

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

Date: May 3, 2016

BIS 16-173

File: TMP-2016-206

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 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 one (1) year extension of the Line of Credit Agreement between Wells Fargo Bank, N. A. and the City of Hollywood in order to maintain the availability of a Line of Credit Facility to assist the City in meeting the costs of disaster recovery in the event of a declared state of emergency.

On September 1, 2010 the City Commission passed and adopted Resolution R-2010-241 authorizing the execution of a Line of Credit Agreement in the form of a Promissory Note with an aggregate principal amount not to exceed ten million dollars (\$10,000,000.00) with Wells Fargo Bank, N.A. (the "Bank") for the term commencing on September 2, 2010 and ending on April 30, 2011 with an unlimited number of additional one (1) year term renewals, as part of the City's emergency preparedness planning to

provide interim financing to meet post-disaster recovery costs in the event of a declared state of emergency, if needed.

The City of Hollywood Commission has previously authorized additional one (1) year extensions of the Line of Credit Agreement with the Bank as allowed in Section 14 of the Agreement, five times as shown in the chart below.

City Commission Meeting Date	Resolution Number	Agreement Expiration Date
April 6, 2011	R-2011-061	April 30, 2012
April 18, 2012	R-2012-107	May 31, 2013
June 5, 2013	R-2013-137	May 31, 2014
June 4, 2014	R-2014-132	May 31, 2015
May 20, 2015	R-2015-123	May 31, 2016

This Resolution would extend the Agreement for an additional one (1) year period. The Bank has indicated its willingness to extend the Agreement for the additional one (1) year renewal term with a required payment of a \$35,000.00 upfront renewal fee and \$1,500.00 legal fee, and they agree to waive the \$25,000.00 initial draw fee required in Section 12 of the Line of Credit Agreement.

Funding will be made available for this expenditure in account number 01.1295.00000.519.005201 subject to the approval of this Resolution.

PREPARED BY: Hilde Johnson
Management & Budget Analyst

APPROVED BY: Kee Eng
Budget Manager