



City of Bethlehem Memorandum

TO: J. William Reynolds, City Council President

FROM: Mark W. Sivak, Director of Budget & Finance *MWS*

DATE: December 12, 2014

SUBJECT: Escrow Temporary Borrowing – General Fund

This memo is to let Council know that the City may need to borrow temporarily from the Escrow Fund to cover the 1st payroll of 2015. The 1st payroll of 2014 will occur on January 2nd and the average bi-weekly payroll is approximately \$1.4 million. Normally water and sewer general fund charges would be taken for the 1st payroll however given the proximity of the 1st payroll to January 1st I'm not sure the Water and Sewer Funds will have sufficient cash balances to take enough in charges to cover the payroll.

Therefore, the Administration respectfully requests Council's approval to temporarily borrow up to \$1.4 million from Escrow to cover the 1st payroll of 2014 if needed.

The amount borrowed will be paid back when the gaming money is received at the end of January. This is a cash flow issue and as a reminder since the funds will be borrowed and paid back in the same fiscal year the borrowing will not have a negative impact on the 2015 budget.

I will send a memo to Council once the gaming money has been received and Escrow has been paid back.

If you have any questions or need additional information please let me know.

cc: Members of Council
Mayor Donchez
D. Brong
L.Lazarchak
D. DiGiacinto