



Legislation Details (With Text)

File #: R-2019-148 **Version:** 1 **Name:** Emergency Line of Credit 2019
Type: Resolution **Status:** Passed
File created: 5/15/2019 **In control:** Department of Financial Services
On agenda: 6/5/2019 **Final action:** 6/5/2019
Title: 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.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 01 - Resolution ELOC 2019r, 2. 02 - Extension of Line of Credit Agreement 2019r, 3. 03 - CNB ELOC Signed 20180614, 4. 04 - R-2017-156 w EXs, 5. 05 - EX A - Note for Line of Credit Agreement, 6. 06 - EX C - Draw Certificate, 7. teremergencylineofcredit2019.pdf, 8. BIS 19-175.pdf

Date	Ver.	Action By	Action	Result
6/5/2019	1	Regular City Commission Meeting	adopt	Pass

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.

Staff Recommends: Approval of the attached Resolution.

Explanation:

In 2010, the City Commission determined that, as part of the City's emergency preparedness planning, it is appropriate and necessary 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.

The Line of Credit Agreement sets forth the terms and conditions under which the City may make a borrowing in the form of a promissory note in a principal amount not to exceed \$10,000,000.00.

On September 1, 2010, the City Commission approved Resolution R-2010-241 to enter into a

Line of Credit Agreement with Wells Fargo Bank, N.A. This Line of Credit Agreement provided for extensions of the Agreement for additional successive periods, each period not to exceed one year. The Agreement with Wells Fargo Bank, N.A. was extended for an additional year in 2011, 2012, 2013, 2014, 2015, and 2016.

On June 7, 2017, the City Commission approved Resolution R-2017-156 to enter into a Line of Credit Agreement with City National Bank. This Line of Credit Agreement provides for extensions of the Agreement for additional successive periods, each period not to exceed one year. The Agreement with City National Bank was extended for an additional year in 2018. The current Agreement with City National Bank has a scheduled expiration date of May 31, 2019.

The City desires to continue to maintain a Line of Credit Agreement for the upcoming year to assist in meeting the costs in the event of a disaster and City National Bank has indicated a willingness to extend the Agreement with the City for that purpose for a fee of \$35,000.00. Estimated legal fees in the amount of \$6,500.00 would occur with the first draw, if any, in accordance with Section 12 of the Line of Credit Agreement.

The Assistant City Manager for Finance and Administration and the Director of Financial Services recommend maintaining a Line of Credit Agreement for the upcoming year.

Recommended for inclusion on the agenda by:

Cintya Ramos, Director of Financial Services Department

Adam S. Reichbach, Assistant City Manager for Finance and Administration