

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

Date: May 24, 2018

BIS 18-192

FILE: TMP-2018-283

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE THE EXTENSION OF THE LINE OF CREDIT AGREEMENT WITH CITY NATIONAL BANK, FOR AN ADDITIONAL ONE (1) YEAR TERM TO MAINTAIN A LINE OF CREDIT FACILITY TO ASSIST THE CITY IN MEETING THE COSTS OF RECOVERY IN THE EVENT OF A DISASTER AND AUTHORIZING THE MAYOR TO EXECUTE PROMISSORY NOTES AND THE CITY MANAGER TO APPROVE DRAWS PURSUANT TO THE LINE OF CREDIT AGREEMENT.

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 to authorize the one (1) year extension of the Line of Credit Agreement which is set to expire on May 31, 2018 between City National Bank 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 June 7, 2017, the City Commission approved resolution R-2017-156; 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 City National Bank for the purpose of providing financing to the City to meet disaster recovery costs in the event of a declared state of emergency. If approved, the extension would begin on June 1, 2018 and end on May 31, 2019.

There would be a \$35,000.00 upfront renewal fee and approximately \$6,500.00 in legal fees due with the first draw, if any. Funding will be provided in an account to be identified by the Department of Financial Services.

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