction. It also includes all functions that pertain to the obtaining of any supply, service, information technology, or construction, including the description of requirements, selection, and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
- (4) “Procurement officer” means the person who is authorized by the town to administer the procurement of all supplies, services, information technology, and construction, as well as the management and disposal of surplus supplies and equipment, in accordance with the provisions of this division. The procurement officer shall act under the direction of the mayor and shall organize and execute all procurement activities for the town as set forth in this division. For purposes of this division, the town administrator is designated as the procurement officer for the town.
- (5) “Professional services” means unique, technical, and/or infrequent functions performed by an independent contractor qualified by education, experience, and/or technical ability to provide services. In most cases, these services are of a specific project nature, and are not a continuing, ongoing responsibility of the town. The services rendered are predominately intellectual in character even though the contractor may not be required to be licensed. Professional service engagements may involve partnerships, corporations, or individuals. Examples of professional services may include, but are not limited to, accountants, architects, attorneys, auditors, biologists, engineers, environmental consultants, financial advisors/planners, land use planners, management consultants, marketing and advertising services, physicians, and real estate appraisers.
- (6) "Request for proposals" or “RFP” means a written or published solicitation issued by the procurement officer for proposals to provide supplies, services, information technology, or construction which ordinarily results in the awarding of a contract to the responsible offeror whose proposal is deemed to be most advantageous to the town based on the evaluation criteria contained within the RFP.
- (7) “Request for qualifications” or “RFQ” means a written or published solicitation issued by the procurement officer for the purpose of obtaining qualification and performance data from vendors, including, but not limited to, financial capability, reputation, experience, and competency, which will ordinarily result in the subsequent issuance of an IFB or RFP to a “short list” of vendors deemed qualified by the town.
- (8) "Responsible bidder or offeror" means a vendor who is determined by the town to have the capability in all respects to perform fully the contract requirements, and the

integrity and reliability which will assure good faith performance which may be substantiated by past performance.

(9) "Responsive bidder or offeror" means a vendor who has submitted a bid or proposal which conforms in all material aspects to the invitation for bids, request for proposals, or request for qualifications.

(10) "Successful bidder" means the vendor whose bid or proposal has been selected as the "lowest responsible" or "most advantageous," depending on the procurement method used.

(11) "Surplus property" means any materials, supplies, equipment, or other goods which, in the opinion of the procurement officer, have no further beneficial usefulness to the town or cannot economically be made useful to the town.

(12) "Vendor" means a person, company, or firm who sells goods or services.

Sec. 2-623. Compliance with other laws and regulations.

(A) *State and federal law supersedes.* Nothing in this division shall prevent any town official or employee from complying with the terms and conditions of state or federal laws and/or regulations which may be applicable, including those which may be less restrictive than the policies and procedures contained herein.

(B) *Other requirements.* Procurement which involves the expenditure of federal assistance, contract funds, or any grants, gifts, or bequests, shall comply with such federal and state laws and authorized regulations as are mandatorily applicable, regardless of whether they are presently reflected in this division.

Sec. 2-624. Ethical procurements.

(A) *Applicability of State Ethics Act.* The requirements of Title 8, Chapter 13 (Ethics, Government Accountability and Campaign Reform Act), of the S.C. Code 1976, shall be complied with and observed in all actions involving the procurement of goods and services. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the town found guilty thereof shall thereby forfeit his or her office or position.

(B) *Good faith.* Every contract or duty imposes an obligation of good faith in its negotiation, performance, or enforcement. As used in this division, the term "good faith" means honesty in fact in the conduct or transaction concerned and the observance of reasonable commercial standards of fair dealing.

(C) *Voidability of contracts.* Any violation of this section with the knowledge, whether expressed or implied, of the vendor contracting with the town shall render the contract voidable by the town administrator or the town council.

Sec. 2-625. Procurement limitations and authorization.

(A) *Procurement policy.* It is the town's policy to develop competition to ensure maximum purchasing value for all procurement activities. The procurement officer shall have the discretion to use a more stringent purchasing procedure if he or she determines that doing so would better serve the town's interest. When deemed appropriate, the procurement officer may utilize the services of advisory committees and/or outside consultants to assist with the preparation of IFB's, RFP's and RFQ's; the review and evaluation of bids, proposals, and qualifications; and the review, negotiation, and awarding of contracts and purchase orders. No contract or purchase order may be subdivided to avoid the requirements of this section.

(B) *Purchasing procedures.* The procurement of goods and services shall be executed as follows:

(1) *Under \$5,000.00: Open Market.*

- a. Competitive bidding is not required.
- b. The procurement officer shall have the authority to purchase goods and services on the open market using a reasonable effort to obtain pricing at or below prevailing market rates.

(2) *\$5,000.00 to \$24,999.99: Written Quotes.*

- a. Competitive bidding shall be required. The procurement officer shall solicit written quotes from at least three vendors.
- b. If the purchase was specifically budgeted in the current fiscal year budget and the lowest responsible bid is less than or equal to the amount budgeted, the procurement officer shall have the authority to award a contract or purchase order to the successful bidder.
- c. If the purchase was not specifically budgeted in the current fiscal year budget or the lowest responsible bid exceeds the amount budgeted, the procurement officer shall obtain prior approval from the mayor, subject to the limitations contained in Sec. 2-602(D)(1), before awarding a contract or purchase order to the successful bidder.

(3) *\$25,000.00 to \$49,999.99: Informal Solicitations for Bids or Proposals.*

- a. Competitive bidding shall be required. The procurement officer shall issue a written IFB or RFP, depending on the procurement method used. The procurement officer shall solicit written bids or proposals from at least three vendors.
- b. The procurement officer shall review and evaluate all bids or proposals in a timely manner and shall recommend a successful bidder to the mayor.

- c. Subject to the limitations contained in Sec. 2-602(D)(1), the mayor shall have the authority to award a contract or purchase order to the successful bidder.

(4) *\$50,000.00 or Greater: Formal Solicitations for Bids or Proposals.*

- a. Sealed, competitive bidding shall be required.
 - 1. *Invitation.* The procurement officer shall issue a written IFB or RFP, depending on the procurement method used. The procurement officer may, at his or her discretion, issue a written RFQ for the purpose of identifying a “short list” of pre-qualified vendors prior to the issuance of an IFB or RFP. Bid packages shall be advertised in a newspaper of general circulation within the town, on the South Carolina Business Opportunities (SCBO) website, and on the town’s website, at least ten (10) days prior to the due date, except in cases with extraneous time constraints. Additional methods of notification may be used at the discretion of the procurement officer.
 - 2. *Bid package.* At a minimum, the bid package shall contain the following:
 - i. Instructions for completing and submitting a sealed bid or proposal, including the deadline for the receipt of all bids;
 - ii. A detailed description of the goods or services to be purchased;
 - iii. An explanation of the criteria to be used in the evaluation of bids and proposals;
 - iv. Whether a bid security is required and the amount of same;
 - v. The date, time and location of the bid opening; and
 - vi. Any other items or information deemed appropriate by the procurement officer.
 - 3. *Bid security.* When deemed necessary by the procurement officer, a bid security, not to exceed five percent (5%) of the total bid amount, shall be required. A successful bidder shall forfeit his or her bid security upon failure to enter into a contract with the town within ten (10) days after the issuance of a notice of award; provided, however, the town, in its sole discretion, may waive or reduce this forfeiture.
 - 4. *Submission and sealing.* Bids shall be received by the procurement officer at the designated location no later than the date and time specified in the invitation. Late bids shall not be accepted. Bids shall be securely sealed in an envelope and shall be identified on the envelope in accordance with instructions contained in the bid package.

5. *Opening.* Bids shall be opened and read publicly at the date, time, and location specified in the bid package.
 6. *Tabulation.* A tabulation of all bids received shall be available for public inspection.
 7. *Rejection of bids.* The procurement officer shall have the authority to reject all bids, or parts of bids, when the public interest will be served thereby.
 8. *Bidders in default to the town.* The procurement officer shall have the authority to reject bids from any vendor who is delinquent in the payment of taxes, license fees or other monies due to the town.
 9. *Review and recommendation of bids.* The procurement officer shall review and evaluate all bids or proposals in a timely manner and shall recommend a successful bidder to the mayor. The mayor shall review the procurement officer's recommendation and submit a final recommendation of the successful bidder to the town council.
 10. *Award.* The town council shall have the authority to award a contract or purchase order to the successful bidder.
- b. *Performance bonds.* The procurement officer shall have the authority to require a performance bond before entering into any contract. Where required, a performance bond shall be in such form and amount as the procurement officer shall find reasonably necessary to protect the best interests of the town.
 - c. *Exception for construction contracting administration.* Notwithstanding the preceding, procurements involving construction may use a construction contracting administration method which is most advantageous to the town and will result in the most timely, acceptable quality, economical, and successful completion of the construction project. Any request to use an alternate form of construction contracting administration for a particular construction project must receive prior approval by the town council.
- (C) *Exceptions.* Exceptions to bidding include the sole source, professional services, emergency procurements, purchasing cooperatives, and critical procurements as defined below.
- (1) *Sole source.* Sole source procurement is acceptable when, after a good faith review of all possible sources, it is determined by the procurement officer that there is only one viable source from which to obtain the goods or services. Sole source procurements shall be executed as follows:
 - a. For goods and services with an estimated value of less than \$50,000.00, the procurement officer shall submit a written request to the mayor outlining the justification for sole source procurement. Subject to the limitations contained in

Sec. 2-602(D)(1), the mayor shall have the authority to approve the sole source procurement if he or she deems the request to be justified.

- b. For goods and services with an estimated value of \$50,000.00 or greater, the procurement officer shall submit a written request to the mayor outlining the justification for sole source procurement. If the mayor determines that the sole source procurement is justified, he or she shall submit the request to the town council for consideration. Town council shall have the authority to approve the sole source procurement.

(2) *Professional services.* Contracts for the procurement of professional service are exempt from the provisions of this ordinance. Such contracts may be negotiated on a fee basis rather than competitive bidding. Subject to the limitations contained in Sec. 2-602(D)(1), the mayor shall have the authority to approve professional service contracts with a value of less than \$50,000.00. All other professional service contracts shall be approved by the town council.

(3) *Emergency procurements.* Notwithstanding the requirements of this division, the mayor may make, or authorize others to make, emergency procurements where there exists a threat to public health, welfare, or safety under emergency conditions; where normal daily operations are affected or in jeopardy; or when a critical situation exists where time does not permit for ordinary solicitation or re-solicitation.

(4) *Purchasing cooperatives.* In the event the town is eligible to purchase goods or services through a “term” contract or purchasing cooperative offered by the State of South Carolina or any of its agencies, Charleston County or other South Carolina Counties, the Municipal Association of South Carolina or other South Carolina municipalities, the U.S. General Services Administration, or other similar public entities, the procurement officer may purchase such goods and services under the “term” contract or purchasing cooperative without seeking competitive bids or proposals; provided, however, if the purchase was not specifically budgeted in the current fiscal year budget or the purchase price exceeds the amount budgeted, the procurement officer shall obtain prior approval from the mayor, subject to the limitations contained in Sec. 2-602(D)(1), before purchasing the goods or services.

(5) *Purchase and sale of real property.*

- a. When the town desires to purchase real property for public use, the following procedures shall be followed:
 - 1. The property shall be appraised by a licensed South Carolina certified general real estate appraiser.
 - 2. The mayor, or an individual designated by the mayor, may commence contractual negotiations to purchase the property.
 - 3. Contractual negotiations may be discussed with town council in executive session, as provided for by the South Carolina Freedom of Information Act.

4. Town council shall make the final determination as to whether to contract for purchase of the property.
- b. When the town desires to sell surplus real property, the following procedures shall be followed:
1. The property shall be appraised by a licensed South Carolina certified general real estate appraiser.
 2. Contiguous property owners shall be informed of the town's intent to sell the property and shall be afforded the opportunity to negotiate a contract to purchase the property.
 3. If more than one of the contiguous property owners desires to purchase the property, the mayor, or an individual designated by the mayor, may commence contractual negotiations for the sale of the property to the contiguous property owner making the highest offer above the appraised value.
 4. If none of the contiguous property owners desire to purchase the property or a contract with a contiguous property owner is not successfully negotiated, the procurement officer shall solicit offers to purchase the property by issuing an IFB.
 5. The mayor, or an individual designated by the mayor, may commence contractual negotiations with the highest bidder.
 6. Contractual negotiations may be discussed with town council in executive session, as provided for by the South Carolina Freedom of Information Act.
 7. Town council shall make the final determination as to whether to contract for the sale of the real property.
- c. The procedures for the purchase of real property shall not apply to the acquisition of real property to be used by the town for pump stations, lift stations, pressure reducing valve sites, public streets, water lines, sanitary sewer lines, storm drainage lines, monitoring sites, mitigation sites, stormwater projects, and utility easements.

Sec. 2-626. Protest procedures and remedies.

- (A) Any prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation of a contract may protest to the procurement officer. No other person or entity shall have right of action resulting from any alleged violation of this ordinance and there is no implied right to protest or right of action for any other person or entity. Any such protest must be delivered in writing within five (5) business days of the issuance of

the IFB or RFP, or within five (5) business days of the issuance of any amendment thereto if the amendment is at issue.

- (B) Any actual bidder, offeror, contractor, or subcontractor who is aggrieved in connection with the intended award or award of a contract may protest to the procurement officer. Any such protest must be delivered in writing within five (5) days of the date the notice of award or intent to award is issued by the procurement officer.
- (C) A protest must set forth all specific grounds of protest in detail and explain the factual and legal basis for each issue raised.
- (D) The procurement officer may conduct any inquiries or conduct any hearings he or she deems necessary to reach his or her decision.
- (E) Within ten (10) days of receipt of the written protest, the procurement officer shall issue his or her decision in writing and send copies to all parties to the protest.
- (F) If the procurement officer finds in favor of the protestant, he or she may award the protestant its documented bid preparation costs and other damages, not to exceed a total of \$5,000.00.
- (G) Contracts shall not be stayed pending the decision of the procurement officer. The protestant's remedies set forth herein shall be the protestant's exclusive remedy, including any remedy for violation of this ordinance.
- (H) A protestant may appeal the decision of the procurement officer to the mayor by requesting a review, in writing, with the mayor within five (5) business days of the procurement officer's decision. No new issues will be considered by the mayor on appeal. The mayor may appoint a special committee to consider any such appeals. The decision of the mayor, or any special committee appointed by the mayor, shall be final.

Sec. 2-627. Open records.

The procurement officer shall keep a record of all open solicitations and bids submitted in competition thereon, and such records shall be open to public inspection in accordance with the South Carolina Freedom of Information Act.

Sec. 2-628. Disposal of surplus property.

- (A) *Authority.* The procurement officer shall be responsible for management and disposal of all surplus property, excluding real property. The authority to sell, lease or dispose of real property rests solely with town council.
- (B) *Disposal procedures.* The procurement officer may dispose of surplus property as follows:
 - (1) Items with an estimated value of less than \$500.00 may be sold on the open market without formal advertisement or competitive procedures. Such items may also be

donated to local not-for-profit organizations which provide charitable services within community.

- (2) Items with an estimated value of \$500.00 or more shall be sold using one or more of the following competitive methods: in-house auction, outside auction, formal or informal bidding process, online auction services, broker services, or similar competitive methods recommended by the procurement officer and approved by the mayor.

Secs. 2-629—2-700. [Reserved]

ARTICLE VII. EMERGENCY PREPAREDNESS

Sec. 2-701. Comprehensive Emergency Plan.

- (A) *Adopted.* The "Town of Seabrook Island Comprehensive Emergency Plan," dated September 1, 2020, is hereby adopted and incorporated by reference as if fully set forth in this section. Such plan shall be used to guide the town's preparation for, response to, and recovery from those emergency situations outlined therein. The plan may be updated from time to time by resolution of town council, upon recommendation by the Public Safety Committee.
- (B) *Mayoral authority.* The mayor is herewith empowered to implement and staff the Town of Seabrook Island Comprehensive Emergency Plan, pursuant to the powers set forth therein and in Sec. 2-205(D). The individuals assigned responsibilities under the plan are herewith empowered to exercise their specified duties and responsibilities under the terms and conditions set forth therein; provided that the mayor shall submit for town council approval all nonbudgeted expense items necessary for the implementation of the plan.

Secs. 2-702—2-800. [Reserved]

SECTION 3. Amending Section 10-3 of the Town Code. The Town Code for the Town of Seabrook Island, South Carolina; Chapter 10, Court; Article I, In General; Section 10-3, Clerk designated; is hereby amended to read as follows:

Sec. 10-3. Clerk designated.

The town council shall designate a clerk of the municipal court, who shall keep such records and make such reports as may be required by the municipal judge or the state court administrator. The council may designate the town clerk/~~treasurer~~ or other municipal employee to serve as clerk of the court.

SECTION 4. Amending Chapter 12 of the Town Code. The Town Code for the Town of Seabrook Island, South Carolina; Chapter 12, Elections; is hereby amended to read as follows:

Chapter 12 – Elections

ARTICLE I. IN GENERAL

Secs. 12-1—12-19. [Reserved]

ARTICLE II. BOARD OF ~~ELECTIONS AND~~ VOTER REGISTRATION AND ELECTIONS

Secs. 12-20—12-23. [Reserved]

Sec. 12-24. Transfer of authority for conducting municipal elections.

- (a) This section is adopted in order to effect proper compliance with the provisions of the Home Rule Act of 1975, now South Carolina Code of Laws for 1976, Sections 5-7-30, 5-7-260, and 5-15-145 and chapter 12 of the Code of the Town of Seabrook Island.

The town hereby disbands its municipal election commission. The Charleston County Board of ~~Elections and~~ Voter Registration and Elections, Charleston County shall conduct the municipal elections in accordance with Title 7 of the S. C. Code of Election Laws unless otherwise specified by Title 5. The Charleston County ~~Board of elections and~~ Voter Registration and Elections will certify the results of each election to the municipality immediately following the certification of the votes cast in each election.

- (b) The Town of Seabrook Island shall reimburse the Charleston County Board of ~~Elections and~~ Voter Registration and Election ~~of Charleston County~~ for all costs incurred in providing ballots, advertising elections, printing costs, poll managers compensation and other related additional expenses incurred in its conduct of municipal elections in the Town of Seabrook Island. Poll managers will be paid at the standard rate set by the state election commission for all other elections. In the event a protest is filed or litigation is commenced in connection with the conduct of municipal elections, the Town of Seabrook Island shall pay all fees, costs, and expenses incurred in such protest or litigation. The Charleston County Board of ~~Elections and~~ Voter Registration and Elections shall provide invoices and/or other documentation to the Town of Seabrook Island of all such costs and expenses incurred in the conduct of the Town of Seabrook Island's Municipal Elections, protests, certification of results, litigation or other costs which may be incurred, not specifically mentioned in this section.

Secs. 12-25—12-42. [Reserved]

ARTICLE III. PROCEDURE

Sec. 12-43. Nonpartisan plurality method selected.

All regular and special elections for the offices of mayor and town council shall be nonpartisan elections using the nonpartisan plurality method pursuant to S.C. Code 1976, § 5-15-61.

Sec. 12-44. Council and mayor elected at ~~l~~arge.

(a) Members of the town council shall be elected from the town at-large.

(b) The mayor shall be elected at-large.

Sec. 12-45. Times for holding general and special elections.

General municipal elections shall be held on the first Tuesday after the first Monday in November in every odd-numbered year. Special elections shall be called as needed.

Sec. 12-46. Notice required; statements; filing; placement on ballot.

(a) Public notice of all municipal elections shall be given at least 90 days prior to the election. Advance notice of elections and candidate filing information may be given.

(b) Candidates for the offices of mayor, town council and the Seabrook Island Utility Commission shall file a statement of candidacy with the Charleston County Board of ~~Elections and~~ Voter Registration ~~and Elections for Charleston County~~ no earlier than the day following publication of the public notice of the election. Such statement of candidacy must be received at the town hall no later than 60 days prior to the date of the election. Filing shall be accomplished by delivering the statement of candidacy to the Charleston County Board of ~~Elections and~~ Voter Registration ~~and Elections for Charleston County~~ in care of the town clerk/~~treasurer~~ at the town hall.

(c) A candidate filing a statement of candidacy shall also electronically file a statement of economic interest for the preceding calendar year within 15 days of submitting the statement of candidacy. Such statement of economic interest shall be filed on such forms and in the format required by the State Ethics Commission and applicable law. All questions must be answered completely and truthfully. The Charleston County ~~Board of elections and v~~Board of ~~r~~Registration ~~and Elections for Charleston County~~ shall not place on the ballot the name of any candidate who fails to comply with this requirement. All candidates are required to fully comply with the provisions of S.C. Code Ann. § 8-13-1356.

(d) The Charleston County Board of ~~Elections and~~ Voter Registration ~~and Elections for Charleston County~~ shall place the names of all qualified candidates upon the ballot. The names shall appear in alphabetical order of the candidates' last names. No political party affiliation shall be placed on any ballot for any candidate.

Sec. 12-47. Filing fees.

Filing fees shall be as established from time to time by ordinance, unless otherwise established by state law.

Sec. 12-48. Voter eligibility; elections conducted pursuant to state law; authority to arrange for equipment, tabulation and reporting.

(a) Eligible voters must be registered with the Charleston County Board of Voter Registration and Elections at least 30 days prior to the election. The Charleston County Board of Voter

Registration and Elections, pursuant to applicable state law, shall make any determination of voter eligibility.

- (b) All municipal elections shall be conducted by the Board of ~~Elections and~~ Voter Registration and Elections for Charleston County, pursuant to S.C. Code 1976, § 5-15-100 et seq.

Sec. 12-49. Taking office.

- (a) *Starting date.* Following each general election, candidates elected to the offices of mayor and town council shall be sworn in and shall assume office on the first Tuesday after the first Monday in January following the election. Following a special election, candidates elected to fill the remainder of an unexpired term of office shall be sworn in and shall assume office on the third business day following the election, or as soon thereafter as the election results are certified.
- (b) *Oath.* Candidates elected to the offices of mayor and town council shall take the respective oaths of office set forth in section 2-26.
- (c) *Contested results.* If the results of the election are contested, the incumbent shall hold over until the contest is finally determined.

Sec. 12-50. Procedure for contesting results.

Within 48 hours after the closing of the polls, any candidate may contest the results of the election as reported by the managers, by filing a written notice of such contest, together with a concise statement of the grounds, with the Charleston County Board of ~~Elections and~~ Voter Registration and Elections for Charleston County. The Charleston County Board of ~~Elections and~~ Voter Registration and Elections for Charleston County shall review such contest in accordance with the procedures set forth in S.C. 1976, §§ 5-15-130 and 5-15-140.

Sec. 12-51. Terms of office.

All terms of office for the mayor and councilmembers for the town shall be extended until a general municipal election is held pursuant to section 12-45 and successors are sworn in pursuant to section 12-49.

Sec. 12-52. Special elections.

- (a) *Compliance with state law required.* Special elections shall be held in accordance with the provisions of S.C. Code Ann. § 7-13-190.
- (b) *Statement of candidacy.* The statement of candidacy of any candidate in any special election must be prepared and submitted in accordance with section 12-46 during the applicable filing period. The Charleston County Board of ~~Elections and~~ Voter Registration and Elections for Charleston County or its designee must certify that the statement of candidacy complies with all applicable ordinances by no later than 12:00 noon within seven working days from the close of the filing period.

- (c) *Timeframe.* A special election shall take place on the 13th Tuesday after the vacancy occurs.

SECTION 5. Amending Section 26-21 of the Town Code. The Town Code for the Town of Seabrook Island, South Carolina; Chapter 26, Taxation; Article II, State Accommodations Tax; Section 26-21, State accommodations tax advisory committee; is hereby amended to read as follows:

Sec. 26-21. State accommodations tax advisory committee.

- (a) *Established; powers and duties.* The Seabrook Island State Accommodations Tax Advisory Committee is hereby established. The committee is charged with the following powers and duties:
- (1) To make recommendations to the town council concerning the expenditure of revenues generated by the state accommodations tax, consistent with the requirements of state law;
 - (2) To adopt general guidelines, application procedures, and such other rules as may be necessary to perform its designated functions;
 - (3) To annually receive, review, and consider funding requests from eligible agencies, departments, entities, and organizations;
 - (4) To annually provide written recommendations to town council on the awarding of funds from the special fund used for tourism related expenditures ("65% funds"), consistent with the requirements of state law;
 - (5) To annually provide written recommendations to town council on the awarding of funds from the special fund used for advertising and promotion ("30% funds"), consistent with the requirements of state law;
 - (6) To elect a chairperson from its membership; and
 - (7) To perform such other duties as may be assigned or requested by town council.
- (b) *Membership.* The state accommodations tax advisory committee shall consist of seven members. At least four members shall be selected from the town's hospitality industry, and at least two of the hospitality industry members shall be selected from the lodging industry. One member shall represent the cultural organizations of the town. Members shall be nominated by the mayor and appointed by a majority vote of town council. All members shall serve for a term of two years commencing on January 1st of odd numbered years and expiring on December 31st of the following year. Any member who resigns prior to the expiration of his or her term shall do so in writing to the town clerk/~~treasurer~~. Any member may be removed for cause by a majority vote of the town council. A vacancy shall be filled for the remainder of the unexpired term in the same manner as the original appointment. All members shall serve without compensation.

(c) *Meetings; quorum; rules of order; voting.* The state accommodations tax advisory committee shall meet at least once per year at a date and time scheduled by the chair or a majority of the committee's membership. All meetings shall be held at Town Hall, unless otherwise advertised, and shall be open to the public. At least four members must be present to constitute a quorum, and no official business may be conducted without a quorum present. Except as otherwise required by state law or town ordinance, all proceedings of the committee shall be governed by Robert's Rules of Order. Official decisions or actions by the committee shall require a majority vote of those members present and voting. Proxy votes shall not be permitted. Any member who has a direct or indirect conflict of interest in any matter before the committee shall be disqualified from participating in any discussion or decision related thereto.

(d) *Public notice; public records.* Public notice shall be given for each meeting pursuant to S.C. Code 1976, § 30-4-80. The town clerk/~~treasurer~~ shall prepare an agenda containing the date, time, and location of each meeting, as well as a list of items for action and/or discussion. The town clerk/~~treasurer~~ shall act as secretary to the committee and shall prepare and keep written minutes of all committee meetings. Unless exempt by state law, all records of the state accommodations tax advisory committee are deemed public records and shall be made available for inspection upon request.

SECTION 6. Severability.

If any section, subsection, paragraph, clause, or provision of this ordinance shall be deemed to be unconstitutional, unenforceable, or otherwise invalid by the final decision of a court of competent jurisdiction, it shall be construed to have been the legislative intent of Town Council to pass said ordinance without such unconstitutional provision, and the validity of all remaining sections, subsections, paragraphs, clauses, or provisions of said ordinance shall not be affected thereby. If said ordinance, or any provision thereof, is held by the final decision of a court of competent jurisdiction to be inapplicable to any person, group of persons, property, kind of property, circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property or circumstances.

SECTION 7. Conflicting Ordinances Repealed.

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION 8. Effective Date.

This ordinance shall be effective from and after the date of adoption.

SIGNED AND SEALED this ____ day of _____, 2024, having been duly adopted by the Town Council for the Town of Seabrook Island on the ____ day of _____, 2024.

First Reading: June 25, 2024
Public Hearing: July 23, 2024
Second Reading: July 23, 2024

TOWN OF SEABROOK ISLAND

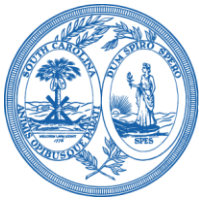
Bruce Kleinman, Mayor

LEGAL REVIEW

Stafford J. McQuillin, Town Attorney
Approved as to legal form only

ATTEST

Katharine E. Watkins, Town Clerk



Addendum to Employer Resolution for Participation in the State Insurance Benefits Program regarding County/Municipality Councilmember Coverage

Complete the form below and submit via mail or email to:

S.C. PEBA

EmployerAudits@peba.sc.gov

Attn: Insurance Employer Audit

202 Arbor Lake Drive

Columbia, SC 29223

As an addendum to the resolution entered into by the _____ (Employer) for
County/Municipality Name

Participation in the State Insurance Benefits Program, the _____ Council of
County/Town/City

_____ (Council) hereby makes the following election regarding the eligibility of
County/Municipality Name

elected members of the Council to participate as active employees in the State Insurance Benefits Program (Program) offered by the South Carolina Public Employee Benefit Authority (PEBA) pursuant to Section 1-11-703 et seq. of the 1976 Code of Laws:

Select one only.

- Members of the Council will be considered Active Employees of the Employer for the purposes of participation in the State Insurance Benefits Program (*only available if Councilmembers are paid and are eligible for participation in the South Carolina Retirement Systems*); or
- Members of the Council will **not** be considered Active Employees of the Employer for the purposes of participation in the State Insurance Benefits Program.

In making this election, the Council hereby understands, acknowledges and agrees that:

1. The election made above is a material requirement for participation in the Program established by the PEBA Board of Directors and is irrevocable during the Employer's period of participation in the Program;
2. The election made above applies only to Councilmembers' participation in the Program, and does not affect Councilmembers' participation in the South Carolina Retirement Systems;
3. If the Council has elected to decline coverage, Councilmembers will not be considered Employees of the Employer, as that term is defined in the State Health Plan, for purposes of eligibility and participation in the Program, and will not be eligible for any benefit offered under the Program as an Active Employee by virtue of membership on the Council; service on the Council will not be taken into consideration for eligibility for retiree insurance coverage under

the Program; and the Council and Employer irrevocably waive and disclaim any rights the Employer or its Councilmembers may have regarding Councilmembers' benefits from the Program as a result of their service on the Council after the date of this election; and

- 4. The election made above will not be effective until it is received in good order and approved by PEBA, and nothing in this election alters any other obligations Employer has to properly and timely administer insurance benefits under the Program for other Employees of the Employer in accordance with the requirements established by PEBA.

IN WITNESS WHEREOF, we have hereunto set our hands and authority at the meeting of the

_____ Council of the _____
County/Town/City County/Municipality Name
County of _____, South Carolina, held at _____
County Location
this _____ day of _____, 20 _____.
Day Month

Signatures of Council Members

A majority must sign.

Certification

I _____, _____ of the aforesaid Employer, hereby certify
Name Title
that the aforesaid Council consists of _____ duly elected members, and that as stated above,
Number
_____ members voted in favor of the above Addendum.
Number

IN WITNESS WHEREOF, I have hereunto set my hand and the authority of the aforesaid Employer.

Signature Date Employer Group Number