



VILLAGE OF KEY BISCAIYNE

Office of the Village Manager

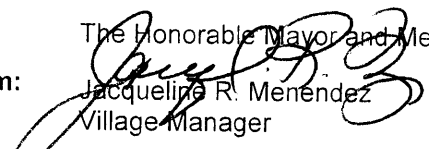
Village Council

Robert Oldakowski, *Mayor*
Robert L. Vernon, *Vice Mayor*
Enrique Garcia
Steve Liedman
Jorge E. Mendia
Thomas Thornton
Patricia Weinman

Village Manager

Jacqueline R. Menendez

Memorandum

Date: November 28, 2005
To: The Honorable Mayor and Members of the Village Council
From: 
Jacqueline R. Menendez
Village Manager
Subject: Annual Transfer from Reserves for Working Capital

BACKGROUND:

With the funding provided in the fiscal 2004-2005 budget, the goal of a \$600,000 working capital reserve was achieved.

FINDINGS:

However, due to circumstances not known at the time of preparation of the 2004-2005 budget, additional items created negative cash flow as of September 30, 2005.

- 1.) Hurricanes, Dennis, Katrina, Rita and Wilma caused \$ 510,350 of expenditures for debris removal and another \$381,000 in Public Safety overtime and related payroll costs.
- 2.) Emergency funding was provided the Police/Fire Pension Plan in the amount of \$ 121,808.
- 3.) Ad Valorem tax revenue received to the date of this memorandum has only totaled \$ 424,875.47.

Therefore it was necessary to transfer reserve funds to cover these expenditures in the amount of \$ 1,013,158, and an additional amount of \$ 852,950.30 was transferred to cover payroll and operating expenses during this time needed in addition to the existing working capital reserve.

The \$ 852,950.30 will be replaced to the reserve account when sufficient cash flow has been achieved. This is normally late December.