



## Legislation Details (With Text)

**File #:** R-2016-132    **Version:** 1    **Name:** Emergency Line of Credit 2016  
**Type:** Resolution    **Status:** Passed  
**File created:** 4/29/2016    **In control:** Department of Financial Services  
**On agenda:** 5/18/2016    **Final action:** 5/18/2016  
**Title:** A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Extension Of The Line Of Credit Agreement Between The City Of Hollywood, Florida And Wells Fargo Bank, National Association, For An Additional One (1) Year In Order To Maintain The Availability Of A Line Of Credit Facility To Assist The City In Meeting The Costs Of Recovery In The Event Of A Disaster.

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### Code sections:

**Attachments:** 1. 01 - Resolution ELOC 2016.pdf, 2. 03 - Extension of Line of Credit Agreement 2016r.pdf, 3. 04 - EX A 2015 COH Anti-Dilution.pdf, 4. 02 - ELOC Wells Fargo 09-02-10.pdf, 5. terwfloc.pdf, 6. BIS 16173.pdf

Date	Ver.	Action By	Action	Result
5/18/2016	1	Regular City Commission Meeting	adopt	Pass

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing The Extension Of The Line Of Credit Agreement Between The City Of Hollywood, Florida And Wells Fargo Bank, National Association, For An Additional One (1) Year In Order To Maintain The Availability Of A Line Of Credit Facility To Assist The City In Meeting The Costs Of Recovery In The Event Of A Disaster.

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. On September 1, 2010, the City Commission approved Resolution R-2010-241 to enter into a Line of Credit Agreement with Well Fargo Bank, N.A. (the "Bank"). 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.

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. The Agreement was extended for an additional year in 2011, 2012, 2013, and again in 2014.

In May 2015, the City Commission approved Resolution R-2015-123 authorizing the extension of the Line of Credit Agreement with the Bank for a forth one (1) year period. The current Agreement expires on May 31, 2016.

The City desires to extend the Agreement for an additional one year and the Bank has indicated its willingness to extend the Agreement for an additional year. The Bank is requiring an upfront renewal fee of \$35,000.00, and \$1,500.00 to cover legal costs to extend the Agreement. In exchange, the Bank will waive the \$25,000.00 draw fee required in Section 12 of the Line of Credit Agreement that is required at the time of the first draw, if any.

The City Manager and the Interim Financial Services Department Director recommend the extension of the Line of Credit Agreement for an additional one year. All terms and conditions of the original Line of Credit Agreement shall remain unchanged and in full force and effect except as specified above.

Recommended for inclusion on the agenda by:

Dr. Wazir Ishmael, City Manager

George Keller, Assistant City Manager/Finance & Administration

Mirtha Dziedzic, Interim Financial Services Department Director