

City of Coral Gables City Commission Meeting

Agenda Item G-1 and H-4 are related

January 8, 2008

City Commission Chambers

405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Slesnick Donald D. Slesnick, II

Vice Mayor William H. Kerdyk, Jr.

Commissioner Maria Anderson

Commissioner Rafael "Ralph" Cabrera, Jr.

Commissioner Wayne "Chip" Withers

City Staff

City Manager, David Brown

City Attorney, Elizabeth Hernandez

City Clerk, Walter J. Foeman

City Clerk Staff, Billy Urquia

Public Speaker(s)

Alfredo Balsera, Budget/Audit Advisory Board Member

G-1 and H-4 are related [Start: 10:13 a.m.]

Presentation of the recommendation made by the Budget/Audit Advisory Board at the November 8, 2007 meeting:

The Budget/Audit Advisory Board urges the City Commission to propose a change to the Road Impact Fee Ordinance and seek the support of other Miami-Dade County municipalities so the disbursement process is changed in cities through a local option to receive funds directly instead of negotiating with the County the funding and scope of municipal projects.

Mayor Slesnick: Mr. Balsera.

Mr. Balsera: Good morning Mr. Mayor, Commissioners, Madam Attorney, Mr. Manager. Just to give you some background on how you got here; after going through a very grueling budget process that obviously culminated here, our Board decided to take our roll a step further and try to be a little bit more innovative in how we help the Commission and the Administration find innovative ways to assist with the budget dilemma that we are dealing with right now. It was a charge that Commissioner Cabrera gave me as his representative, and I'm sure a lot of you gave to your own respective representatives on that Board. So, this recommendation is really the first of what I think would be many coming out of our Board. And how it originated is, we had an audit done by City staff on how much money is sitting with the County, collected by Road Impact Fees generated in the City of Coral Gables, and quite frankly we were shocked. I don't have the audit in front of me, I think it was in the four million dollar (\$4M) range, and as we

looked a little further at this whole process and recognize that we are in a budget, and I think we are going to have some future budgets where we are going to continue to be scratching for every single dollar. It really offended us that money that is generated in this City under an ordinance that specifically calls for it to be used for projects in the City, is sitting somewhere else, collecting interest for someone else, and even the process to get that money back is a big complicated if not convoluted... essentially every single year we have to go and negotiate with the County, for again money that is ours to be used the way we see fit; and let me just again underscore the fact that this money generated in the City of Coral Gables through development activity as occurring here. Now, this is an ordinance that was passed by the County Commission that can be changed at any time with the support of seven or more Commissioners; and based on my own understanding of the County Commission you are seeing a majority of the County Commissioners that represent districts that are mostly municipalities or entirely municipalities. So, I have a sensitivity to what cities are going through, especially now under this economic climate. So, what we're suggesting is that Coral Gables take the lead with other cities in changing the way that this ordinance distributes money. We think that this money should stay here, and we think that the County should have less oversight and control over how the money is spent. Now, we recognize that Coral Gables doing it alone is going to be a bit difficult, so that's why we think we should reach out to other cities that are probably in the same situation as we are, like Miami, and Miami Beach, and Homestead, and others, and go shoulder to shoulder to the County Commission to seek this kind of change so that we can be able to keep our money and have more control over how its spent.

Commissioner Cabrera: I intend on supporting this and what I wanted the Commission to consider is if in fact this gets the support and approval of this majority, I'd like to get your support in allowing me to contact three members of the County's government, and those are Commissioner Sosa, Commissioner Gimenez, and Mayor Alvarez, whom I have developed dialog in the past with so that I can begin that process to let them know why we are doing this, and hopefully allow Mr. Balsera his Board, and whoever else is working on getting other cities to help us with that, but I would ask you to let me carry the ball on this one if you all support this, and if you feel differently then by all means I'll be happy to discuss it.

Commissioner Withers: I support you, Ralph; obviously I'm assuming staff is driving this position.

Mr. Balsera: I think staff – it originated at the Board, but I think staff has embraced it wholeheartedly, and we've had subsequent conversations with the Manager, and he believes that it is something that is in the best interest of the City.

Commissioner Withers: So, I think that's where we begin.

Commissioner Cabrera: I just want to tackle it from the political side as well because Mr. Balsera said we need to find seven people on the County Commission that are going to agree with us, and I'd like to start with two of them, and this is the two that are most impacted into Coral Gables to buy off on this. I would hate for Commissioner Gimenez and Sosa to find out about this through a member of County staff; I'd rather that they hear it from a member...

Commissioner Withers: No, no, I agree; my point was I'm curious to know why they feel this way; what is staff's reasoning for this? Why do they like...

Commissioner Cabrera: County staff or City staff?

Commissioner Withers: No, the County staff; why this is the play that they have right now?

Commissioner Cabrera: Because I think there's control; control plays a huge – what did you say?

City Manager Brown: Interest.

Commissioner Cabrera: Interest.

Commissioner Withers: What do you mean interest?

City Manager Brown: Twenty percent (20%) off the top.

Commissioner Withers: Is there a fee, that's the point?

Commissioner Cabrera: Oh no, there is financial impacts.

Commissioner Withers: That's the whole point; I think we ought to find out what the....because there might be a way to resolve this without....

Commissioner Cabrera: What did you say Mr. Balsera?

Mr. Balsera: Well, there is an administrative fee that they charge for managing the money.

Commissioner Cabrera: That's fifteen percent (15%).

Mr. Balsera: But in addition, the process for us to recover that money as a City and invest it in those projects that we deem fit for our jurisdiction is quite grueling, and I think the Manager can probably explain it to you, and its also quite cumbersome as far as the time takes.

City Manager Brown: Well, it's also a difference because they think its two point eight million (\$2.8M), and we think its four point two million (\$4.2M).

Commissioner Cabrera: We also have a factor that they don't always agree with what we want to use the money for.

City Manager Brown: Commissioner, there is a set of guidelines that you are supposed to follow...

Commissioner Cabrera: I know.

City Manager Brown: ...to use those monies, and there is some interpretation that can be made on where a City road crosses a County road, and we believe it should err on the side of the City.

Commissioner Cabrera: Yes, I agree with you; I've seen it; I've seen you struggle with that.

Vice Mayor Kerdyk: Can I ask Mr. Balsera? You've been part of the government, you understand – matter fact this goes back a long time. I remember going to Mayor Penelas on many occasions to say, please give us our impact fees so that we can use them for Ponce median or whatever it was, and it is always like pulling teeth out of the County to get the money; I mean, it goes from Jimmy Morales, to Carlos Gimenez, to Alex Pinellas, to Mayor Alvarez; if you think that there is a good chance that we can somehow be a part of that discussion and Dade County be more forthcoming, I'm all for supporting moving forward in this front. It's been a tremendous struggle, I know. Several up here have spoken to our independent Commissioners, Dade County Commissioners, and no matter how much pull or whatever it is tough; just getting an accounting is crazy. So, it's your feeling that moving forward in this front maybe with the League of Cities or with our counterparts in other municipalities along with the Dade County Commissioners we can....

Mr. Balsera: I think in my experience, I think it's very doable, as long as it's presented in the right way. I also believe that over the years that certain elected officials in the region that understood these kinds of tax issues quite well always kept a focus on it. I remember the fellow who understood this better than anyone, and when he went from the County to the City kept on raising this point was Art Teele, because he really knew how these kinds of things operated, but you had these robust budgets over the last few years where people weren't paying attention to every single dollar that may be staying with the County, but when you look at what we went through in the last budget, and the cuts, and the difficult decisions that you all had to make, and you see that there is money out there that could cover some of the need we had that we are not controlling, that's why we all said, maybe this is a recommendation that we could take to the City Commission and start some of these different approaches to government so that at least we have control over the money that's ours.

Mayor Slesnick: Ralph, as a member of the Board of League of Cities, I will be glad to raise it there, but I will wait until tell us that you've made the contacts and that they've heard it from you.

Commissioner Cabrera: Well, Mr. Balsera...

Mayor Slesnick: Because I appreciate your point; before we go out and do anything let you say, hey, I told them.

Commissioner Cabrera: You know, they don't feel like they've been surprised. Do you agree with that strategy?

Mr. Balsera: You know, it could go either way; I think that the most important thing is to have some of the larger cities that generate a lot of this money, because there is some smaller cities that may not necessarily generate anything sufficient to merit a seat at the table as part of this

discussion. You know one of the things that we also recommended at our Board is to suggest to the County Commission to amend this ordinance by local option meaning, you know not every city also has the wherewithal to manage its own money, so perhaps certain cities can elect to receive their money up front or collect their money on a more timely basis, rather than having it deposited there, but if other cities choose to continue with the current method you know, they certainly could.

Commissioner Cabrera: What about the idea of reaching out to our County Commissioners and Mayor.

Mr. Balsara: I think the idea of going to yours right away is a good one; someone like Commissioner Gimenez who is the manager is going to understand this extremely well. Like I said, in my opening comments, you now have a majority of Commissioners because of annexation than incorporations that represent mostly, or entirely incorporated districts, and these folks have a special sensibility to what cities go through, and that's why I think you are going to see a lot more reception.

Commissioner Cabrera: Ironically the Manager and I were in a meeting with Commissioner Gimenez, I don't know how many months ago, and we had Public Works staff from the County there, and we begin to discuss impact fees, and the number was a fairly substantial number, and Commissioner Gimenez himself was frustrated with the fact that the number was very large, I forget what it was what we were trying to accomplish, oh I know what it was; we were there to talk about the Segovia round-about, and in the process of discussing the Segovia round-about and impact fees, the Public Works people started to talk about – the Public Works professionals started to discuss the funding mechanisms, and literally Commissioner Gimenez kind of like shook his head and said, you know, why aren't we giving the City the money they need to get their project completed?

City Manager Brown: We had asked for several months for a total and couldn't get a total.

Commissioner Cabrera: And that's the reason why I thought, Mr. Manager, about how frustrating it can be, the reason you and I went to meet with Commissioner Gimenez was Mr. Delgado made a report that said we were going to have to wait an entire cycle year to complete the round-about, and I remember Mayor Slesnick saying, I thought we approved this thing a year ago; and then we met with Commissioner Gimenez who was more than supportive in making the monies available to us, so that's what brings to mind the irony that he'd be probably more than supportive.

Mayor Slesnick: Where is the Segovia round-about?

Commissioner Cabrera: In the summer, it's coming this summer.

Commissioner Withers: Ralph, that's strategically why I really think that before you meet with these folks that you kind of have to have an understanding of why they are resistant. Is it because they get interest on the money?- I don't know; is it because they get a fifteen to twenty percent administration fee?- I don't know; I think it would equip you if you knew why staff was so

reluctant from Dade County or whomever side, so reluctant to change the process; it just gives you an opportunity to address their talking points.

Commissioner Cabrera: I think you're right.

Commissioner Withers: So, I don't know long that would take, Dave, probably a phone call, I don't know.

City Manager Brown: It depends if they are returning the calls. Fred and I can get together on that; he can go to his route, I can go to my route, and I can ask George, or I can ask Public Works, Esther Callus, what's the resistance?

Commissioner Withers: It might be legitimate.

Commissioner Cabrera: It might be legitimate; and I can tell you speaking to County Manager Burgess is probably the best starting place.

City Manager Brown: That won't take long.

Commissioner Withers: Do they bond our projects, the construction bonding, or...I don't know; there could be a million and one reasons out there that we might...

City Manager Brown: I don't know those answers.

Mayor Slesnick: The resolution before us is "authorize the City Manager to seek the support of the Miami-Dade League of Cities to propose a change...", I think personally I'll feel more comfortable if we change the wording of that, we support the efforts of the Board and that we have authorize the City Manager to proceed to talk with the County Manager about the background of this, we've said that we would like Commissioner Cabrera to approach County Commissioners, and then report back to us; I think at that point in time, is that more of the gist of what we are doing?

Commissioner Cabrera: I'll get on this right away.

City Manager Brown: Me too.

Commissioner Cabrera: May I move that motion?

Mayor Slesnick: OK. It's been moved by Mr. Cabrera.

Vice Mayor Kerdyk: Second.

Mayor Slesnick: Second by Mr. Kerdyk, and Mr. Clerk, I hope you got that, they were moving to authorize the Manager to proceed with conversations with the County Manager, and Commissioner Cabrera conversations with County Commissioners to discuss this issue

and come back with an updated report in furtherance of the Budget/Audit Advisory Committee's recommendation.

Commissioner Cabrera: Would you consider drafting a letter to Mayor Alvarez from your office...

Mayor Slesnick: Absolutely.

Commissioner Cabrera: ...Kind of outlining.

Mayor Slesnick: Why don't you help suggest that to the Manager's office so that it feeds into what you want to carry?

Commissioner Cabrera: Yes, but if you could send that message to the Mayor.

Mayor Slesnick: Yes, that's what I'm saying, but you help draft the message so that what I'm doing is in conjunction with what you want.

Commissioner Cabrera: Yes, I think we can do that.

Mayor Slesnick: Mr. Clerk.

Commissioner Withers: Yes

Commissioner Anderson: Yes

Commissioner Cabrera: Yes

Vice Mayor Kerdyk: Yes

Mayor Slesnick: Yes

(Vote: 5-0)

Mayor Slesnick: Thank you very much. Please take back to your Board our thanks for all their hard work.

Mr. Balsera: I will.

Mayor Slesnick: It's one of the best operating Boards we have.

Mr. Balsera: Thank you very much.

Commissioner Cabrera: Thank you sir.

[End: 10:28 a.m.]