

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

Date: November 20, 2018

BIS 19 – 039

FILE: TMP-2018-722

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE SCHEDULE OF PROPERTY NO. 5 OF THE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF AMERICA LEASING & CAPITAL, LLC AND BANC OF AMERICA PUBLIC CAPITAL CORP.

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 execute an Amendment to the Schedule of Property No. 5 of the Master Lease/Purchase Agreement with Banc of America Leasing & Capital, LLC and Banc of America Public Capital Corp.

The City of Hollywood entered into a Master Equipment Lease/Purchase Agreement on June 7, 2004 with Banc of America Leasing & Capital, LLC and Banc of America Public Capital Corp. The purpose of the funding was to purchase equipment from Johnson Controls, Inc. from 2008 through 2010, which is still in negotiations and unresolved.

Subsequently, the City has amended the agreement a first time, First Amendment, on March 20, 2007, a second time, Second Amendment, on March 4, 2008, and a third time, Third Amendment, on May 8, 2008.

By amending the Schedule of Property No. 5 of the Master Equipment Lease/Purchase Agreement the Rental Payment Schedule will reflect an outstanding balance reduction in principal of \$1,956,850.34 and reduce the City's interest expense paid to date by \$810,762.71. This adjustment will also result in lowering the quarterly debt service payments through the remainder of the repayment term which is to end August 2, 2024.

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