

**City of Coral Gables City Commission Meeting**  
**Agenda Item I-1**  
**December 12, 2023**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Vince Lago**

**Vice Mayor Rhonda Anderson**

**Commissioner Melissa Castro**

**Commissioner Ariel Fernandez**

**Commissioner Kirk Menendez**

**City Staff**

**City Attorney, Cristina Suárez**

**City Manager, Peter Iglesias**

**City Clerk, Billy Urquia**

**Assistant Finance Director, Paula Rodriguez**

**Public Speaker(s)**

**Maria Cruz**

**Henry Pickering**

**Eric Plesko**

**Michael Chickillo**

**Tom Zelenak**

**Jeffrey Vance**

**Joseph McNichol**

**Charles Faidley**

**Christopher Challenger**

**Richard Cook**

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Agenda Item I-1 [12:58 a.m.]

Hearing regarding decision by Retirement Board to grant COLA to class members  
in Murhee v. City of Coral Gables, Case No. 13-20731 CA (13) (Fla. 11th Cir. Ct.)

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City Commission Meeting

December 12, 2023

Agenda Item I-1 - Hearing regarding decision by Retirement Board to grant COLA to class members in Murhee v. City of Coral Gables, Case No. 13-20731 CA (13) (Fla. 11th Cir. Ct.) (treating GAP and opt outs in the same manner) - ALTERNATIVE DISPUTE RESOLUTION MECHANISM

(treating GAP and opt outs in the same manner) -ALTERNATIVE DISPUTE  
RESOLUTION MECHANISM

Mayor Lago: Alright, Madam City Attorney, Agenda Item I-1. Thank you very much.

City Attorney Suárez: Thank you. Item I-1 is a hearing regarding the decision of the Retirement Board to grant a cost of living increase to class members in the case Murhee versus City of Coral Gables, Case Number 13-20731 CA (13) and the alternative dispute resolution mechanism that is set forth in in the class action settlement agreement and that was ultimately codified in City Ordinances 2018-11, 2018-25, and 2018-35. In accordance with the terms of the settlement agreement and the ordinances I just mentioned, on November 9, 2023, the Retirement Board voted to determine a COLA of 8 percent for class members, the GAP members, and the opt-outs. Pursuant to the alternative dispute resolution mechanism because the net actuarial experience is negative, I, as City Attorney, invoke the alternative dispute resolution mechanism by setting this hearing for today within the time frame provided for in the settlement agreement as well as the ordinance. The procedure we will follow today was established in the procedural order issued by the Mayor and has been shared with all participants. It provides as follows: Any person wishing to speak must be sworn in by the City Clerk. The Finance Director or designee will have three minutes to present the professional recommendation based on the memorandum provided to the City Commission. Any individual wishing to address the City Commission will be afforded three minutes each. After the conclusion of the presentations, the City Commission may ask questions of any party or individual. The City's special counsel on pension and retirement matters, Mr. Jim Lynn, is here and he's available to answer any questions that you may have. Pursuant to the terms of the settlement agreement, the City Commission in its sole discretion may, by a four-fifths vote, reject the Retirement Board's determination or reduce the amount of the proposed COLA, considering the following seven factors: One, whether the present value of the proposed COLA exceeds the net actuarial experience. Two, the amount of the unfunded actuarial accrued liability and whether it has been declining or increasing and the amount of such decline or increase. The amount of the unfunded actuarial accrued liability and the amount by which it will increase if the proposed COLA is granted, the number of years since the last COLA was granted, the percentage increase of the last COLA that was granted, the single year actuarial experience of the retirement system for each of the seven years preceding the proposed COLA, and the net actuarial experience over the preceding seven years. And finally, this increase or decrease of the Consumer Price Index issued by the U.S. Bureau of Labor Statistics. If the Commission takes no action today, in other words, if there is not a four-fifths vote to reject or reduce the Retirement Board's determination, the Retirement Board's determination to grant a COLA of 8 percent will stand. If the Commission votes to eliminate or reduce the COLA by a four-fifths vote, the City's Commission will not be overturned unless arbitrary and capricious and reliance by the City Commission on the factors listed will not be considered arbitrary or -- and capricious. So, Mayor, with your permission, I will ask the City Clerk to please swear in everyone who will be speaking today and then we can turn it over to Ms. Rodriguez for the recommendation from the Finance Director.

City Clerk Urquia: Those of you who will be speaking on this item, please stand and raise your right hand. Do you swear or affirm the testimony you'll provide today will be the truth and nothing but the truth?

(COMMENTS MADE OFF THE RECORD)

City Clerk Urquia: Thank you.

Mayor Lago: Okay. Good afternoon.

Assistant Finance Director Rodriguez: Good afternoon. Paula Rodriguez, Assistant Finance Director for Budget and -- for Budget. I'm going to go ahead and read. At the Pension Board meeting of November 9, 2023, the Board voted to approve the 2024 COLA of 8 percent to class members as required by the COLA lawsuit settlement. Additionally, the Pension Board voted to approve the same 2024 COLA to GAP and opt-out members. In accordance with the terms of the settlement agreement, the City Commission, in its sole discretion, may, by a supermajority, four-fifths vote, reject the Retirement Board's determination or reduce the amount of the proposed COLA. The Finance Director recommended that the City Commission reject the 2024 COLA for the class members, GAP, and opt-out members. The recommendation considers the factors listed in the ordinance -- you can reference your ordinance Section 8.3a through g -- that are the factors to be considered by the City Commission in making its determination specifically. A, the present value of the proposed COLA will exceed the net actuarial experience of the retirement system. The current cumulative experience loss as of October 1, 2020, since July 1, 1994, is \$180.7 million as of the 2022 actual valuation report. The funded actuarial accrued liability is \$155.9 million as of the actual valuation report as of October 1, 2022. The unfunded accrued liability has decreased from the previous year by \$7.7 million. Providing for the 2024 COLA of 8 percent, the class members, opt-out members, and GAP members would increase the current unfunded actuarial accrued liability by \$26.7 million and will increase the current annual required contribution by \$3.6 million. The last COLA was paid on May 7, 2018, per the terms of the settlement agreement. The COLA lawsuit settlement provided for a 2.975 percent COLA for 2013 and a 0.25 COLA for 2014, payable on May 2018. This payment was increased -- this payment increased the unfunded liability by \$14.5 million. The single-year actuarial experience of the retirement system for each of the seven years preceding the proposed COLA is followed: September 30th of 2022 had a \$5.6 million loss. September 30th of 2021 had a \$19.3 million gain. September -- as of September 30th, 2020, it had a \$6.1 million gain. As of September 30th, 2019, it had a \$469,000 gain. As of September 30th, 2018, it had an approximate \$2.4 million gain. As of September 30th, 2017, it had an approximate \$8.6 million gain. And as of September 30th, 2016, there was a \$4.7 million gain. The net actuarial experience over the preceding seven years is a gain of \$35,766,211. The increase of the Consumer Price Index since 2014 is 31.1 percent. Factors A through E support the rejection of the 2024 COLA as the cost associated with granting the COLA would adversely impact the pension system by increasing the funding requirement and increasing the underfunded status. Although it is not one of the factors of consideration in the ordinance, it should be noted that the City's funding target is to have the pension fund at 100 percent funded. However, it is currently

funded at only 74.7 percent. Should the 2024 COLA be granted, 70 percent of the progress that the City has made thus far will be eaten up by granting this one COLA. Additionally, the annual required contribution would increase by over \$3.6 million and reduce the amount available towards the extra payment. Additionally, we have proven schedules that show the estimate -- or we have -- sorry. We have provided schedules that provide the estimate, effect of granting various percentage of the 2024 COLA on the unfunded actuarial liability and effect annual required contributions, as well as the cost of granting an ad hoc one-time lump sum payment to retirees in lieu of a COLA. This information was provided in the email that was sent a couple of weeks ago. It is my recommendation that the City Commission does not grant the COLA of any amount until the fund is in a positive actuarial position. A COLA granted before then would cause an additional increase to the unfunded liability and increase -- to the underfunded status, which would adversely impact the pension system. Thank you.

Mayor Lago: Thank you very much. Mr. Clerk.

City Clerk Urquia: Mr. Mayor.

Mayor Lago: How many individuals are speaking today?

City Clerk Urquia: About 10 people, Mr. Mayor. Okay, so the first speaker is Maria Cruz.

Maria Cruz: I was not sworn in.

City Clerk Urquia: Well, I can still swear you in. Please raise your right hand. Do you swear or affirm that the testimony you'll provide today will be the truth and nothing but the truth, ma'am?

Ms. Cruz: I do.

City Clerk Urquia: Thank you.

Ms. Cruz: I think -- Maria Cruz, 1447 Miller Road. There's nothing more that I would like to do today than to suggest that this be granted. But because of the financial difficulties that the City's facing, even though we do not have any financial difficulties yet, because winter hasn't come, I don't know how we can do it. I -- It hurts me to say that the best thing to do would be to wait and see if things get better because we're getting lots of development and we should be getting lots of money. And I'm sure we could cut next budget. We could maybe look at people that are getting positions that are getting improved, changed, titles that are getting fixed so people can get more money, et cetera, et cetera, and maybe we could take care of these people that do deserve to be taken care of. I am very sorry that our City is failing them. I'm very sorry that we don't have money for this, but we have money for other things, because many times I've heard the people in budget say, if the Commissioners ask, we'll find the money. Well, in this case, they claim that the money is so much that they cannot find it. Maybe we need to look at our budget and see what can be taken off. And maybe the next budget cycle, we should make sure that the Mobility Hub is not

even a thought. And we need to look at some of those dreams that some people have, a world-class city with paintings in the bank. And maybe when we do that, we will be able to take care of them because they deserve to be taken care of. And I'm sorry, based on what I know, I cannot recommend that. But it's a shame on the Administration that has not looked into it because this is not something new. They've had time to think about it. And maybe we need to consider our priorities a little better. And maybe when we get new administration, we can look at the budget and see -- and find money so we can help them. Thank you.

City Clerk Urquia: Henry Pickering.

Mayor Lago: Good morning -- good afternoon, excuse me.

Henry Pickering: Hi. My name's Henry Pickering. I'm a retired lieutenant with the Police Department. I worked for the City from 1976 through 2006, serving just over 30 years. I'm also serving as the chairman of the Retired Officers Assistance Committee for the Coral Gables Fraternal Order of Police. I would like to ask for one additional set of three minutes. I just have two short stories to read from two retire -- from a retiree who's disabled and is in rehab today and a beneficiary who's a cancer patient, and just want to read their -- a short story about each of them, if I may. But the first one is a gentleman named Doug Gazboda (phonetic), who was hired in 1974, and he suffered an on-duty accident and retired in 1981. In the late 1970s to the early 1980s, the Police Department deployed two three-wheel scooters for the full-time foot patrol detail, staffed by two police officers, on what was called the Miracle Mile Downtown Detail. After parking the scooters, the officers patrolled the business district on foot for not only a visual deterrent and crime prevention, but also for rapid response and community relations with the business and retail store owners and employees. Thank you. Two of the officers on this detail were two brothers who had joined the Police Department together in 1974 following their discharge from the military. There were others before and after them, but the two police officers I'm referring to are Doug Gazboda and Ron Gazboda. After gaining over five years of seniority in the Uniformed Patrol Division, they both decided to apply together for the Miracle Mile Detail, and they were selected. One brother patrolled the north side of Miracle Mile, the other brother patrolled the south side of Miracle Mile on foot. One day in early 1980, Doug got off duty and parked his scooter in the basement of the parking garage of the Police Department. He turned off the scooter and removed the key. As he was exiting the scooter's cab, the engine backfired and the scooter lurched forward quite a few feet, ripping his knee apart. Unable to dislodge himself from the vehicle or get to the radio, he laid there on the concrete pavement in the garage in excruciating pain until a patrol sergeant discovered him. Fire Rescue transported him to the hospital. Over the years, Doug has had three knee replacement surgeries and two quadricep surgeries. Today he cannot walk without the aid of a walker, and for mobility, he uses an electric scooter. He's 74 years old. Because he cannot walk when transitioning to or from a sitting position or to or from his walker or to his scooter, he has fallen many times. His legs give out and he has suffered numerous shoulder and head injuries as a result of falls. Doug retired on disability in 1981. The three-wheel scooters deployed by the Police Department and the Parking Department at that time were inherently dangerous. Another officer on the Miracle Mile Detail was struck by a car and injured not long

after the incident happened with Doug. The scooters provided no safety features and were easily crushed in motor vehicle accidents. The City soon took all of the three-wheel scooters out of service. He retired in 1981. His monthly pension check is \$2,042. That's including the COLAs that he's received since 1981. Multiply that by 12 months and then divide that by 2,080, which is the number of work hours in a 40-hour work week, times 52 weeks, and that is equivalent to \$11.78 an hour. Florida's minimum wage this year is \$12 an hour and will go up again next year, proving that his income is less than the minimum wage, knowing it is going to get lower next year. We think the Commission should be made aware of this. Since his retirement, he has not received many COLA increases. This has left him far behind in the cost of living expenses. You cannot even imagine how someone who retired before him could afford to survive on the Coral Gables retirement. That's one story, the second one is even shorter.

Mayor Lago: Take your time.

Mr. Pickering: Another gentleman that retired just prior to Doug was an officer named Ernie Cate, C-A-T-E. Ernie, after he retired -- he was injured, also a knee injury during a foot chase and a felony apprehension. And after he retired, a number of years later, he developed a respiratory problem and he passed away. Well, at the time that -- before he passed away, his pension check was \$1,952 a month. His spouse, when he passed away, the monthly pension was cut to \$976 a month. And you can read the letter yourself that I passed out. That's a letter from his widow. So, also, and one other comment from another retiree, Vinnie Peterson says, "Tell them a lot of retirees can't attend because we are working to survive," and that includes Vinnie. "Also let them know quite a few police retirees came back to work at the Police Department to make ends meet and to also help out because of a mass exodus of police officers." And the last thing I'll say is that this is connected in a way to your current contract negotiations. The active duty officers are watching this and they're listening. And because what happens today and what you do today in regards to a retirement benefit is a look into the future for them. So, I just want to make that point. And thank you so much for your time.

Mayor Lago: Thank you, sir.

City Clerk Urquia: Eric Plesko (phonetic).

Eric Plesko: Hi, Mayor...

Mayor Lago: Good afternoon.

Mr. Plesko: Vice Mayor, Commissioners, I haven't been retired as long as a lot of these people have. In 2021, running lights and sirens, my police car was T-boned. I hit the concrete column at Le Jeune and Ponce. Should have died, didn't die. Extricated by Fire. As a result, my right foot requires a prosthetic. I need to drive with hand controls. Very simply, I want you to think of it this way. Thirty percent of my retirement goes to my medical insurance. I can't be held by any other medical insurance other than the City insurance through the FOP. I can't make ends meet

with the way that my retirement is, and I can't work because of a TBI that I sustained that's now causing me to have seizures. It's very simple. I can't afford to live based on the retirement I received, based on an injury I received on duty. And that's completely separate than all of them. It's a different situation but realize if someone happened -- if this happened 20 years ago, and I retired at a lot more than they did, there's no way that someone that retired 20 years ago can afford to survive. Thank you.

Mayor Lago: Thank you.

City Clerk Urquia: Michael Chickillo.

Michael Chickillo: Commissioners and Mayor, I'll just give you a brief synopsis of how I went in the retirement system. I entered in 2010. I had a contract I looked at, a retirement ordinance I looked at, and I took an option for my wife to get this pension for the rest of her life as well. It cost me, I think, 7.5 percent. I took that with the understanding that what we had been getting in our retirement ordinance since the inception, I guess it dates back to 1990, was going to be a formula-based COLA based on fund performance. And those were granted all throughout up until 2013. And I took that thinking, I'm going to recap -- maybe get back to 70 percent or 75 percent one day. Well, let's go 15 years back now. That hasn't happened. Fifteen years is a long time. Does anybody dispute that? That's a long time. In 15 years, 15 years, this City has given 3.225 in COLAs and that was half of what we were owed because of a lawsuit. Alright, that comes to 0.21 percent over 15 years. So, the reason why we have an 8 percent catch-up is because we haven't gotten anything. It's a big number right now. If we'd have had a funded COLA, and this goes back -- they knew -- the actuaries knew in 2000 that these COLAs weren't funded, they were performance-based, nobody did anything about it. The funds in 29 years, the rate of return on the funds in 29 years is 7.9 per -- I'm sorry, I take that back. It's about 9 percent. The history of the COLAs going back 29 years from the inception, it only comes to 0.79 percent. In 29 years, if you gave a COLA every year, that's all you got. You didn't even get a percentage, okay? So, those numbers are real. They're getting worse. Social Security in the last 15 years, they've got COLAs that -- average COLA is 2.28 percent. So, we're so far behind Social Security, of which I might add, the City doesn't pay the 6.2 percent for Fire. The 6.2 percent that we used to pay, I guess, in the '50s, was -- we were given a better benefit. We had a higher multiplier back before this pension system went into effect. So, our multiplier was 2.8, 2.7. I can't remember the exact number, but we were two-tenths of a point higher than everybody else. If you gave us that two points right now, Fire would go out at 80 percent instead of 75 percent. So, the City's taking -- well, they're not taking it. It was -- they're taking \$1,050,000 that they don't have to pay for the Fire Department guys to -- into Social Security. So, every year, you could literally fund some kind of retirement benefit for the Fire Department. But in the cities, we've known this -- they've known it for years. We've tried to negotiate it. We've actually tried to go back into Social Security. But what scares me the most is I look at some of these old people, older people, not just Fire, but in the fund, I've been gone five years now, and I'm feeling the crunch. I mean, it's a real crunch to keep your lifestyle up. And in 15 more years, what am I going to have if you don't give any COLAs? If you don't give this COLA now and there's nothing that says you don't -- you can't give it, then when?

We're not going to wait. The fund's going to be completely funded in 2031, as I heard. That's eight years. I mean, there's a lot of people here that can't wait eight months. It's wrong. And the City, however you can do it, needs to grant this COLA. This can't go away again. It can't keep going away. And like I said, the only reason it's high is because it hasn't been granted. It was high two years ago. I asked Commissioners -- I know three of you are still here, but in the last two years, have you figured anything out to fund it? We're sitting here two years later doing the same exact thing we did, and I can't stand coming up here speaking. I think it should be automatic, whether we work something out in the future to a different COLA we can opt into. I don't know what the resolve is, but I know that this COLA needs to be given. It needs to be granted. It's long overdue. So, you know, please take everybody that's speaking here into consideration, because a lot of people have come from a long ways, and they're hurting. They're really hurting. And you know, this is a big deal to them. So, thank you.

Mayor Lago: Thank you.

City Clerk Urquia: Tom Zelenak.

Mayor Lago: Good afternoon.

Tom Zelenak: Good afternoon, Mayor, Vice Mayor, Commissioners. Thanks for having us here. After Mike left, I became the president of the union for the firefighters. We've been here 10 times in the last 10 years, practically begging. It's become glorified begging, which like you said, if the employees that are working here now want to see what it's going to be like in the future for them, watch this hearing right here. We're begging for something that was granted to these people years ago. It was on the books. Even Diana's memo here says this was granted. This COLA is granted right now. What you're going to vote on today is to reject what they said. Because Diana says to reject it. It is passed. Right now, if we walk out of here and you do nothing, it passes. If everybody up there does nothing, it passes. But here we are, begging. People that gave their lives for this city are begging you to help them out. Are you kidding me? Is this what you want for the employees? Is this what any employee wants? Is this what they want to look at on TV and say, you're going to be begging in the future just to maintain what you've already been given? Is that what you want? Is that how you expect to keep people working here? The best and the best to come here and work in the City of Coral Gables, which is a great city, but they don't treat the employees very well. This is not a city that treats their employees well, and it treats the past even worse. They took this away. Yeah, there was a time when this happened, when this lawsuit all came, we went through a financial crisis and things went a little sideways. And it was bad. All the unions came forward. Fire first. Fire came in. We'll give you back a raise. What else can we do? We'll open up our contract. We'll do things. We'll take things back. We'll go backwards so that the future will be better. And now here, 10, 15 years later, you're still begging? We're begging. This is the wrongest of the wrongs ever committed against people. It's borderline criminal what's going on right here. This is stealing out of the pockets of the retirees. That's what happened here. This is stealing. Right now here, the change in the CPI over the last 10 years is 31 percent. That means anybody that's been gone over 10 years is feeling the pain of 31 percent

increase in the CPI. These people have been gone longer than that, way longer than that. So, I can't even imagine, that number doesn't even get shown here, it's probably 50 percent, 60 percent of what they were supposed to -- what they were promised was taken away. Come on, guys. Seriously, who's going to have a heart and who's going to have the courage to stand up and say that enough is enough? Thank you.

Mayor Lago: Thank you. Mr. Clerk.

City Clerk Urquia: Wallace Jeffrey Vance.

Mayor Lago: Good afternoon.

Jeffrey Vance: My name's Jeffrey Vance. I was a police officer here for 32 years, starting in February 1970. I was in front of this Commission and I got tried. I had a trial board hearing in this Commission in 1974 where I was suspended for living with my girlfriend and it drew national attention. It was on NBC Nightly News four times. It was on 60 Minutes twice. It was turned into a fiasco. They tried to use me to get the current police chief at the time, W.G. Kimbrough, to resign. He'd been police chief or a police officer here for 49 years, and there was a power struggle to get him to resign. In 19 -- you have to excuse me for being -- I'm a little emotional right now. In 1972, Commissioner Rebel Zane, along with Jimmy Robinson, the City Manager, and the Chief of Police, W.G. Kimbrough, a man I grew to admire and respect my entire life, decided that the police officers weren't being paid enough in the City of Coral Gables. There was no money to give us pay raises, but the City Manager stretched the budget and gave us over 21 percent pay raise in one lump sum. We didn't have a union. I wasn't protected when I was on trial board here. I later came in here many times as I became one of the most decorated -- I fought, and when I was suspended, to stay to become a police officer in the City of Coral Gables. This is the only job I had as an adult. I fought my whole life to be the best police officer I could for the City of Coral Gables. I suffered injuries. I suffered broken back. I had several surgeries to replace bangs from car accidents and other stuff. I even shot myself on the line of duty here and suffered a partial debilitation in my left hand. But I didn't take workers' comp. I stayed as a police officer here. My best friend was shot while he was jogging at Kendall Lakes Golf Course. He lost the use of one eye, and they tried to force him to retire, which would have given him about \$460 a month for retirement. But he fought and he stayed here to become a police officer for the rest of his career. I later became one of the most decorated officers in the history of this police department. I was Officer of the Year three times. I won the D-Corps award. I was Officer of the Month 12 times, runner-up 22 times. I got the Distinguished Service Award. I was decorated by the President of the United States for saving the life of an FBI agent. A flag was flown over the Capitol building in my honor on the date of my retirement. What's going on here, guys, is wrong. I know we can jumble numbers and we can say it's not fiscally sound. There's no retirement system in the United States that's 100 percent funded. That's not even close. Every Dade County police officer had got a 3 percent -- and I'll be very, very short -- pay raise for every year since I retired. My ex-wife was a Metro-Dade lieutenant. She retired four years after I did at \$27,000 less a year than I retired at. She now makes \$46,000 more than I do. This just isn't right. I buried five of my friends at

Woodlawn South Cemetery where I go and put out flowers because nobody else does. We don't get Christmas cards from the City. We don't get remembered. This is your chance to make up for a lot of past wrongs. We deserve it. I've got cancer in two different places. I have prostate and skin cancer. I have diabetes. I'm not going to live long enough if we wait for this to be funded. I'll be dead and gone. But I appreciate your time, and please take care of these people. Thank you.

Mayor Lago: Thank you.

City Clerk Urquia: Joseph McNichol.

Joseph McNichol: Good afternoon, Mayor, Vice Mayor, Commissioners. Thank you for the opportunity to address you on this today. I also served with the City of Coral Gables Police Department for 30 years, from 1982 until 2012, retiring as interim chief of police at the time. I'm appearing today not only for myself, but more importantly for the hundreds of other retired City of Coral Gables employees, many of which are older than myself, who are unable to appear to ask for your consideration to approve a cost-of-living allowance to retirement system beneficiaries in some amount or format. As was just presented, I reviewed the information presented by the Finance Department in the memo dated November 27th. We're all well aware of the actuarial status of the City's retirement system, and I do not dispute the City's -- or the system's unfunded actuarial accrued liability. And your ongoing commitment, all of you, your ongoing commitment to steadily decrease the amount of that unfunded liability is genuinely and greatly appreciated. But I would like to highlight and echo the point that's already been made, that being the increase in the Consumer Price Index since January 2014, 31 percent. I don't know how exactly this increase over the last nine years compares to other similar historical time periods, but the compounding impacts of a significant increase such as this is the major reason why we're here, even with our full understanding of the ongoing fiscal challenges that you face of reducing that unfunded liability. In the now 98-year history of the City of Coral Gables, it has been our collective good fortune at all levels to serve an organization that enjoys a very well-deserved reputation for excellence in municipal governance, a reputation for excellence that the hundreds of retired employees in the system have made decades-long contributions to, to help sustain during our time of service. In the full spirit of this alternative dispute resolution process, the City's retired employees respectfully request that you consider the option of approving a reduced amount allowance in recognition of our contributions to the City we're all proud to have served. Thank you.

Mayor Lago: Thank you, sir.

City Clerk Urquia: Charles Faidley.

Mayor Lago: Good afternoon.

Charles Faidley: Mr. Mayor...

Mayor Lago: How are you doing?

Mr. Faidley: Vice Mayor, Commissioners, City Manager. Go back a little ways, don't we? First, I want to thank -- thanks for the opportunity. Obviously, we don't often get a chance to talk to this board. I certainly haven't. I spent many a Tuesday in here though over the past many years. My name is Charles "Charlie" Failey. I'm a retired assistant chief of police. I started in '74, retired in 2007. I spent 33 years of -- I just loved my job. Loved every minute of it. There were some moments, but generally speaking, I loved every minute. And by the way, my father preceded me for 38 years. So, the Faidley family had 71 years of service to the City of Coral Gables. So, that brings me to my original thoughts, which were discussed, the CPIU that has been ignored on several occasions and the state statutes that may -- and I emphasize may -- be interpreted to give the City an administrative avenue to avert COLA when it's clearly part of the agreement. But I'm not going to discuss those two details because they'll be discussed and you've probably been bombarded with that ad nauseum and probably be more aware of it than I'll ever be. I'm here to plead -- I'm not here to plead my own financial case, but those who came before me in retirement. Instead, I would like to talk to you -- tell you a short story and possibly open your eyes to some of the realities of the people that you're going to affect in the future. You're going to hear a lot about what and how. I want to tell you why this is something you need to do, need to search your soul for. First the story. This is the God's truth. Most people wouldn't believe it, but I have to preface it that way. And sometime in the 1990s, I was summoned to the Finance Director's office, more specifically the Assistant Finance Director, Adolfo Sansores. When I got there, he was attending to something with one of his administrative staff, but on his desk was a check for \$136 and change. And I recognized the name. It was someone that was around my father's time, maybe a little bit after. And the check was for \$136, as I said. I go, why is he sending you a check for \$136? Well, he said he sends that every month, plus his retirement to cover his health insurance. His retirement and \$136 had to pay for his health insurance because he had not been given COLAs along the way. We're not looking for 10 percent a year. We're not looking for 5 percent a year, I don't know we're looking for 3 percent a year, but something. And he slid back and he slid back to the point where he was probably living on Social Security which was extremely meager then. Imagine what it would be today. That was an eye opener. I couldn't believe my eyes and my ears at that moment, but it was kind of an epiphany for me when I realized that that's something that needed to be dealt with. The second point I wanted to bring up has been kind of touched on is when I left in 2007, to date, I've received about 7 percent or less in COLA. I don't know exact number, but that math divided by those 16 years is 0.4375. Mike talked about a different number, maybe that was a few years earlier, there was a COLA that accounted for that, but it doesn't matter. Whether it's 2.75 or 4.3, or 0.4 point something, that's less than half a percent a year. What have you gotten in your lives? Each one of you, I don't know what your financial situation was. When I was working, I kind of had an idea what each person did. They were attorneys and they were business owners and so forth. And you had put yourself in a position where you were at the top of the income bell curve or just maybe past it. Well, we don't get that, most of us. We don't have that professional ongoing position unless we left here and went somewhere else. We have our retirement. Some people have a little -- they get a little job on the side, depending on their areas of expertise or what

they branched out to, they may be working in Home Depot or someplace like that, trying to make a few extra dollars, but they don't get the kinds of dollars that I think maybe you think they have. One of the things that I think is important, is relevant, and it's missed here at your station is simply that the people that came before you created this whole place, from Merrick on. It didn't happen in a vacuum. There were productive young people. When I was younger, I was -- you know, I'm 72 years old today, but I was SWAT, I was hostage negotiation, I was an SRO, I did this, I did that. There's a lot of things that I did. But all the people who worked with me, they have their story too. And they were a small piece. It's almost like Jenga. You remove any one of those blocks and this place would have crumpled. But most of you sit back and you try to do your best. I know you do. It's a monetary issue. You have responsibility to the voters and the citizens of Coral Gables. We understand that. But you also have a responsibility to us. We built this house figuratively and probably literally in some cases. I was going to list a few things that were accomplishments of mine, it's not important. But it would almost be an insult to all the people that worked with and for me. Because they all had a part, as you're having a part right now. And 10, 15 years from now, you're going to be on the outside looking in and wondering what they're doing, why. Always remember, and I always try to tell the people who came after me, it didn't happen in a vacuum. These people built this for you, for the citizens of Coral Gables. And now, yes, we didn't -- see, I want to -- before I forget, that's why I have notes here. One of the things I've heard this, the City of Coral Gables called, and you probably heard it too, is a diamond in the rough. You know, we're surrounded by some other cities. They're good cities. They're nothing like Coral Gables. You heard of being called a military brat? Well, I was a police brat. My father started in '49. I was born in '51, so I grew up with this place. I was born in Coral -- in Doctors Hospital. I've never done anything else that was better. I still don't. But in closing, I want you all to understand that none of us signed up here to get rich. We signed up because we wanted to serve and enjoy our lives. And yes, we expected that down the road, the City of Coral Gables via retirement would take care of us in some way. We don't want to be rich. We just want to be taken care of in a reasonable way, at a reasonable level. But it seems like over the years, that's fallen by the wayside. I think you're missing the big picture. There's one point that I glossed over, that I still want to cover, and that is, I know it's important for you all to try to reach a point of solvency with regard to the retirement system, but there's got to be some symbiotic way that the budget and retirement COLAs can come together. Once again, I know I'm being redundant, but we're not looking for big numbers, just something consistent that we can kind of count on that's part of what we've already agreed to and is yet to be lived up to. One last point I want to make, which I didn't have in my notes, but I thought of it driving down here, you hear a lot in the news about police officers and firefighters and even general employees for that matter that they're thinking about moving to another city or whether they're even going to be in Coral Gables. Do I want to apply to Coral Gables? Well, indeed, retirement benefits like COLAs and like, obviously, pay are a big part of that. So, if you want to recruit and you want to retain employees, please be mindful of that because that's an important part of the marketing of making this city a great place to be. Thank you very much for your time.

Mayor Lago: Thank you.

City Clerk Urquia: Christopher Challenger.

Christopher Challenger: Mr. Manager, Commissioners, Mayor, Vice Mayor, Chris Challenger, president of the Coral Gables Fraternal Order of Police, Lodge 7. It's hard to follow a lot of these officers, some that I know, some that I don't know. It's their story. I hope it resonates with all of you because it resonates with me. And part of being the president of the union, our team manages our health fund, our health trust. So, I have an opportunity to talk to a lot of retirees and see how they're doing and people I don't even know. And the consensus is they're all hurting. Every one of them is hurting. And I don't think it's a surprise to anybody up here, just looking at the Consumer Price Index of 30 percent since the last COLA was issued. It's hitting current officers, never mind the retirees. But I noticed when -- I don't know her name -- when she came in, they toss a lot of numbers at you. It gets confusing. It's this, it's that. I think it's a lot simpler than it sounds. Our pension -- and I'm on the Retirement Board, and I'm speaking on behalf of the union, not on the Retirement Board. If a COLA is granted to these officers -- and it doesn't need to be 8 percent. It can be something you guys put your heads to, or whatever is fiscally responsible. Whatever it is, it's not destroying the pension. It almost sounds like when someone comes up here and they put it out there that our pension will be destroyed if a COLA is granted. Now, yes, it's been -- our pension has had hard times, but right now, since I've come into office in January as president, we've had four retirees pass away that were on pensions. Those pensions are gone. They never got to see any COLA. They haven't in the last -- and they're all hurting. If we're waiting to fully fund the pension, which is great, but it's almost every pension fund is not fully funded. And most departments do give a COLA every year, most do, some higher than others. We don't. But if we're waiting to be fully funded to pay a COLA to officers that have retired, they may not be around to enjoy it. So, I just -- from my side, please, a lot of decisions are hard and -- but this has a simple answer. We've left our retirees behind. I think it's time to turn around and pick them back up. Thank you, guys.

Mayor Lago: Thank you.

Commissioner Castro: Thank you.

City Clerk Urquia: Rick Cook.

Mayor Lago: Good afternoon.

Richard Cook: Good afternoon, Mr. Mayor, Vice Mayor, Madam Attorney, my friend, Peter. My name is Richard Cook. Most people call me Rick. I served here 33 years, just after Charlie. In fact, I've worked together with Charlie at the Police Department for a couple of years. I served as the Fire Chief for 12 years. And Charlie and I, the communication system we put together in 2001 and 2002 is still in operation today, something I'm quite proud of. But I'm not here to talk about me, anything I've done. I will tell you I have loved serving with everyone in this city. I was in this room every Tuesday that we had to be here. Many times and dealt with a lot of, not you guys, with Peter some, back when he was working in Building and Zoning. We love this city. And I'm

here not for myself. I'm here for the people that I represented as the Fire Chief. They're out there, they're hurting. I go to a lot of funerals. I don't like them. A number of people whose funerals I go to, their sons and daughters work here in the City on the Fire Department and Police Department. That's not fun. And they're not living in good conditions. A lot of them are living with their children. And I don't know about you, but I don't think my parents ever wanted me living with them. And we had seven kids in our family so. But I really think you need to take a look at this. I don't think anyone has sat down, put our heads together and said, how do we come to an agreement on this? How do we make this right going forward? How do we make it right for all the people that are working here? I can tell you, as the Fire Chief, I saw at least 30 people that I had penciled in to hire left for either Miami or Miami-Dade County, generally. And I know that happens today. I taught for nine years paramedics in a college after I retired as Fire Chief, I was teaching. And they would always ask me, what's the best department? I had two answers. My first answer was, well, the first one that calls you is a pretty good one, because you're looking for a job. But then I could not recommend the City of Coral Gables outright to these young men and women. A lot of them are now working. And I wrote letters for them because I was their instructor for three years. And I will tell you, that hurt me. That hurt me to do that. I have a son working in the City of Hollywood. I have a son working in Coral Gables. And I have a son working in Miami-Dade County. And it would -- it hurts to see the people that used to work here, I don't believe they're treated properly. And I think it's all of our faults. I'm not going to blame you guys at all, but I think we did not spend the time to get together and fix this before we got to this point where we got to come up here and speak. This shouldn't happen. I just want to thank you all, and I wish you would search deep in your hearts for what the right thing is to do for these people out there. Thank you very much. God bless you.

Commissioner Castro: Thank you.

Mayor Lago: Thank you, Chief.

City Clerk Urquia: That's it, Mr. Mayor.

Mayor Lago: Okay, let's close the public comment section. Madam City Attorney, will you reiterate the options at our disposal?

City Attorney Suárez: Yes, Mayor. As I mentioned previously, if the Commission does not take action today by a four-fifths vote, the 8 percent COLA determined by the Retirement Board will stand. The Commission can take action by a four-fifths vote to reject that COLA determination or to reduce the COLA determination.

Mayor Lago: Okay.

City Attorney Suárez: As long as you base your decision, of course, on the factors that have been discussed that were presented by Ms. Rodriguez.

Mayor Lago: So, if we do not take action, what is the implication of the COLA in regards to the pension?

Assistant Finance Director Rodriguez: So, the 8 percent COLA would be a \$26.7 million increase to the unfunded liability and a \$3.6 million increase to our annual contribution each year.

Mayor Lago: So, I'm just going to be very brief on this front. When I started here 11 years ago almost, we were funded at 51 percent. And we started paying an additional 13th check, which was a move that I have to give credit to where credit is due, it was the previous elected officials that I had the privilege of serving with at that point that instituted that idea of wanting to ensure that we shored up the retirement for the individuals who have been working here in the City, because it was not shored up before. It was -- when you walk into a situation and it's 51 percent funded and you're the second lowest funded pension in the state of Florida, I'm not going to turn my back on the employees. Over the last 10 years, as everybody knows, we've escalated to where we are today. We're on a 13th check. We're giving over \$9 million a year, which is a very significant number. I think the first time that we gave a 13th check, it was \$500,000. Just correct me if I'm wrong. I want to make sure I'm right.

Assistant Finance Director Rodriguez: It was approximately that, yeah.

Mayor Lago: Okay. So, that's a big chunk of money that we as elected officials in the City have been making sure are sent to the pension. And I think we did the right thing, especially as we rode a bull market up. And I think getting to 75 percent was a feat in itself. I personally today cannot vote for an 8 percent increase. You're talking about almost \$27 million. It's a huge number. I think we'll be cutting our nose in spite of our face. I think we'll be in a situation where there's nothing more that I'd love to do is to grant this COLA, nothing more. I understand the concern, especially when you talk about over the last nine years, a 31 percent increase in the CPI. It's brutal. That's undeniable. But I also have to stand here and understand a little bit about what we're dealing with across the board in regards to pension negotiations, in regards to the City finances, a litany of different things. Those are things that I cannot even consider when making a decision. But this is a huge number that I, again, I want to understand what my colleagues -- what their opinions are in regards to this issue, and whether they're willing to take a step back in regards to how much we've come in funding the unfunded. Because at the end of the day, the steps that we've taken over the last 10 years are not only -- not just for you, they're for your families. They're for your significant others when you're gone. And I hate to say that, but I want to make sure that that pension is funded to a point where we're not insolvent. And while that may sound, how could Coral Gables be insolvent? When I walked in here and I was really got an understanding of what 51 percent funded is, nobody in their right mind would run their own personal finances like that. Nobody would. So, I'd like to understand a little bit about where my colleagues stand on this issue. It's a big number, it's at 8 percent, it's \$27 million. It's a \$3 million additional payment a year. It's a big significant number outside of the \$27 million. So, I'd like to understand a little bit about where everybody's heads are at. Madam Vice Mayor.

Vice Mayor Anderson: I understand this more than many of you would understand because I have a sister who is permanently disabled, and she survives on Social Security check, disability check, and gets those tiny increases every year. And without the help of her family, she couldn't buy the groceries. There are sacrifices that can be made by this Commission to help, but to increase our annual contribution by \$3.6 million on top of pay increases that we've been addressing that are desperately needed by our current employees is not feasible. But what I am going to suggest to my fellow Commission members, if you have the courage to do so, is look introspectively to find the money to do a lump sum payment. We've talked about this for years. We have a budget season starting in February. There are sacrifices that can be made and you can start with yourselves. You can rescind your salary increase and start with yourselves. Because I don't know how you can sit here and deny a COLA increase or even a lump sum payment to these folks with the increases you have taken. So, let's start with that. And I'd like to ask staff to come back in January and let's talk about a lump sum payment that's not going to increase our pension payment by \$3.6 million per year. That will continue -- so that we can continue to fully fund this pension in its entirety, so that we don't jeopardize the pension for the folks that are currently working here. And we can maximize so it is paid by 2031 and not adding to this period of time so it turns into 2050, 2070. And not rob from the pension to try to put in amenities in our city. It's \$3.6 million. It's a huge increase in liability for the City. So, yes, I'm a no vote on this, but I am a yes vote for a lump sum payment. We'll have to address this hopefully in January.

Mayor Lago: Commissioner Menendez.

Assistant Finance Director Rodriguez: Vice Mayor, I'll defer to Cristina.

City Attorney Suárez: Mayor, may I just address one point?

Mayor Lago: Yeah, of course.

City Attorney Suárez: Vice Mayor, so any decision to grant a lump sum payment has to be done as part of this process that was set forth in the settlement agreement and in our ordinance. And so if there is a decision to grant a lump sum payment, it should be done during this hearing.

Vice Mayor Anderson: I'd like to hear staff's recommendations on that. But I'm not -- and I ask my fellow colleagues to start by finding that money by reducing your salaries.

Assistant Finance Director Rodriguez: So, I can certainly go over the estimates, if that's what you're asking or if you want to move -- okay. So, within the memo that was provided to you, the last page provides for estimates of lump sum COLAs -- I'm sorry, lump sum payments. This would be a one-time payment. And so the estimates start at a \$100 payment one time would be approximately \$77,000. And it goes down to \$3,250, which would be \$2.5 million. Somewhere in the middle, which would be about a \$1,200 one-time payment to the 770 members that are the class, the opt-ins, and the gap members, right? So, this would only apply to those members. It would not apply to all of our 948 retirees. So, a \$1,200 lump sum payment would be just under a

million dollars for approximately \$933,000. I can go through the list if you'd like or if there's a specific number that you'd like me to look at.

Mayor Lago: Commissioner Menendez.

Commissioner Menendez: If it's okay with my -- Commissioner Fernandez and Castro, I would like them to speak before me. I'd like to hear what they have to say.

Vice Mayor Anderson: Sure.

Commissioner Fernandez: I think an 8 percent COLA is something that everybody would like to agree to. I think you've all put in a lot of time and dedication to this city, but we're not in a position, as the Mayor said, to increase the unfunded liability by \$27 million. I think that'll put us in a situation where we're taking multiple steps back to shoring up the pension that we need, not just for you, but for the other groups that are currently working on City staff. Not part of the decision-making process, but we're currently in negotiations with Police on a new contract. We have Teamsters coming up next year. So, the City will have additional liabilities going forward that will impact our ability to put in an additional \$3.6 million on an annual basis towards the unfunded liability. So, I think putting an 8 percent would just put us in a situation where we're going to have to make decisions for residents on whether we're going to be taking action on initiatives that we need to take in providing services or adjusting this COLA for this year. So, as much as I hate to say it, I have to be a no today just because financially we are not in the position today, and not because of the decisions made by this Commission, by decisions that took place in the past, financial situations that put the pension at the 51 percent. And like the Mayor said, it was thanks to the leadership of prior Commissions that we've gotten ourselves to the 74 percent funded that we are today. But I was the first one to raise that question one of my first Commission meetings about what impacts reducing the amount of the extra payment would have on the pension. And the answer that I got from multiple fronts was it would be a bad decision. So, I don't think that we can put ourselves in a situation where we continue to take money out of the pension, because going forward, we won't have a pension to look up to. So, the folks who are currently working for the City will not have access to a pension if we continue to take money out.

Mayor Lago: Commissioner Castro.

Commissioner Castro: Yes, I think this is time sensitive, right, and I don't think we should be waiting for 2030 something to be fully funded to actually do something about it, because as I just said, it's time sensitive. I also don't like when you try to push people down to be up. What do I mean by that? By salaries, I think, what is that, like \$200,000 in difference? Is that really going to cover \$3.6 million a year? I think that \$3.6 million a year for 10 years is something -- it's hard, it's very hard, but it's something that in my heart I feel that we should do. So, I will vote yes.

Mayor Lago: I just want to clarify, you're in favor of...

Commissioner Castro: I am.

Mayor Lago: Of \$27 million in additional...?

Commissioner Castro: Not as a lump sum.

Mayor Lago: But no, but I'm saying, are you in favor of additional payment of \$3.6 million a year plus \$27 million worth of debt additional on...?

Commissioner Castro: It's not plus.

Mayor Lago: Yes, it is. Yes, it is. I've been here a while, please.

Commissioner Castro: I mean, correct me if I'm wrong.

Mayor Lago: But hold on.

Commissioner Castro: Correct me if I'm wrong. It's 3.6 for 10 years, or it's 26.7 as a lump sum, either or.

Assistant Finance Director Rodriguez: So, the -- okay, so our current unfunded liability is about \$155 million. By granting the 8 percent COLA, you will increase that unfunded liability of \$155 million by approximately \$27 million. So, it'll be approximately \$190,000 -- \$90 million, I'm sorry. The -- and the contribution that we currently make, right, so our pension contribution each year, we have a required amount and we have the extra payment. The required amount was about \$21.3 million this year, and we put in another extra payment of \$9 million. The approval of the 8 percent would increase the required payment from that 21 to the 3.6 -- by \$3.6 million, so it'll increase it to about \$25 million, which would, unless we find additional funds within the City to cover that, would require us to reduce our additional payment to the pension next year.

Commissioner Castro: And I am okay with that.

Assistant Finance Director Rodriguez: I just wanted to make sure that I explained it.

Commissioner Castro: I am okay with it.

Mayor Lago: So, even if that requires us having to raise taxes, you're okay with it?

Commissioner Castro: No, don't put words into my mouth. I never said raise taxes, okay. I'm saying we can reduce the extra payment to be able to cover the 3.6.

Mayor Lago: But you do understand that the purpose...

Commissioner Castro: Listen, I'm not an idiot.

Mayor Lago: But...

Commissioner Castro: Of course, I understand.

Mayor Lago: But you understand the point of the extra payment, what it's done over the last 10 years. It has gotten us to 75 percent in an expeditious fashion by paying down as much as we possibly can. We could have used that money for a litany of other things in the City, whatever that may be, Venetian Pool, sidewalks...

Unidentified Speaker: More flowers.

Mayor Lago: You know, more public safety, whatever it may be. But at the end of the day, we chose to invest in the retirement of our employees. And if I may address something where the gentleman said about more flowers. Again, we are the City Beautiful. If it's -- you're talking about art in public places, that money doesn't come from the general fund. That money comes from fees that are paid in the permitting process by developments that come up in the City for 1 percent. They're not paid by tax dollars.

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: So, I appreciate that. Thank you. My point is that spending \$27 million and over \$3.6 million additional in a year, there's very limited ways to get that money. You can either fund it -- overfund the pension less, or you can take it away from capital projects, which are already going to be significantly reduced, as we all are aware, or you can raise taxes. Those are the only three options that we have. There's very limited other options. And if somebody else has another option, I'm more than willing to listen to it. But we all know we're on the same position.

Commissioner Castro: The other option is to reduce the extra payment.

Mayor Lago: That's what I said, it's one of those three options. But you're also hurting yourself in a market that's swinging upwards. You want to take advantage of that momentum. And that's why we're paying extra every single year to pay it down. Trust me, I would have rather used that money to buy parks or use that money to fix sidewalks or to do other things that we -- that I think are incredibly important, provide better equipment for Police and Fire, you know, we've invest it in infrastructure, pay down debt, but we chose to prioritize the pension, which is important, and we've done it for the last 11 years so.

Commissioner Castro: Yeah, I understand the fiscal impact, but I also understand that all of these people are our people too.

Mayor Lago: I understand that too, trust me. And that's why every single year I've made sure, I made sure along everyone who's been here before me, has made sure to prioritize and spend millions and millions and millions of dollars on ensuring that their pensions are shored up. Because when I walked in here, it was 51 percent funded. And that was, again, not an easy pill to swallow. We could have gone a different direction. We could have left it the way it was, and we would be in a much worse position than we are today. But we didn't do that. We did the right thing. And when the Manager sat down with the Vice Mayor and Commissioner and myself in separate meetings and said, what do you think about taking this from -- Mr. Manager, correct me if I'm wrong -- three years ago from \$5 million to \$6 million to \$7 million and this year to \$9 million, we always said yes. Find the money, figure it out, spend less on capital, spend less on beautification, spend the money on our retirees and making sure the pension was taken care of. Commissioner, yes, sir.

Commissioner Menendez: I understand the impact of the 8 percent. You know, we've been working very hard to bring down the unfunded liability. I know this vote on the 8 percent is basically a thumbs up or a thumbs down. But I also know the impact that prior administrations, for whatever reasons, have made have had an impact on our retirees. We've always presented ourselves as a body that looks for solutions. And I'm here to work towards a solution. Though at 8 percent, I'm not comfortable with it because of the impact, you know, and it's not -- in my opinion, it's something that's truly been studied well enough to truly know how it would affect the City. But I am open to looking for a number a little bit lower than 8 percent, perhaps 2 percent as a step in the right direction. I'm open to that for discussion. But I know the initial vote is an up or down on the 8 percent. But I'm open for a lower number to see if that moves the needle in a positive way after so many years of really -- you know, it's not anyone here, it's just the way it's been. It's for discussion and for solutions, that's all.

Mayor Lago: Two points to dovetail on Commissioner Menendez's comments. So, if we're going to vote up or down on the 8 percent right now, then we can have a discussion after on the lump sum -- on the lump sum opportunity?

City Attorney Suárez: As long as it's part of this process and this hearing, we can do that, yes.

Mayor Lago: So, I need someone to make a motion in regards to the 8 percent. And I would like for the City Attorney to again -- I know I'm asking for a second time -- to reiterate what the vote has to be to move in the direction that the Commission is contemplating.

City Attorney Suárez: So, if there --- again, if there's no action by four-fifths, the 8 percent COLA will stand. If there is a motion to reject the COLA determined by the Retirement Board and if that is approved by four-fifths vote, then there will be no COLA at 8 percent. And you all could still, as part of this process, consider either, you know, a reduced COLA or some other, you know, reduced compensation.

Mayor Lago: So, I need a motion from someone on the Commission.

Vice Mayor Anderson: As painful as it is, I'm going to move to decline the 8 percent COLA. They deserve it. I agree you deserve it.

Mayor Lago: I need a second.

Commissioner Fernandez: This does not close the process for a lump sum discussion, correct?

City Attorney Suárez: As long as it's done as part of this hearing, correct.

Commissioner Fernandez: Alright, I will second.

City Clerk Urquia: Commissioner Fernandez?

Commissioner Fernandez: So, we are voting for...

Vice Mayor Anderson: We're voting to decline, so therefore...

Commissioner Fernandez: So, a vote of yes is to deny?

City Attorney Suárez: That's correct.

Commissioner Fernandez: Alright, yes.

Commissioner Menendez: Yes, and let's continue the discussion.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

Mayor Lago: Yes.

(Vote: 4-1)

Mayor Lago: Alright, moving on to the next part of the discussion, which is the lump sum opportunities that have been discussed in the Commission. So, what I'd recommend, if we may, can you do us a favor? Can you give us maybe 10 or 15 minutes so we can have to look at numbers and see what is it appropriate that we can have a conversation? Maybe we can be in our offices and then you can come and visit us one by one briefly, spend two or three minutes with us, kind of see what we feel comfortable.

Assistant Finance Director Rodriguez: However -- however you prefer.

Mayor Lago: Mr. Manager.

City Manager Iglesias: Yes, Mayor.

Mayor Lago: Mr. Manager, is that fine or no?

City Manager Iglesias: Of course.

[Later...]

Mayor Lago: Ms. Rodriguez, will you please join us? Thank you. First off, thank you for your hard work and meeting with all of us.

Assistant Finance Director Rodriguez: My pleasure. I know it's an important subject.

Mayor Lago: Thank you for taking the time to meet with all of us and the Manager and the City Attorney and all the staff on this 30-minute break so.

Assistant Finance Director Rodriguez: Thank you. It's an important subject.

Mayor Lago: Can you give us a little bit of an idea of where we stand or you want the Commissioners to go one by one or what are we looking at?

Assistant Finance Director Rodriguez: So, as we discussed, you know, the item was voted and so the options -- and Cristina can correct me if I'm wrong. The options would be to vote on a reduced COLA or lump sum. The vote would require a four-fifths...

City Attorney Suárez: Correct.

Assistant Finance Director Rodriguez: In order to pass. And so I've reviewed with each of you the estimates that we provided of lower percentages of COLAs or lump sum amounts and those estimates. And so, I'll turn it back to you.

Commissioner Menendez: So...

Mayor Lago: Commissioner.

Commissioner Menendez: I'm assuming -- my guess is this may take a series of motions and votes to see where we end up. But like I said, I'm looking for solutions, I think we all are, so I guess I'll go first with a motion and see where there -- where we go with that. I make a motion on a 2 percent COLA percentage. And Madam City Attorney, you said it's a four-fifths?

City Attorney Suárez: Correct, because it's still part of this process, this alternative dispute resolution process.

Commissioner Menendez: Yeah, so I'll start the ball rolling with that, with a 2 percent COLA percentage. That's my motion.

Mayor Lago: Do we have a second before we open it up to conversation?

Vice Mayor Anderson: And that would be requiring an increased contribution of \$6.681 million -- actually, eight two million into the pension.

Mayor Lago: But is that...

Vice Mayor Anderson: Correct?

Mayor Lago: A lump sum? Is that a lump sum or...?

Assistant Finance Director Rodriguez: That would increase the unfunded liability by about \$6.7 million, and that would increase our required payment by just under \$900,000.

Mayor Lago: So, let me just be very quick. I won't support that. I'll support a lump sum payment. I can't, after making so much gains, you know, put ourselves in a position where we set ourselves back. So, I'm willing to entertain a lump sum payment if we can go that route, if my colleagues are interested in that.

Commissioner Castro: That is a lump sum payment.

Vice Mayor Anderson: I'm willing to do a lump sum.

Mayor Lago: No, it's not.

Vice Mayor Anderson: But not a...

Mayor Lago: Pensionable portion.

Vice Mayor Anderson: Increase in the COLA. We need to start somewhere. We've been talking about it for years, about doing a lump sum and start pecking away at this, but to require these types of increases in our unfunded liability, it's just not sustainable.

Commissioner Fernandez: So, I looked at the numbers. I don't think the 13th check would help the individuals who most need it, those who are on disability -- having disability aren't getting as large a payment as others. So, I too am in favor of a lump sum. I would make a motion for a lump sum in the amount of \$2,500, which is an implication of \$1.942 million on the unfunded liability, which comes out -- which staff has assured me can currently be made because that payment still has not been made to the pension.

City Attorney Suárez: From the extra payment.

Commissioner Fernandez: Correct, from the extra payment.

City Attorney Suárez: And I'll defer to Paula on the -- but it hasn't been assigned.

Assistant Finance Director Rodriguez: Alright, so when we look at our recommendation, we look at the implication based on the City's policy to get to 100 percent fully funded on the pension plan. And so, the lump sum -- and we'll use the \$2,500 that you're proposing -- that lump sum payment would either be an addition to our pension plan of \$1.9 million for the unfunded liability and would increase our required contribution by about \$260,000. My recommendation to not impact the pension fund in a manner that a percentage COLA would, would be to pay that amount. We have the \$9 million -- the \$9.3 million that we budgeted for the extra payment this fiscal year that we've already sent to the pension plan and we assigned those out. So, we would recommend that we have assigned almost all of that out already. We could use the portion that we have not assigned to pay off that \$1.9 million and not impact the plan additionally by the \$1.9 million, but there would still be an impact, right? We would not have the full effect of the \$9 million extra payment that we planned for this year, and so we would reduce that to -- by about \$2 million to not further impact the plan so...

Commissioner Fernandez: And additionally, we did review the numbers. This would still have a larger extra payment this year than last fiscal year. Last fiscal year's extra payment was \$6.9 million. This would put this year's at approximately 7.3.

City Manager Iglesias: It would be -- I would -- I still think it would be slightly less, but I think we had about 7.6, 7.7.

Commissioner Fernandez: 7.6, so we would still be making an additional payment that's higher than our previous year.

Mayor Lago: So...

Assistant Finance Director Rodriguez: It's always an impact, right? So, I want to be clear because I -- just for your purposes. It is an impact. It's just not as big of an impact as the other options.

Mayor Lago: So, I would recommend and ask my colleagues to meet me halfway because I'm willing to do a lump sum, one-time payment, but to do it where we put a million towards that one lump sum, not the two million, so we can ensure that we have as much money as possible to continue to shore up the employees' pensions.

Assistant Finance Director Rodriguez: So, that would...

Mayor Lago: But we meet, you know, we meet basically halfway. We meet halfway, we continue -- we continue to allocate that money that's left over to the pension. We don't use it for anything else. We take -- I think it was about \$100 a month or \$1,200...

Assistant Finance Director Rodriguez: Right.

Mayor Lago: One-time payment.

Assistant Finance Director Rodriguez: So, \$1,200 would get you 900 and -- would cost \$930,000 -- \$933,000, \$1,500 would be eleven hundred -- \$1.1 million. If you want it to be exactly a million, we could probably put you somewhere in the middle.

Mayor Lago: So, I'm asking...

Assistant Finance Director Rodriguez: But I don't know exactly the number.

Mayor Lago: I'm asking my colleagues, and I'm putting it out there to consider that. I think that, again, it's a position that we haven't taken in the City in a decade. And I think it's a good number. Is it what everybody wants? No, but it's something, and then the rest of the money continues to go to the pension to continue to pay down the pension.

Vice Mayor Anderson: I'm supportive of putting, you know, the one million in, and Mayor, you know, we have to slice the baby here somewhere between 932, 400, and 1.165. What would be one million? Do you have a figure for us?

Assistant Finance Director Rodriguez: I don't have a figure for exactly one million. 1,250 would be 971.

Mayor Lago: So, maybe \$1,300.

Vice Mayor Anderson: \$1,300.

Mayor Lago: Maybe 13.

Commissioner Castro: So, that's like a hundred and something dollars more a month.

Assistant Finance Director Rodriguez: One time, yes.

Commissioner Castro: Once.

Vice Mayor Anderson: We'll be back here next year, I'm sure.

Commissioner Menendez: Before we move on, I have a procedural question. There were two motions made. Where are we with two motions?

Commissioner Castro: So, I haven't heard a second. I didn't hear a second on your motion.

Commissioner Menendez: I'm just asking procedurally.

Mayor Lago: With all due respect for your motion -- that's why I said -- what I said was I want to get a second motion to start a conversation.

Commissioner Menendez: Yeah.

Mayor Lago: We didn't get a second motion and we just started talking.

Commissioner Menendez: Okay.

Mayor Lago: So, there's a motion on the floor by Commissioner Menendez.

Commissioner Castro: I'll second that.

Mayor Lago: Can you reiterate your motion?

Commissioner Menendez: My motion is, since we voted down the 8 percent COLA, the 2 percent.

City Attorney Suárez: So, it's granting a reduced COLA or approving a reduced COLA of 2 percent to the class members, the opt-outs, and the GAP members.

Commissioner Menendez: That's the first -- yes, that's the, I guess, the first motion we have on the -- on the floor.

Mayor Lago: And if I may, in regards to that motion, what is the exposure?

Assistant Finance Director Rodriguez: So, a 2 percent COLA increases the unfunded liability by \$6,681,750 and would increase our required payment by \$895,750. That's \$6.6 million dollars different than the lump sum. I do not have a recommendation of where I would pay that off in one time. That would not be an option without looking at our budget and cutting significantly items that we've already identified for this year's budget. So, that -- I don't have an option. I would have to say if you did that, you would have to absorb it in the pension plan, and in next budget process, we will have to see how that impacts our funding of the pension plan.

Commissioner Menendez: I have a quick question. Commissioner Fernandez, I know it's one time, \$2,500. What's the impact? Can you compare the two in terms of impact?

Assistant Finance Director Rodriguez: Yes. So, the 2 percent is a perpetual increase to the plan, right? So, you have increased now the \$155 million unfunded liability as of our last report by approximately \$7 million. And so, we're -- as of our last report, we are at 74.7 percent funded. That will lower that amount by whatever that effect is. Whereas the lump sum, you have -- I could not absorb a one-time payment of \$6.7 million. I just -- we would have -- you know, we've talked

about the numbers, you guys all know \$6.7 million is not findable. The \$2,500, right, so you also have that option of allowing it to be absorbed by the plan, increasing the unfunded liability by just under \$2 million. Our annual contribution next year would go up by about \$300,000. However, only because of timing, we have a portion of our extra payment that we have not -- right, so we've talked about it before. It's a bunch of little plans that we pay off. We try to get the biggest bang for our buck as we apply that extra payment. We're waiting for the last market valuation to come out to apply. So, we have just enough from the extra payment that we would recommend paying it off -- paying off that \$1.9 million so that we could not -- so that we would not see an increase to that plan and we would just give the lump sum and not have to worry about the debt that it created. There is an impact to the plan. The impact is instead of paying off \$9 million of our debt, we're only paying off about \$7 million. So, there's still an impact, but not as significant as giving a COLA.

Mayor Lago: Commissioner, if I may, just...

Commissioner Menendez: Of course.

Mayor Lago: Talk about where you're off -- where you're sitting. So, I -- I'm asking you to please consider the one million -- the \$1,300 or so in one-time payment, it's a starting point. We haven't done this in 10, 11 years. I can't remember the last time we granted a COLA. Starting point. I think we need to be very careful. We've made a lot of progress. You know, you kind of see where markets are, shaky up and down, interest rates. I want to make sure that we continue to shore up the pension plan, that we give this \$1,300, and that we don't put any additional pension debt on the City, and that we lose ground on what we make. I don't have an issue giving a portion of the 13th check to show respect to our employees, our past employees, but I want to make sure that we -- you know, you're talking about potentially \$9 million, correct, additional unfunded liability put onto -- or is it \$6 million?

Assistant Finance Director Rodriguez: \$6 million, 6.7.

Mayor Lago: So, I just want to be very careful. I know we want to be as giving as possible, but I think that we can meet somewhere in the middle and potentially do a one-time payment, which will not put the City at any further debt.

Vice Mayor Anderson: Right, and I'm sure we'll be back here again next year.

Mayor Lago: Yes.

Vice Mayor Anderson: And we can hopefully do very well in the market and hopefully our city is as robust as it was this past year. I'm not as optimistic because, you know, markets fluctuate and it's just part of the process. So, I don't think we're going to see the same type of increases that we did last year. But yet, out of respect for the retirees, this is the first time this Commission has done this.

Mayor Lago: Yeah.

Vice Mayor Anderson: And yes, it's been 10 years, and yes, it's painful, but it's a significant effort, okay. It's going to be requiring sacrifice, it'll require, you know, additional belt tightening by this Commission. If we're going to remain serious about paying up this pension and honoring all the members of both -- that are union members and are members of this pension, that we have an obligation to make this pension whole, okay, and not be stealing from it. So, I'm willing to, you know, reach that one million dollar figure, to tighten our belts and provide these folks something to help them out.

Commissioner Fernandez: And what I would like to see is, going forward, I think the cart is before the horse in this process just because of timing. It always falls after budget season, after...

Vice Mayor Anderson: Sure.

Commissioner Fernandez: We have closed the budget. I would like to see going forward a prediction of where we should be and a consideration during the budget process so that we're not in the situation where the budget's already been done, we've already worked through the entire thing, and now we're trying to figure out how to give them money that they probably deserve, you know. So, I would like to see this as part of the budget process going forward...

Vice Mayor Anderson: That's what I asked for.

Commissioner Fernandez: So that we're not in this situation.

Vice Mayor Anderson: That's what I asked for during our budget process.

Commissioner Fernandez: Yeah.

Vice Mayor Anderson: We need to address this. I said that. We need to address this as part of the budget process.

Mayor Lago: Commissioner, again, I agree with you, but I want you to understand that -- I agree with you wholeheartedly, but there's -- we're based on time and we have to, you know, a certain schedule comes forward and we learn, okay, where did the market close on this day? You know, where are rates? How did the market do? Did we hit a certain benchmark? And then once we find out if we hit that benchmark, then we're notified whether a COLA is going to be granted or not, then it's going to go before the board. But if I could forecast three or four months before and say, hey, listen, it's looking like we're going to have to do it, but Paula, you know, so does everybody in this room, you've seen a market drop 1,000 points, 1,200 points in a day, wiping out two or three percentage points of gains, which could potentially dictate whether a COLA is to be

done or not. So, I mean, you're a hundred -- I would love to know this four months in advance, put the cart be -- put the horse...

Commissioner Fernandez: Yeah.

Mayor Lago: In front and then attack it, but I think that we're left with no other option but to wait till what day exactly?

Assistant Finance Director Rodriguez: So, we don't get this information until sometime at the end of October, November.

(COMMENTS MADE OFF THE RECORD)

Assistant Finance Director Rodriguez: October 18th.

Mayor Lago: And why do we...

Assistant Finance Director Rodriguez: So, I don't...

Mayor Lago: Get it October 18th?

Assistant Finance Director Rodriguez: I don't know how much information I could get you during the budget process, right, because the budget process is really -- we start in February, right? But I think that we can certainly include in our discussions as we develop the budget...

Mayor Lago: A forecast?

Assistant Finance Director Rodriguez: Maybe not a forecast, but should you be in this position, how much would you like to allocate to potentially make a decision if you had to. I don't know that you would be able to allocate -- even if I could have told you six months ago that we were going to have an 8 percent COLA...

Mayor Lago: It changes.

Assistant Finance Director Rodriguez: That you would have been able to set aside the funds for that 8 percent COLA. So, but we can certainly discuss during the budget process, through the Manager, of course, what mechanism this Commission can -- to set aside funds should you want to make some decision when this report comes out.

Commissioner Menendez: I personally would, you know, appreciate that because, right now, I think a question was asked, can we defer this? And they said, no, legally the clock is ticking, you know, the cliff is ahead. You have to decide what you're going to do. And it's hard to come up

with really great solutions. We have good solutions, not great solutions, because you don't have time.

Assistant Finance Director Rodriguez: And I hate to always, you know, harp on it, but I'll say, right, so we can have a mechanism and we can have a set-aside, but it will be prioritized with all those other priorities as we...

City Manager Iglesias: Our fiscal year ends October 1st.

Mayor Lago: Okay, yep.

Assistant Finance Director Rodriguez: Okay.

Mayor Lago: So...

Vice Mayor Anderson: Right.

Mayor Lago: Commissioner...

Vice Mayor Anderson: But we can reserve money in the next budget process for this so that we have...

Mayor Lago: If we're close.

Vice Mayor Anderson: Not having to scramble.

Assistant Finance Director Rodriguez: Right, yes.

Commissioner Fernandez: A contingency.

Assistant Finance Director Rodriguez: And we can discuss how much that -- right.

Vice Mayor Anderson: Yeah.

Mayor Lago: So...

Commissioner Castro: I think that \$1,200 is disrespectful and insulting. I won't even agree to that. I won't.

Commissioner Menendez: So, we have one motion, I believe, Mayor, and a second. And I guess -- so depending on how this vote goes and follow-up vote on another.

Mayor Lago: Clerk -- Mr. Clerk, is there no other further discussion?

City Attorney Suárez: So, just to remind everyone, the motion is to approve a reduced COLA of 2 percent for the class members, the opt-outs, and the GAP retirees. So, it's not all retirees, it's just the members of the class that are -- that's why we're here for this process, the 2 percent.

Mayor Lago: Which -- how much would that cost us a year, plus how much would be going to the unfunded?

Assistant Finance Director Rodriguez: Right, so the 2 percent is 6.7 -- I just put my paper away, I don't know why I did that.

(COMMENTS MADE OFF THE RECORD)

Assistant Finance Director Rodriguez: Thank you. \$6.7 million and an additional increase to the additional payment of \$895,750.

Mayor Lago: For how long?

Assistant Finance Director Rodriguez: So, that's amortized over 10 years, but that is our new base.

Mayor Lago: Okay. So, that's the motion and the second. Mr. Clerk.

Commissioner Menendez: Yes.

Vice Mayor Anderson: No.

Commissioner Castro: Yes.

Commissioner Fernandez: I'm torn but we don't currently have the money for it, so I have to vote no.

Mayor Largo: No.

(Vote: 2-3)

Mayor Lago: Okay, so now I'm going to move -- I'm going to move -- and I'm going to make the motion that I stated before. The \$1 million non-pensionable, one-time payment lump sum.

City Attorney Suárez: So, I think it'd be better if we specify the amount of the lump sum. I know it's -- it won't be exactly \$1 million, so Paula, more or less, what...?

Assistant Finance Director Rodriguez: So, you could probably do 13 -- you could prob -- if you really...

Mayor Lago: A million dollars.

Assistant Finance Director Rodriguez: If you don't want to be over a million dollars, I'd stay with 13. If you don't mind a little cushion above the million dollars, maybe \$1,400, and then we could -- we'll find the difference of the million dollars, if that's...

Mayor Lago: Fine, okay.

Commissioner Castro: Paula, to find the money for \$2 million, are you willing to meet us at least there?

Mayor Lago: I think -- I think -- I'm making the motion and I think it's appropriate. I think to me, meeting Commissioner Fernandez -- he brought a motion. I said, I'm willing to meet at this point. This is something that hopefully will build consensus amongst the Commission, something that hasn't been done in 10 years. While some may think it's not a lot, I think it's a significant move in the right direction. And I would personally accept this move. It may not be six and a half million dollars of pension debt, but at the end of the day, it continues moving forward. The amount of money, we continue to set records in regards to how much we're investing in our pension to pay down our unfunded liabilities. And it also gives something back during the Christmas season to our retirees. So, that's my motion.

Vice Mayor Anderson: So, that's for a payment of how much?

Mayor Lago: \$1 million.

Vice Mayor Anderson: Well, it's \$1 million. Is that \$1,350? Is it \$1,400?

Assistant Finance Director Rodriguez: Like \$1,250.

Mayor Lago: \$1,400.

Commissioner Fernandez: Not (INAUDIBLE) anything.

City Attorney Suárez: Okay, so it's a...

Vice Mayor Anderson: \$1,400.

City Attorney Suárez: It's a one-time lump sum payment of \$1,400.

Assistant Finance Director Rodriguez: It's actually not that complicated of math. I'm sorry. It's actually like \$1,300.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: Right.

Mayor Lago: \$1,300.

Assistant Finance Director Rodriguez: \$1,287, but if you want to do the \$1,400.

(COMMENTS MADE OFF THE RECORD)

Assistant Finance Director Rodriguez: A month.

Unidentified Speaker: No, a year.

Vice Mayor Anderson: Per month.

Assistant Finance Director Rodriguez: Oh.

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: We're going to move forward.

Unidentified Speaker: One million dollars, the City's saving (INAUDIBLE).

Mayor Lago: So, I have a motion -- so I...

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: I have a motion.

(COMMENTS MADE OFF THE RECORD)

City Attorney Suárez: So, sir, please, we do have rules of decorum and you're -- please.

Unidentified Speaker: (INAUDIBLE). You want us to sit here like we're idiots. Think about what you just said.

Mayor Lago: So, I have mo...

Unidentified Speaker: A hundred dollars (INAUDIBLE).

Mayor Lago: I have a motion on the floor.

Vice Mayor Anderson: I hear you.

(COMMENTS MADE OFF THE RECORD)

Vice Mayor Anderson: We could go back...

City Attorney Suárez: We can't have this back and forth. This can't happen this way. I'm sorry. We do have rules of decorum. We can't have this back and forth right now.

Assistant Finance Director Rodriguez: So...

City Attorney Suárez: We're trying to clarify the motion.

Assistant Finance Director Rodriguez: \$1,400 would be a \$1,087,000.

Mayor Lago: Perfect, done.

Assistant Finance Director Rodriguez: Yeah.

City Attorney Suárez: Okay, so Mayor, if I can...

Mayor Lago: Yes.

City Attorney Suárez: Just clarify, and correct me if I'm wrong, your motion is a one-time lump sum payment in the amount of \$1,400 to the class members, the GAP members, and the opt-out members.

Vice Mayor Anderson: I'll second it.

Mayor Lago: Mr. Clerk, unless we have any further conversation or questions from the Commission.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

Commissioner Fernandez: If this is the only option we have on the table and it'll get something going this year, I'll vote in favor of it. I will still stand by my \$2,500. I think that's reasonable. So, I'll vote yes on this, just in an effort to try to get something done.

Commissioner Menendez: I was comfortable with the earlier number, higher number. I wish we could get to a higher, at least...

Vice Mayor Anderson: I wish I could get to a higher number too.

Commissioner Menendez: A higher lump sum number.

Vice Mayor Anderson: I wish we could get to a higher number too.

Commissioner Menendez: Because quite honestly, I agree with Commissioner Castro. The folks that need it the most get the \$1,300 check, and in today's economy, that sort of disappears like cotton candy in your mouth.

Vice Mayor Anderson: It's \$1,400, so you're...

Commissioner Menendez: Yeah.

Vice Mayor Anderson: Clear on the motion.

Commissioner Menendez: I'm voting no.

Mayor Lago: Yes.  
(Vote: 3-2)

Commissioner Fernandez: So, I'll make my motion again for the \$2,500.

Commissioner Castro: And I'll second it.

Mayor Lago: What is the exposure in regards to the \$2,500?

Assistant Finance Director Rodriguez: So, \$2,500 would be a 1.9 -- \$1,942,500 either increase to the unfunded liability or a one-time payment reducing our extra payment this fiscal year.

Commissioner Fernandez: And again, this would still have us paying more -- my -- our additional payment is still higher than our previous year. So, we are still paying more towards the pension this year than we did in the prior fiscal year. I think it'll go, unlike the 13th check, which the numbers are very close, this will go to the people who most need it, which are the ones who have that lower payment.

Mayor Lago: So, is this a one-time payment?

Commissioner Fernandez: This is a one-time payment.

Assistant Finance Director Rodriguez: This would be a one-time lump sum payment of \$2,500.

City Attorney Suárez: And just to clarify, to the class members, the GAP members, and the opt-out members.

Commissioner Fernandez: I mean, again, I'm a no vote.

Vice Mayor Anderson: Are you...?

Mayor Lago: I'm comfortable at \$1,400. I think it's too much.

Vice Mayor Anderson: Are you willing to reduce your salaries to help pay for this?

Mayor Lago: That's a good point. That's a good question. That's a \$300,000 expenditure.

Commissioner Fernandez: I can't believe that you continue to use other people for political gains of your own.

Vice Mayor Anderson: No.

Commissioner Fernandez: You're trying to ride our former employees in order to get cheap political gains for yourself.

Vice Mayor Anderson: It's not about a cheap political gain.

Commissioner Fernandez: It is about a cheap political gain.

Vice Mayor Anderson: Because the number of times that I have been approached at every event that I go to with residents that are upset about this issue far outnumbers the number of people you think support that. And when you give yourself a raise like that, without providing notice, without having due process, without doing it for the next folks, you know, that get elected, but for you -- to inure yourself the benefit of that raise, okay, and you're not willing to reduce your salary to what you were elected for in order to give more money for these folks, absolutely, I'm going to be bringing it up each and every time.

Commissioner Fernandez: I stand by my motion.

Mayor Lago: I think the biggest issue we have here, and I've gotten it not only from residents, but I've also gotten it from employees, especially when we're negotiating with employees. And they say, you know, you give yourself 102 percent raise and then you're going to give these individuals what, measly scraps.

Unidentified Speaker: Nobody said that (INAUDIBLE). Nobody said that. No one's talking about (INAUDIBLE) raises. Nobody's saying that.

Mayor Lago: Okay.

Unidentified Speaker: You have not (INAUDIBLE).

Mayor Lago: Okay.

Unidentified Speaker: The City has not (INAUDIBLE).

City Attorney Suárez: Sir, sir...

Mayor Lago: Sir, sir...

City Attorney Suárez: You cannot -- you cannot...

Mayor Lago: Sir...

City Attorney Suárez: You cannot yell from there.

Mayor Lago: You can't yell -- you can't yell from the grandstands. Out of respect, I've been kind.

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: You can't.

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: You can't.

Commissioner Menendez: So I'm ready to vote.

(COMMENTS MADE OFF THE RECORD)

Commissioner Menendez: I'm ready to vote.

Commissioner Castro: 100 percent of \$1 is how much?

Mayor Lago: So, we have a....

Commissioner Castro: It's funny how we keep on saying percentages here, but in reality it's...

Mayor Lago: So, we have a motion, and is there a second?

Commissioner Castro: I seconded it.

City Clerk Urquia: Yes.

Mayor Lago: I'm just trying to figure out -- oh, Castro. Alright.

Commissioner Castro: Yes.  
Commissioner Fernandez: Yes.  
Commissioner Menendez: Yes.  
Vice Mayor Anderson: No.  
Mayor Largo: No.  
(Vote: 3-2)

Mayor Lago: Alright, so I go back to the \$1,400. I think it's fair, it's reasonable. It's something we haven't done in over a decade, and we move on from this issue, and we look forward to next year. If we have to grant a COLA, that we're prepared for it and not caught off guard in the sense of -- we weren't caught off guard, staff prepared us, but we weren't sure if we were on the cusp of getting a COLA or not. So, I'm willing to make a motion to the \$1,400 so we can move on.

Vice Mayor Anderson: I'll second it.

Commissioner Fernandez: Are you willing to meet halfway, at \$2,000?

Mayor Lago: I did meet you halfway.

Commissioner Fernandez: No, halfway -- that was halfway from zero.

Mayor Lago: I was at a zero.

Commissioner Fernandez: That was halfway from zero.

Mayor Lago: I was at a zero and I met you halfway.

Commissioner Fernandez: So, are you willing to meet...?

Mayor Lago: At least accept -- at least accept...

Commissioner Fernandez: I...

Mayor Lago: Accept that.

Commissioner Fernandez: You were a zero. I'll accept that.

Mayor Lago: Accept that so...

Commissioner Fernandez: Are you willing to meet at 2 -- at \$2,000? It's a \$1.5 million...

Mayor Lago: Commissioner, I think you're pushing me to a point where I'm willing to accept \$1,400. Let's move on from the issue. I think this is the first time it happens in 10 years. We give you more money to pay down the unfunded with a 13th check. Just let's play ball, let's be a team and move on from this issue.

Commissioner Castro: Vice Mayor, are you willing to meet us at \$2,000?

Vice Mayor Anderson: No, I gave you my conditions.

Commissioner Menendez: Let's just vote.

Commissioner Castro: I mean, we need a four-fifths vote...

City Attorney Suárez: Is there a motion?

Commissioner Castro: So, it's a waste of time.

Mayor Lago: So, you have a motion and a second. Mr. Clerk.

City Clerk Urquia: So, just to be clear, we're going back to the \$1,400?

Mayor Lago: Yes, sir.

Commissioner Fernandez: Yes.

Commissioner Menendez: Could you repeat the question before I vote?

City Clerk Urquia: You're voting on a one-time lump sum of \$1,400.

Commissioner Menendez: No.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

Mayor Lago: Yes.

(Vote: 3-2)

Mayor Lago: So, then what we'll do is we'll move on on the agenda because obviously we can't come to an agreement on this issue. We're pretty much entrenched. I was at a zero, and you -- and staff will tell you I was willing to leave it the way it was, vote no, and walk away. I've come up to \$1,400, that's a million dollars. And again, I don't think we can find any common ground here.

Commissioner Menendez: I have one more motion.

Commissioner Castro: I was at an eight.

Commissioner Menendez: I have one more motion. We might as well just throw it all out there. The compromise that he suggested, \$2,000, so I make a motion to see if we can compromise and find a solution. I know there was a discussion, but not an official vote. So, let's see if we can...

Mayor Lago: Do we have a second for that?

Commissioner Fernandez: I'll second.

Commissioner Castro: I'll...

Mayor Lago: Okay, Mr. Clerk, we have a second.

Commissioner Menendez: Yes. Let's compromise.

Vice Mayor Anderson: I understand. I asked for a compromise. And you said no. You all said no. Okay, so you're not willing to sacrifice for these folks.

Commissioner Castro: That has nothing to do with what we're discussing. We're mixing apple and oranges.

Vice Mayor Anderson: No, no.

Mayor Lago: Commissioner, I think...

Vice Mayor Anderson: It's all money.

Commissioner Menendez: So, is that --? Is -- your vote's no?

Vice Mayor Anderson: Yeah, my vote's no. Because your vote's no.

Commissioner Menendez: Okay, next vote.

Commissioner Castro: Yes.

Commissioner Fernandez: Yes.

Mayor Lago: No.

(Vote: 3-2)

Mayor Lago: Alright, so we're moving on. We obviously can't come to an agreement. We won't be able to figure this out here. And we move on, okay?

Commissioner Fernandez: Sorry.

Assistant Finance Director Rodriguez: Just want to...

Mayor Lago: Sorry about that. Thank you.

Assistant Finance Director Rodriguez: Cristina.

(COMMENTS MADE OFF THE RECORD)