



## THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

### EXECUTIVE SUMMARY

**TO:** Bob Vitas, City Manager  
E. David Fernandez, Asst. City Manager - Operations  
Mark Finigan, Asst. City Manager - Administration

**FROM:** Terrence Justice, Engineering

**DATE:** June 3, 2013

**RE:** **A Budget Amendment to allocate Navy monies in the City budget for Fiscal Year 2012-2013.**

**ACTION STATEMENT:**

This resolution will approve the Amendment of the City budget for FY2012-2013 to account for US Navy equity in pooled cash and authorize the allocation of monies in cash account #602-0000-104.00-00 to the City Budget in Navy Reserves account #602-1900-519.98-06 in the amount of \$1,675,000. This action has no linkage to the May 2011 Strategic Plan.

**BACKGROUND:**

Pursuant to ongoing City payments to Navy equity per the terms of the Mole Pier lease, revenues have accrued that are not currently accounted for in the FY2012-2013 budget. The purpose of this action is to amend the FY2012-2013 budget to account for all existing US Navy equity and the remaining projected revenues from the Mole Pier lease which expires on June 30, 2013.

Current balance equity/pooled cash	3,067,824
Estimated Lease revenues thru 6/30/2013	166,610
Subtotal	<b>3,234,434</b>
Encumbered (current budget)	1,341,094
Unencumbered (current budget)	218,340
Unallocated (add to budget)	<b>1,675,000</b>

Allocation of these monies to the Navy fund will allow necessary Budget Transfers and Purchase Order adjustments pursuant to relevant Commission approvals and City ordinances pertaining to procurement.

*Key to the Caribbean – Average yearly temperature 77° F.*

**PURPOSE AND JUSTIFICATION**

This administrative action is in conformance with the Lease Agreement N62467-03-RP-00077 between the City and the U.S. Navy as approved by Resolution 03-138 and is necessary in order to perform Budget Transfers and adjustments to Purchase Orders for In-kind projects already underway.

**OPTIONS:**

1. City Commission can approve this Budget Amendment.
2. City Commission could decline to approve and direct staff to perform additional analysis and provide additional justification.

**FINANCIAL IMPACT:**

Budget Amendment: Funds in the amount of \$1,675,000 will be allocated to the City Budget in the Navy Reserves Account #602-1900-519.98-06.

**RECOMMENDATION:**

Staff recommends that the City Commission select option 1, approving this Budget Amendment.