

**STATEMENT OF BUDGET IMPACT**  
**(Policy Number 94-45)**  
**Budgetary Review of Proposed Resolution &**  
**Ordinances with Financial Implication.**

**Date:** January 21, 2016

BIS 16-084

**File:** TMP-2016-024

**Proposed Legislation:**

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$50,000,000 AGGREGATE PRINCIPAL AMOUNT OF CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS, SERIES 2016A; AWARDED THE NEGOTIATED SALE OF SUCH BONDS TO MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED FOR SUCH BONDS; FIXING OR PROVIDING FOR THE DETERMINATION OF THE DATE, DENOMINATIONS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, AND OTHER DETAILS WITH RESPECT TO SUCH BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE REFUNDING OF CERTAIN PRIOR OBLIGATIONS OF THE CITY; AUTHORIZING THE USE AND APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE DISTRIBUTION OF SUCH BONDS AND OTHER ACTION IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; APPOINTING AN ESCROW AGENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; DESIGNATING A PAYING AGENT AND REGISTRAR FOR SUCH BONDS AND A VERIFICATION AGENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; ADOPTING A BOOK-ENTRY SYSTEM OF REGISTRATION FOR THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

**Statement of Budget Impact:**

1.  No Budget Impact associated with this action;
2.  Sufficient resources are identified /available;
3.  Budgetary resources not identified/unavailable;
4.  Potential revenue is possible with this action;
5.  Will not increase the cost of Housing;

6.  May increase the cost of Housing; (CDAB review required)

**Explanation:**

This Resolution seeks to authorize the issuance of a not to exceed amount of \$50,000,000 aggregate Capital Improvement Revenue and Refunding Bonds Series 2016A. The legal framework for the issuance of Capital Improvement Revenue Bonds was established through a previous Resolution of the City Commission for which this resolution is a companion item, providing the specific terms of the proposed bonds. These bonds will refinance several existing series of bonds and loans secured with non-ad valorem revenues in order to provide debt service savings, and issue \$20,000,000 of additional bonds for the list of capital projects included in Exhibit C to this Supplemental Bond Resolution.

The refunding portion of the transaction will refinance the following existing loans and generate estimated net present value debt service savings of \$1.63 million or 8.1 percent of the refunded loans.

- Series 2006 First Florida loan currently outstanding in the amount of \$11,000,000
- Series 2007 First Florida loan currently outstanding in the amount of \$1,060,000
- Series 2009B BB&T Bank loan currently outstanding in the amount of \$6,022,592.33, and
- Series 2010 BB&T Bank loan currently outstanding in the amount of \$5,913,834.31.

Additionally, the Resolution, if passed and adopted, will authorize certain costs associated with the issuance of the Series 2016A Bonds and the refunding of the Prior Obligations to be paid by the proceeds of the bonds.

In July 2014, the City established a bond financing team consisting of a Financial Advisor and a pool of three Bond Underwriters. The Bond Underwriter next up in the rotation of the three firms is Merrill Lynch, Pierce, Fenner & Smith, Inc., who will serve as the Senior Underwriter for the proposed Capital Improvement Revenue Bonds.

In addition to authorizing the issuance of the Capital Improvement Revenue and Refunding Bonds, Series 2016A, the following actions are also requested to be approved and authorized:

- Awarding the negotiated sale of such bonds To Merrill Lynch, Pierce, Fenner & Smith, Inc.;
- Authorizing the execution and delivery of a Bond Purchase Agreement (Exhibit A) with Merrill Lynch, Pierce, Fenner & Smith, Inc. for such bonds;
- Fixing or providing for the determination of the date, denominations, maturities, interest rates, redemption provisions, and other details with respect to such bonds;

- Authorizing the refunding of certain prior obligations of the City;
- Authorizing the use and approving the form of a preliminary official statement (Exhibit B) and a final official statement in connection with the distribution of such bonds, and other action in connection with the issuance and delivery of such bonds;
- Appointing an Escrow Agent, approval of the form of an Escrow Deposit Agreement (Exhibit D), and authorizing the execution and delivery of such Agreement;
- Appointment of other professionals (a paying agent, registrar and verification agent) to assist in the issuance of the bonds;
- Approval of the form and authorization of the execution of a Continuing Disclosure Certificate (Exhibit E) in order to comply with Rule 15c2-12 of the United States Securities and Exchange Commission;
- Adopting a book-entry system of registration for the bonds; and
- Providing an effective date.

**PREPARED BY:** Hilde Johnson  
Management & Budget Analyst

**APPROVED BY:** Mirtha Dziedzic  
Assistant Director, Budget & Financial Services