



TOWN OF HIGHLAND BEACH AGENDA MEMORANDUM

MEETING TYPE: Town Commission Meeting
MEETING DATE: 10/03/2023
SUBMITTED BY: David M. DiLena, Finance Director
SUBJECT: 2nd Synovus Bank Loan Draw Request

Staff is requesting Commission authorization of the second and final draw on the Synovus Bank Loan dated June 9, 2022, as forecasted, planned, and budgeted. As we continue to navigate our strategic plan with purpose and focus, this draw will provide us with essential capital to finish the Fire Rescue Project by May 2024.

Background:

The Synovus Bank Loan, originally established on June 9, 2022, has proven instrumental in meeting our short-term and long-term financial requirements. The first draw from this facility (\$52,100) was utilized to cover closing costs as required within the loan documents. The terms and conditions of this loan have remained favorable allowing us to as we have successfully minimized interest expense. Staff will diligently adhere to the agreed-upon repayment schedule in the future and other loan covenants.

Purpose of the Second Draw:

The second draw on the Synovus Bank Loan of \$4,997,900 is necessary to complete construction by the May 2024 deadline. It will primarily be used for the following purposes, as forecasted, planned, and budgeted to complete the construction phase of the Fire Rescue Project based on the contractors draw schedule.

Loan Terms:

The terms and conditions of this second draw will remain consistent with the original loan agreement dated June 9, 2022, which includes:

- Loan Amount: \$5,050,000
- Interest Rate: 3.26% per annum
- Repayment Schedule: Beginning March 30, 2024, and every March 30th and September 30th

- Maturity Date: March 30, 2032
- Other: No full or partial Prepayment Penalty

Recommendation:

Staff recommend that the Board authorize the second draw on the Synovus Bank Loan as outlined above in the amount of \$4,997,900 aligning with our forecasted, planned, and budget for FY2024.

I have attached the draw request form for your review.