



CITY COMMISSION ORDINANCE/RESOLUTION

TITLE: Resolution 24-48 (Finance)

DATE: December 10, 2024

DESCRIPTION: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF COOPER CITY, FLORIDA, AUTHORIZING THE ISSUANCE OF AN EMERGENCY LINE OF CREDIT REVOLVING NOTE OF THE ISSUER IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$10,000,000 TO FINANCE THE DISASTER RECOVERY EFFORTS RELATED TO HURRICANES AND OTHER NATURAL DISASTERS; PROVIDING THAT THE NOTE SHALL BE PAYABLE FROM PLEDGED REVENUES AND OTHER NON- AD VALOREM REVENUES; AUTHORIZING AND DELEGATING TO THE MAYOR AND CITY MANAGER THE SALE OF THE NOTE TO THE BANK PURSUANT TO THE TERMS AND CONDITIONS OF A LINE OF CREDIT AGREEMENT WITH THE BANK; APPROVING THE EXECUTION AND DELIVERY OF SAID LINE OF CREDIT AGREEMENT; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval of Resolution 24-48 renewing the City's Tax-Exempt Hurricane/Disaster Line of Credit in the amount of \$10,000,000.

BACKGROUND OF ITEM:

Staff is requesting authorization to renew the Tax-Exempt Hurricane/Disaster Line of Credit (LOC) in case a hurricane or other form of disaster strikes the City. At the July 24, 2019, Finance Advisory Board meeting, the board recommended that the Commission select TD Bank as the provider of the Hurricane/Disaster Line of Credit, with the provision that certain terms were subject to revision. This was a 5-year line of credit, which is now due for renewal.

The 2024 Revolving Line of Credit (LOC) Note will be secured by a pledge of and lien upon Pledged Revenues. Pledged Revenues means: 1) Pledge of Federal and State funds received for reimbursement of disaster expenses and 2) Covenant to budget and appropriate from legally available non-ad valorem revenues. The LOC matures in five years, with accrued interest payable quarterly and principal due upon receipt of Pledged Revenues, with an interest rate of 79% (Term SOFR+1.50%).

The City would be required to pay an origination fee of \$10,000 at the time of closing, a bank counsel cost of \$6,500, in addition to bond counsel costs at closing and an annual maintenance fee of \$4,000, in addition to the bond counsel costs payable at closing. The annual maintenance fee is waived if the average balance of the line of credit is \$2 million.

FISCAL IMPACT:

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Prior Requested Amount</u>	<u>New Requested Amount</u>	<u>Remaining Amount</u>
001-000-386980-386 Appropriation Unassigned Fund Balance Gen Fund	\$0	\$0	\$66,501	\$66,501
001-200-571000-517 Principal Payment LOC	\$0	\$0	\$50,001	\$50,001
001-200-571000-517 Annual LOC Maint. Fee	\$4,000	\$4,000	\$0	\$4,000
001-200-573100-517 Other Debt Service Costs	\$0	\$0	\$16,500	\$16,500

ATTACHMENTS:

1. Resolution 24-48 Emergency Line of Credit
2. Line of Credit Agreement
3. Tax Certificate
4. IRS Form 8038-G
5. Closing Documents