

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

Date: May 25, 2017

BIS 17 – 187

FILE: TMP-2017-281

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING A LINE OF CREDIT AGREEMENT BETWEEN THE CITY OF HOLLYWOOD, FLORIDA, AND CITY NATIONAL BANK, FOR A TERM OF ONE (1) YEAR TO PROVIDE 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 authorization to enter into an Agreement between City National Bank of Florida (Bank) and the City of Hollywood (City) wherein the Bank will issue a non-revolving line of credit Revenue Anticipation Note to the City in an aggregate principal amount not to exceed ten million dollars (\$10,000,000.00) for the purpose of providing financing to the City to meet disaster recovery costs in the event of a declared state of emergency which will expire on May 31, 2018 and is renewable annually upon mutual consent.

On September 1, 2010, the City Commission approved Resolution R-2010-241 to enter into a Line of Credit Agreement with Wells Fargo Bank, N.A. (Wells Fargo) which was subsequently renewed on an annual basis and which expired on May 31, 2017. The ability to access interim financing if needed to meet post disaster recovery costs in the

event of a declared state of emergency is a necessary part of the City's emergency preparedness plan.

City National Bank has submitted a Term Sheet to the City dated May 10, 2017, to provide a line of credit, similar to the expired Wells Fargo line of credit, and by passage and adoption of this Resolution, the Bank accepts the provisions thereof to be deemed to constitute part of the contract.

The fixed fee of \$35,000.00 is due at the Line of Credit closing, and \$6,500.00 will be due for Bank attorney fees and costs at the time of the first draw, if any. Funding has been identified and is available in the City's Fiscal Year 2017 Operating Budget in the Operating Cost – Emergency Line of Credit Fee account #01.1295.00000.519.005201.

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