

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

Date: November 29, 2016

BIS 17-063

File: TMP-2016-632

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO INITIATE THE PROCESS OF REFUNDING PRIOR OBLIGATIONS ISSUED BY OR ON BEHALF OF THE CITY, SPECIFICALLY THE FIRST FLORIDA GOVERNMENTAL FINANCING COMMISSION REVENUE BONDS, SERIES 2012 AND 2014 WITH A PRINCIPAL BALANCE OF \$8,595,000 AND \$6,515,000, RESPECTIVELY, AND PAYING ALL OTHER COSTS NECESSARY OR INCIDENTAL THERETO ESTIMATED NOT TO EXCEED \$85,000; WITH THE ISSUANCE OF SAID BONDS TO BE BROUGHT BEFORE THE COMMISSION FOR FINAL APPROVAL.

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 initiation of the refunding process for the First Florida Governmental Financing Commission (FFGFC) Revenue Bonds, Series 2012 with a principal balance of \$8,595,000 and Series 2014 with a principal balance of \$6,515,000, with current holders, PNC Bank, and Pinnacle Public Finance, Inc., respectively, for similar terms to existing, and to bring the final terms and conditions before the Commission for final approval at an expense estimated not to exceed \$85,000.

On November 4, 2016, the FFGFC passed, approved, and adopted Resolution No. 16-03, indicating their intent to dissolve the Commission at the earliest date after there are no longer outstanding bonds or obligations of any participating Governmental Unit incurred by a Member pursuant to the Program.

As one of the three remaining participating Governmental Units with outstanding loan obligations, the City of Hollywood pays an increasing allocation of FFGFC operating expenses as the other participating Member obligations are liquidated. Refunding the City's obligations with current loan holders at terms similar to existing will avoid the City's increasing share of FFGFC operating costs and expenses such as PNC Bank's prepayment penalty of \$94,000.00, or escalating rates in the current market environment.

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