

RESOLUTION NO. \_\_\_\_\_

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 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; AUTHORIZING THE MAYOR TO EXECUTE PROMISSORY NOTES AND THE CITY MANAGER TO APPROVE DRAWS PURSUANT TO THE LINE OF CREDIT AGREEMENT.

WHEREAS, the City Commission has determined that it is appropriate and necessary as part of the City's emergency preparedness planning to establish a line of credit to provide interim financing, if needed, to meet post-disaster recovery costs in the event of a declared state of emergency, and approved Resolution R-2017-156 on June 7, 2017 to enter into a Line of Credit Agreement with City National Bank ("Bank"); and

WHEREAS, the Line of Credit Agreement entered into with the Bank effective June 22, 2017 (the "Line of Credit Agreement") sets forth the terms and conditions under which the City may borrow in the form of a promissory note in a principal amount not to exceed \$10,000,000.00 (Exhibit "A", the attached Revenue Anticipation Note of the Line of Credit Agreement), and to make draws on the note (Exhibit "C", the attached Draw Certificate of the Line of Credit Agreement); and

WHEREAS, Section 14 of the Line of Credit Agreement provides that the Bank and the City may agree to extend the Agreement for additional successive periods, each period not to exceed one year; and

WHEREAS, the Line of Credit Agreement was extended on June 1, 2018 and the current term of the Line of Credit Agreement has a scheduled expiration date of May 31, 2019; and

WHEREAS, the City desires to extend the Line of Credit Agreement for an additional one year period, and the Bank has indicated its willingness to extend the Line of Credit Agreement for an additional one year; and

WHEREAS, in connection with this extension of the Line of Credit Agreement, the Bank will require the payment of \$35,000.00 as an upfront renewal fee and an estimated \$6,500.00 in legal fees in connection with the first draw, if any, in accordance with Section 12 of the Line of Credit Agreement; and

WHEREAS, Resolution No. R-2017-156 did not state which City official or officials are authorized to execute promissory notes and approve draws pursuant to the Line of Credit Agreement; and

WHEREAS, in the absence of a statement regarding authority to execute a promissory note and approve a draw, City Commission approval is required; and

WHEREAS, by adopting this Resolution, the City Commission intends to delegate (i) the authority to execute promissory notes to the Mayor and (ii) the authority to approve draws pursuant to the Line of Credit Agreement to the City Manager.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves and authorizes the appropriate City officials to enter into an Extension of Line of Credit Agreement with the Bank for an additional one year period, effective June 1, 2019 and ending on May 31, 2020.

Section 3: That all other terms and conditions of the Line of Credit Agreement shall remain unchanged and in full force and effect.

Section 4: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
JOSH LEVY, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance  
of the City of Hollywood, Florida, only.

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DOUGLAS R. GONZALES, CITY ATTORNEY