

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

Date: October 2, 2014

BIS 15-003

File: TMP-2014-00574

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RELATING TO THE DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE ATTACHED AMENDMENT 2 TO LOAN AGREEMENT ON LOAN NUMBER DW061004 FOR THE REPLACEMENT OF REVERSE OSMOSIS (RO) TRAIN B.

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:

The Florida Statutes provide for loans to local government agencies to finance the construction of water facilities.

The City of Hollywood, Florida, entered into a Drinking Water State Revolving Fund Loan Agreement with the Florida Department of Environmental Protection under the State Revolving Fund Loan financing in the amount of \$1,524,039.00 excluding Capital Interest and including a Principal Forgiveness amount of \$1,295,433.00 under Resolution R-2009-181 for the replacement of RO Train B.

The Florida Department of Environmental Protection performed its normal close out audit in August 2014.

It is necessary to amend the Loan Agreement to reduce the loan term from 20 years to 10 years to accommodate the useful life of the asset which is less than 20 years and to increase the amount of each semiannual payment from \$7,612.00 to \$17,426.79.

The Department of Public Utilities recommends that the City Commission authorize the appropriate City Officials to execute the attached amendment 2 to the loan agreement with the Department of Environmental Protection under the State Revolving Fund for the Replacement of the RO Train B loan terms.

Funding for the loan payments have been provided for in the FY 15 operating budget in account numbers 42.1282.00000.536.007172 and 42.1282.00000.536.007272 and will be budgeted in subsequent fiscal years.

PREPARED BY: Neesha Bajere
Management & Budget Analyst

APPROVED BY: Mirtha Dziedzic
Assistant Director, Budget and Financial Services