



## THE CITY OF KEY WEST

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MEMORANDUM

### EXECUTIVE SUMMARY

**TO:** Bogdan Vitas, City Manager  
E. David Fernandez, Asst. City Manager - Operations

**FROM:** Jay Gewin, Utilities Manager

**DATE:** January 22, 2013

**SUBJECT:** **Ratifying Budget Transfer from Stormwater Fund Reserves  
in the amount of \$214,630.08 for Payment to FKCC from  
Court Final Judgment**

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#### **Action statement:**

This City Commission ratification of the budget transfer that was executed at the direction of the City Manager on December 19, 2012 is requested in the amount of \$214,630.08. The transfer from Stormwater fund reserves is necessary to process payment to FKCC from the final legal judgment.

The City has exhausted all appeals, and the City Manager directed the transfer to occur prior to the City Commission meeting to keep further interest payments from being added to the sum.

#### **Background:**

Judge Mark Jones signed an amended final judgment in the City's stormwater case against FKCC on December 12, 2012 that requires the City to pay a total of \$214,630.08 to the College. The City has exhausted all appeals in the case.

City Staff had anticipated this payment was likely, and had subsequently budgeted \$205,000 for this payment. Therefore the stormwater fund will not be impacted significantly beyond what was anticipated when the Commission approved the FY 2013 stormwater utility budget.

**Purpose & Justification:**

The City Manager directed City Staff to process the budget transfer from stormwater fund reserves so that the payment to FKCC can be processed immediately. Prompt payment prevented the City from having to pay interest fees that would be added to the total.

**Options:**

1. The City Commission can ratify the budget transfer for the payment that was processed.
2. The City has exhausted all appeals in this legal case. The City has no choice but to remit payment.

**Financial Impact:**

City Staff had budgeted \$205,000 in anticipated payment to FKCC because of this case. Therefore the stormwater fund balance will be impacted \$9,630.08 beyond what was expected.

**Recommendation:**

Staff recommends option 1, that the City Commission ratify the budget transfer from stormwater fund reserves in the amount of \$214,630.08.