

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

Date: May 22, 2014

File: BIS 14 – 154

File: TMP-2014-00282

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 authorization for the appropriate City Officials to extend the present line of credit agreement between the Wells Fargo Bank, N.A., Bank and the City of Hollywood for a period of one (1) year in order to maintain the City's line of credit for interim financing at the bank in the event that funds are required for post disaster recovery efforts. Previously, the City Commission adopted and approved Resolution R-2010-241 on September 1, 2010 which authorized City Officials to enter into a line of credit agreement with the Wells Fargo Bank, N.A. whereby the City may obtain emergency financing up to \$10,000,000.00 by providing a promissory note to the Bank. Later on April 30, 2012, per Resolution R-2011-061, the line of credit agreement was extended for a one (1) year period through April 30, 2012. The line of credit agreement was further extended by action of the City Commission via Resolution R-2012-107 for an additional one (1) year period through May 31, 2013. In 2013, the City Commission

again extended the line of credit agreement for a one (1) year period through May 31, 2014, pursuant to Resolution R-2013-137. The line of credit agreement permits the parties to enter into an extension of the agreement for a one (1) year period at a time. Both the Bank and the City wish to extend the line of credit agreement for a one (1) year period. In return for granting the extension, the Bank requires the City to make a payment to the Bank of \$25,000.00 upon each renewal plus a \$750.00 legal fee. In the event that the line of credit agreement is activated and the City makes the first draw against the line of credit, the bank will waive the \$25,000.00 fee. Sufficient funding is available to cover the bank renewal fee and legal fee.

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