

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

Date: May 1, 2015

File: BIS 15 – 162

File: TMP-2015-00184

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE EXTENSION OF THE LINE OF CREDIT AGREEMENT BETWEEN THE CITY OF HOLLYWOOD, FLORIDA, AND WELLS FARGO BANK, NATIONAL ASSOCIATION, FOR AN ADDITIONAL ONE (1) YEAR IN ORDER TO MAINTAIN THE AVAILABILITY OF A LINE OF CREDIT FACILITY TO ASSIST THE CITY IN MEETING THE COSTS OF RECOVERY IN THE EVENT OF A DISASTER.

Statement of Budget Impact:

1. ☐ No Budget Impact associated with this action;
2. ☒ Sufficient budgetary resources 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 appropriate City Officials to enter into and execute an extension to the agreement between the City of Hollywood and the Wells Fargo Bank, N.A., "Wells Fargo," to continue for a period of one (1) year the agreement establishing a line of credit for the City to be used in the event of a natural or man-made disaster to assist the City in meeting post-disaster emergency funding needs. Previously, the City Commission pursuant to Resolution R-2010-241, adopted and approved by the City Commission on September 1, 2010, authorized the appropriate City Officials to enter into a Line of Credit Agreement with Wells Fargo.

Under the terms and conditions of the agreement, Wells Fargo agreed to make available to the City a principal amount up to \$10,000,000.00 with the City issuing a promissory note and drawing against said note. This agreement was subsequently extended by the City Commission pursuant to Resolution R-2011-061 for a one (1) year

period with the agreement to expire on April 30, 2012. Additionally, Resolutions, R-2012-107, R-2013-137, and R-2014-132 have each extended the line of credit agreement for one year periods with the agreement now set to expire on May 31, 2015. The original agreement provides that the agreement may be extended for additional successive periods with each period limited to one (1) year. Approval by the City Commission of the requested extension of the agreement will extend the term of the renewed agreement to May 31, 2016. The terms and conditions of the agreement also require the payment to Wells Fargo by the City of a renewal fee in the amount of \$35,000.00 plus an additional legal fee of \$1,500.00. In return for these fees, Wells Fargo will waive the draw fee of \$25,000.00 payable upon the first draw of funds by the City.

Funding will become available in account #01.1295.00000.519.005201 for the renewal and legal fees subject to the approval by the City Commission of the extension of the agreement.

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