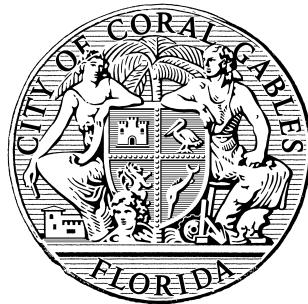


City of Coral Gables

City of Coral Gables
405 Biltmore Way
Coral Gables, FL 33134
www.coralgables.com



Meeting Minutes

Tuesday, September 9, 2008

5:01 PM

FIRST BUDGET HEARING

City Hall, Commission Chambers

City Commission

*Mayor Donald D. Slesnick, II
Vice Mayor William H. Kerdyk, Jr.
Commissioner Maria Anderson
Commissioner Rafael "Ralph" Cabrera, Jr.
Commissioner Wayne "Chip" Withers*

*David L. Brown, City Manager
Elizabeth M. Hernandez, City Attorney
Walter J. Foeman, City Clerk*

ROLLCALL

Present: 5 - Mayor Slesnick II, Commissioner Anderson, Commissioner Cabrera Jr., Vice Mayor Kerdyk Jr. and Commissioner Withers

1. **08-0594** Presentation of proposed Fiscal Year 2008-2009 City Budget.

This Agenda Item was Discussed and Filed

City Clerk Item No. 1

2. **08-0595** Public hearing for obtaining comments relative to Budget for Fiscal Year 2008-2009.

This Agenda Item was Discussed and Filed

City Clerk Item No. 2

ORDINANCE NO. 2008-22

3. **08-0596** An Ordinance on second reading providing for the levy of taxes for the fiscal year beginning October 1, 2008 and ending September 30, 2009; fixing the rate of such taxes; providing for the segregation and the application of the proceeds of the several levies; providing for the separability of the provisions hereof; and providing that this Ordinance shall become effective October 1, 2008. (Passed on first reading September 9, 2008)

Attachments: [Ordinance Providing Levy of Taxes 08-09](#)

A motion was made by Vice Mayor Kerdyk, Jr., seconded by Commissioner Anderson, that this motion be approved as an Ordinance on First Reading. The motion passed by the following vote:

Yea: 5 - Commissioner Anderson, Commissioner Cabrera, Jr., Vice Mayor Kerdyk, Jr., Commissioner Withers and Mayor Slesnick II

City Clerk Item No. 3

ORDINANCE NO. 2008-23

4. **08-0597** An Ordinance on second reading adopting the Annual Budget of Estimated Revenues and Expenditures of the City of Coral Gables, Florida for Fiscal Year 2008-2009. (Passed on First Reading September 9, 2008)

Attachments: [Ordinance Adopting Annual Budget](#)

A motion was made by Vice Mayor Kerdyk, Jr., seconded by Commissioner Anderson, that this motion be approved as an Ordinance on First Reading. The motion passed by the following vote:

Yeas : 4 - Commissioner Cabrera, Jr., Vice Mayor Kerdyk, Jr., Commissioner Anderson and Mayor Slesnick II

Nays : 1 - Commissioner Withers

City Clerk Item No. 4

VERBATIM TRANSCRIPT

Mayor Slesnick: Good evening everybody.

Commissioner Cabrera: Good evening Don.

Mayor Slesnick: Thank you. We'd like to welcome everyone here in the Chambers and watching us, Channel 77, to our First Budget Hearing 2008; this is September 9th, and we have had one Budget Workshop in the middle of the summer and tonight is our first attempt to go through the Budget in a formal hearing; and we have a presentation first of all by our Administration about the proposed Budget, and after that we'll comment and discussion. Mr. Manager.

City Manager Brown: Thank you Mr. Mayor.

Mayor Slesnick: Wait a minute, first before we do that, we don't have an invocation normally for these meetings, but I would like to again as we started our meeting today to...you know we can be thankful that we were spared from a very strong hurricane and storm, and the effects of that, but I'd like us to think in our own minds about the people who are suffering at this time in different parts of the Caribbean, and possibly soon in Texas or Mexico, so I'd like to keep them in our thoughts. Mr. Manager.

City Manager Brown: Thank you Mr. Mayor, Mr. Vice Mayor, members of the City Commission, Madam City Attorney, Mr. City Clerk, members of the audience and the viewing public. Welcome to the First Public Hearing of the Fiscal Year 08-09. I'd like to tell you about tonight's agenda; we're going to have a presentation on the achievements of the '07-'08 Fiscal Year. That will be followed by a presentation on the

total effects of House Bill 1B and Amendment 1 on this Budget; and I will tell you that they are substantial; and then thirdly, we will review the proposed '08-'09 Budget numbers. So, we'll begin with the video presentation.

[Note for the Record: At this point during the Budget Hearing a video presentation was shown.]

Mayor Slesnick: That was very beautiful work.

Vice Mayor Kerdyk: Very good.

City Manager Brown: I'd like to first of all thank and complement Coral Gables Television for continuing to document our history as we move year in and year out. They really do a wonderful job and they each year try to find ways to make this video presentation special.

Mayor Slesnick: Well, to MR and her team, congratulations on a beautiful product, that's something we will be proud to show our citizens over and over again, and also visitors and people we go out to visit.

City Manager Brown: Our first slide is one we put up each year, and it continues to be the mission: "this is dedicated people providing exceptional services to residents, businesses, and visitors while preserving our heritage". Next. You recall around the entire State, Cities, Counties, School Boards, Special Districts; they are all affected by Property Tax Reform; by the effects of last year's legislation on House Bill 1B, and its effect on property tax rates, that's property tax rates. Every government agency is making adjustments to deal with the lowering of property tax rates from last year's legislation. The New Year brought Amendment 1, which was passed by the voters of Florida on January 29th. The Amendment brought a second reduction lowering property tax values. These two actions amplify together lower the taxes in the Gables significantly. Both resulted in over five million five hundred and forty-six thousand dollars (\$5,546,000) in revenues the Cities could have spent; three million seven hundred and nineteen thousand (\$3,719,000) as a result of 1B; and one million eight hundred and twenty-seven thousand (\$1,827,000) as a result of Amendment 1. Next. That Amendment 1 doubled the Homestead Exemption and reduced our value of the property by three hundred and forty-eight million dollars (\$348,000,000); that doubled the Homestead Exemption from currently twenty-five to fifty thousand dollars. Now in Fiscal Year '06-'07 the millage rate was 6.15; in (FY) '07-'08 the millage rate was dropped by this City Commission to 5.25, and we are proposing in (FY) 08-09 to maintain that millage of 5.25. What are the items included in this budget that you may take note of? We are going to maintain the property millage rate of 5.25, and if we do that, that would provide eight hundred and forty-seven thousand dollars of new revenues from new construction, added to the property tax rolls. We are proposing

that we move the residential solid waste garbage fee from five hundred (\$580) and eighty to six hundred and ten dollars (\$610), that's an increase of thirty dollars. As you'll recall this City Commission asked us that every two to three years move the garbage fee in small increments. This represents a five percent increase over the last two years, or two point five percent (2.5%) per year. We are proposing the emergency medical rescue transport fee, only if it's reimbursed by insurance, and then all of our recreation fees, we are proposing to increase by five percent (5%). Let's go over the budget numbers. The annual revenues are scheduled to be one hundred and forty-three million two hundred and five dollars (\$143,205,000). We want to transfer from reserves an additional one hundred and sixteen thousand dollars to operate the Retirement Fund Administration. We want to transfer from reserves Roadway Improvement Fund two hundred and fifty-seven thousand dollars (\$257,000); and we want to from the Sanitary Sewer Fund, transfer one million one hundred and six thousand dollars (\$1,106,000); and we'll talk about why later on in the presentation. That total income is one hundred and forty-four million six hundred and eighty-six thousand dollars (\$144,686,000). On the expenditure side our operating is one hundred and thirty-four million three hundred and ninety-three thousand (\$134,393,000). We are going to increase our capital to three million eight hundred and sixty-five thousand dollars (\$3,865,000); and our debt service should drop a little bit, to six million one hundred and seventy-four thousand dollars (\$6,174,000), or a total set of expenditures of one hundred and forty-four million four hundred and thirty-three thousand dollars (\$144,433,000). Transferring to reserves, we are going to put ninety-one thousand back into the transportation fund; and we are going to put one hundred and sixty-one thousand back into the Storm Water Utility Fund, for a total of two hundred and fifty-three thousand. This two hundred and fifty-three thousand and the one hundred and forty-four million four thirty-three equals one hundred and forty-four million six hundred and eighty-six dollars and that would balance the Coral Gables Budget for (FY) '08-'09. What are the significant changes affecting...these are revenue changes affecting the budget?- property taxes with a rate 5.25; there is the eight hundred and seventy-two thousand dollars increases for a total property tax revenue value of sixty-six million nine hundred and thirty-two thousand dollars (\$66,932,000). Our franchise fees are up one million one hundred and seventy-seven thousand dollars, that's because of the gas prices; the Utility Services Taxes have jumped up nine hundred thousand, that's because of the gas situation; rentals and concessions are up two hundred and eighty-eight thousand because now we have the Venetian Pool, the Biltmore Tennis Center, and the Youth Center all under the control of the City of Coral Gables, so we are expecting this jump of two hundred and eighty-eight thousand; residential waste collection we expect to be up two hundred and forty-eight thousand, that's a result of the thirty dollar increase; recreation fees are up two hundred and eleven thousand, that's because of the five percent increase in the fees; investment earnings are up two hundred and eleven thousand, we have more money in the bank, there is a slide to show you later on; sanitary sewer fees are up seventy-four thousand; public safety fees are up fifty-eight thousand and that's as a

result of increase ticket activity; now since we are getting the gas prices up here with the franchise fees to us, there is an opposite equal reaction down here - the gas sales tax is down sixty-five thousand dollars from less sales; business taxes, we talked about that today in the Commission meeting, there are less businesses in Coral Gables buying occupational license. We are down one hundred and thirty-two thousand; and the parking fees are down two hundred and sixty-nine thousand; and that's because we have budgeted three quarters of the year next year for Garage Five to be down as the Palace begins its construction; other revenues up forty-two thousand; operating revenues net increase, three million six hundred and nineteen thousand dollars. A look at last year's budget compared to this year's budget. The Operating Expense last year was one hundred and thirty million three hundred and ninety-two thousand; the Capital back last year was two million eight hundred and fifteen thousand; and our debt service was six million one hundred and seventy-five thousand, that totaled one hundred and thirty-nine million three hundred and eighty-two thousand dollars, that was last year's budget. We are proposing one hundred and thirty-four million three hundred and ninety-three thousand dollars in Operating Expense; we are increasing our Capital Expenditure to three million eight hundred and sixty-five thousand dollars; and our debt service actually dropped a few dollars to six million one hundred and seventy-four thousand dollars for a total of one hundred and forty-four million four hundred and thirty-three thousand dollars. That's a four million dollar increase in Operating Expense; a one million dollar in our Capital Improvement, and of course three hundred and thirty-seven drop in debt service, for a total of five million fifty thousand seven hundred and seventy-five dollar increase in the budget. Now, I'm going to tell you why. Personnel costs: salaries, longevity, merits, items that are contracted by nature up one million fourteen thousand dollars for a total in salaries, longevity, merits of fifty-eight million eight hundred and twenty-nine thousand dollars to the City; overtime is still a pleasant number. We are budgeting two hundred and sixty-two thousand decrease, both the Police Department, Fire Department and the other departments have made a very, very yeoman's effort to continue to reduce overtime, for a total of three million sixty-nine thousand dollars; and I'll bring you attention to this number several year's ago approached four point two million; we've done an excellent job in managing that. Our retirement increased only five hundred and ninety-six thousand for a total of twenty four million dollars, and we are going to talk about this later in the presentation; FICA is up seventy-five thousand for a total of three million eight hundred and eighty-two thousand; Workers Comp one hundred and seventy-seven thousand. We're still paying premium increases for the two bad incidents that we had several years ago; and then of course this Commission approved a twelve point four percent increase on health insurance, which is a six hundred and thirty-six thousand dollar increase totaling five million eight hundred and eighty-two thousand dollars. Those are the fixed costs. Expenditures: General Liability is up one point six million; motor fuel and oil up four hundred and thirty-eight thousand; electricity is up three hundred and four thousand as you might assume; we have a new viper system at the dispatch for two hundred and one thousand dollar increase; the lines, the network was

up one hundred and forty-eight thousand; disposal waste is up twenty thousand; now the cost that we can't control: sanitary sewer operating equipment down ten (thousand); operating equipment repair parts down almost thirty (thousand); special print forms down thirty-seven (thousand); contracted services down thirty-seven (thousand); uniforms down forty-four (thousand); equipment maintenance down one hundred and twenty-nine thousand; employee training down two hundred and nineteen thousand. Those people who are being trained are only those who need to maintain their certification; operating equipment additions down two hundred and forty-three thousand; other operating costs down two hundred and fifty-six thousand; total personnel and operating cost four million one thousand one hundred and twelve dollars; debt services down three hundred and thirty-seven; and of course we talked about a one million fifty thousand dollar increase in our capital projects.

Commissioner Cabrera: Mr. Manager.

City Manager Brown: Yes sir.

Commissioner Cabrera: Is there anything that we can do with Florida Power and Light to reduce our electricity expenses?

City Manager Brown: Yes there is; and we are meeting to talk about light bulbs, retrofitting, automatic timers; one building is on automatic timers that turn them on and off; there are things that we are doing, and as a matter of fact there are two or three proposals, Commissioner, on my desk, they are probably going to have to go to bid because there are a lot of companies who want to come in and retrofit your entire area with...

Commissioner Cabrera: Energy efficient.

City Manager Brown:...energy efficient light bulbs. Commissioner, as well as the garages and Garages 2 and 6.

Mayor Slesnick: It's not just bulbs, its ballast...

City Manager Brown: It's ballast, bulbs, timers...

Commissioner Cabrera: You actually met with a vendor this week.

City Manager Brown: Yes, and I told the Commissioner that we probably have three or four people that we could put this out to bid on. Capital Improvements: We have one hundred and fifty thousand dollars set aside for stormwater utility improvements; and hopefully with the legislation that you pass today, this number next year will approach five hundred thousand dollars; Roadway Improvement Fund one million one

hundred and sixty-five thousand dollars; and the Sanitary Sewer Fund is scheduled to spend two million five hundred and fifty thousand dollars. Now, this makes up one million is the continuation of the Old Cutler Force Main, phases two and three. We finished one and I think we finished four, so we still have three sections to go; they average about a half a million dollars a phase; the second one million is for the sanitary sewer lift station restoration program for the CDD; and then thirdly we have five hundred and fifty thousand dollars set aside for the relining of sewer lines to prevent infiltration from underground. We are very, very pleased that this slide, as you'll notice the years of huge increases have subsided; the one-seven; the two-one; the four-six; the three-five; the three-six; last year in 2008, we had a five hundred and thirty-six thousand dollar increase, taking us to a twenty-three million four hundred and three thousand dollar requirement to fund the Pension System; and this year the increase is five hundred and ninety-six thousand to take us to twenty-four million dollars; but there is some very, very good news on the next slide. The (Fiscal Year) 2008-2009 Budget Estimate funded amount is twenty-four million dollars; but we got our actuarial required amount, and guess what? - it dropped two point four million to twenty-one million five hundred sixty-nine thousand dollars, and why did that happen? - because this Commission asked us to look at the Pension Plan, we did that in two phases, and we are able to go to the bargaining table and bargain the caps on pensionable overtime that can be calculated for pension purposes to the State minimums in two of the three unions. We also have done a very good job of managing overtime, managing our raises, and managing personnel cost, and it has shown with almost a two and-a-half million dollar reduction. I bring to your attention that we still have an outstanding amount that we are owed as a result of dropping the actuarial assumption on the fund from nine to seven-seven-five. That amount is three point two million. We've paid a half a million dollars to that, but in subsequent years we've not been able to fund it fully to retire this debt. It is my recommendation that immediately on the passing of this budget, or the next time we pay, our pension obligation, that we add this two point four million into our obligation and retire all but eight hundred and nineteen thousand dollars of that obligation; but look down below, the unfunded actuarial accrued liability was one hundred and sixty-one million dollars. Because of this downward trend as of 9/30/06, one hundred and forty-four million five hundred and eighty-four thousand dollars is our unfunded liability, a reduction of sixteen million, almost five hundred thousand dollars. That's good news because the trend is going down. This is the average assessed value of a residence over the last five years. I'll zip through it, but I wanted to bring your attention because down here we all know what we were doing when we were talking with Tony Villamil. In 2004 the value was four hundred and sixty-eight thousand, it was an increase of almost fifty thousand, that was eleven point four (percent); (FY) '05 it jumped up to four ninety-four, a twenty-six thousand dollar increase, five point six (percent); in (FY) '06 five hundred and thirty-four thousand on a forty thousand dollar increase for eight point one (percent); but I must tell you that despite the reduction in market values and therefore assessed values throughout the State of Florida and especially in the Dade and Broward areas, Coral Gables

continues to rise; five hundred and fifty-two thousand dollars on an eighteen thousand dollar improvement for three point four (percent); and this year it went up to five hundred and eighty-one thousand for a twenty-nine thousand dollar increase or a five point two five percent increase. About a year-and-a-half ago, we employed Tony Viallamil at your approval, and he put together a template so that we could actually project; it was Commissioner Withers idea, so that we could project budget to budget and even into the future what we might expect; and Tony said back then that this increase, and this increase would be between three percent and eight percent increase, or a slowing, of the double-digit numbers that we were getting before 2004. So Tony hit it right on the nose in (FY) '07 and he was pretty close in (FY) '08; but what I wanted to bring out to you is the key point is, why does this value go up here and up here, when the rest of Dade and Broward are going down? The key point he made then is because when other drop the quality of service of excellence in Coral Gables that that's why people continue to invest here in Coral Gables in (FY) '07 and (FY) '08. This is a comparison of the property tax decrease based on the millage rate based on a residential property, and this slide changes this year, so let's take a look. The average assessed value in (FY) '07-'08 was five hundred and eighty-one thousand and that was when it had a twenty-five thousand dollar Homestead Exemption for five hundred and fifty-six thousand dollars. In '08-'09 it's five hundred and eighty-one thousand, but now its double to fifty thousand, so the net taxable value is five hundred and thirty-one thousand or a twenty-five thousand dollar decrease. This decrease based on the current rate is an average of one hundred and thirty-two dollar savings to the average house in Coral Gables. I always brag about this slide because everybody knows that when you have a problem in Coral Gables, or you want your services you call Coral Gables, but on that dollar, out of every dollar in the bottom corner of your tax bill, forty-one cents goes to the School Board, three cents goes to the State, twenty-nine cents goes to the County, and twenty-seven cents goes to Coral Gables. I think that's the best twenty-seven cents anybody in the City can ever spend, because this is where the rubber meets the road, we are the ones providing the services, and we do it basically on a quarter on the dollar. Coral Gables remains the twenty-sixth city of total millage with using our new numbers and the only cities that have a lesser millage than us are all new cities, or non full service Cities. This one I'm very, very proud of because we've been working hard. This is the status of the General Fund Reserve Increase (Decrease) in a ten year history. When you all took office you'll remember that you had six hundred and seven thousand nine hundred and eighty-seven dollars in the budget of unencumbered reserve, and you told us, you made it very, very clear through Resolution 2004-196 to create a policy to elevate our reserve to ten percent of the General Fund expenditures; well that's one hundred and twenty-one million this year. I'm here to tell you that through, and I'll get to that, we now have ten million one hundred and sixty-nine thousand dollars of unencumbered reserves in the bank, that is huge. We are just about two million dollars away from our goal of twelve point one million dollars, which is ten percent. We use these monies for hurricanes, we use these monies for contingencies, we had to have an eight million dollar line of credit

until we could build this reserve up; I'm proud to say we don't need that eight million line of credit although we have it. Had our friend "Ike" come this way, and we would have had to go into action, I can tell you assuredly that our cost, the twelve point five percent of our cost, would have been in the range of one point eight to two point one million dollars. So a couple of hurricanes can eat this up rather rapidly.

Mayor Slesnick: David.

City Manager Brown: Yes sir.

Mayor Slesnick: Since you made that point, it is important to say also that the companies that clean up cities don't work on future credit; you either have the cash on hand before FEMA comes, or you don't get cleaned up.

City Manager Brown: Mr. Mayor, that's a good point, and let's make a point of that. When "Andrew" was here the City of Miami had their financial crisis, and did not have the monies to go out and start their clean up right away, and that's why the City of Miami, Coconut Grove was just completely just obliterated with trash for months, because they had to apply for the monies to get them first to clean up. This means we can respond to the resident's needs immediately and then apply to FEMA to have those monies reimbursed, except for the twelve point five percent that's our obligation. So, Mr. Mayor I'm very, very please that this budget we made many, many strides, the reserves are in good shape, although we have two million to go, Mr. Nelson, I and all the Directors are here to answer any questions that you may have, and thank you for your time.

Mayor Slesnick: Thank you. You have any questions for the Manager?

Vice Mayor Kerdyk: I'll just ask one question real quickly. The assessed values of the properties for the City of Coral Gables is...Don?

Mr. Nelson: Good evening. The assessed value currently is thirteen point four billion dollars.

Vice Mayor Kerdyk: And last year's assessment was?

Mr. Nelson: And last year's assessed value was twelve point nine; it was a four hundred and fifty-two million dollar increase in values, despite the fact that we had a three hundred and forty-eight million dollar reduction in the doubling of the Homestead Exemption. So how did we have an increase in the value overall? - growth of values, we have five hundred and fifty-one million dollars of growth of just value increases; we had two hundred and forty-nine million from increase in growth just from new construction. So we had eight hundred million dollars combined with new construction

and growth of property values. When you take away the effect of doubling the Homestead Exemption which was a loss of three hundred and forty-eight million; we had a net of four hundred and fifty-two million dollar increase where as the Manager mentioned in Dade and Broward Counties and other Cities, they saw a drastic reduction in their value of properties, here we had an increase in value.

Vice Mayor Kerdyk: I'd just like to make an observation. So you said five hundred and fifty-one million dollars of increased values of property, correct?

Mr. Nelson: Yes.

Vice Mayor Kerdyk: You probably don't know, but I'll ask the question anyway. How much of that is attributable to commercial and how much is attributable to residential, do you know that?

Mr. Nelson: I can tell you that the percentage of total property value, if it's in proportion that sixty-seven percent of our property value of our thirteen point four billion is derived from residential property, sixty-seven percent; and thirty-three percent is from commercial.

Vice Mayor Kerdyk: Here's my observation - I don't think it is proportionally, that it's proportionally done like that; I think the five hundred and fifty-one million, if you looked at it hard, would come mostly from your commercial sectors; most of the property values that I saw in the residential areas have moderated or gone down in value; the commercial market however, has all those buildings in Coral Gables have continued to increase in assessed values. Now, I only bring this to your attention for one reason only; is next year, that's when the rubber meets the road; that's when the property values and commercial properties will probably decline because the market has softened in that sector, so don't go thinking you are going to continue to have this five hundred and fifty-one million dollar of increases every year, when probably that will not happen next year. Just an observation.

Commission Withers: Let me just make sure I understand this page on the retirement system because it's different from the workshop. You had estimated a twenty-four million dollar line item to fund the retirement system.

City Manager Brown: Correct, that's correct.

Commissioner Withers: Due to the myriad of reasons, cutting overtime, investments, whatever the reason is, we actually need to fund the retirement system for twenty-one million five hundred and sixty-nine thousand seven hundred and ninety-three dollars?

City Manager Brown: Current obligation.

Commissioner Withers: So we have an excess of two million four hundred and thirty thousand dollars, two hundred and seven of which you are applying that to the amount of money that we owe the State of Florida of three million two hundred and forty-nine thousand three hundred and seven dollars?

City Manager Brown: We don't owe the State of Florida, we owe the Fund...

Commissioner Withers: Well, OK.

City Manager Brown:...but that's our recommendation to you.

Commissioner Withers: OK, OK. I thought there was a three million dollar amount that we owed the State of Florida?

City Manager Brown: Well the three point two million is what we owe the Fund for the actuarial drop from nine to seven-seven-five, the Coral Gables Fund, ours. I want to take the two point four million and apply it to the three point two million.

Commissioner Withers: OK. Well, I'm confused. What was the three million dollars the State of Florida that we were paying interest on each year? - wasn't there an amount we were...

City Manager Brown: That's our fund.

Commissioner Withers: That's what I'm talking about - OK, OK, that's what I'm referring to.

City Manager Brown: We are paying interest to our fund until we...because the State of Florida say; hey until you pay that thing interest is growing.

Commissioner Withers: OK. So basically your idea this year is to totally eradicate that three point two million dollars.

City Manager Brown: At least two point four of it.

Commissioner Withers: OK. And the eight hundred and nineteen thousand we...

City Manager Brown: We will pick up on the (FY) '09-'10 Budget, or this year.

Commissioner Withers: Why not take that from reserves?

City Manager Brown: We can do that.

Commissioner Withers: That's a decision we would have to make, because we are paying interest on that money.

City Manager Brown: That's correct...seven point seven five percent on the...

Commissioner Withers: It might be prudent for us to go ahead and pay that eight hundred and nineteen thousand out of reserves and save that seven point seven five percent interest; I don't know how the other Commissioners feel, but I...

City Manager Brown: It would retire the debt completely.

Commissioner Withers: That's what I'm saying, and would that not help our balance sheet when we would go for the triple "A" or the increase in the Moodys or does it...I know that's what we are shooting for is to get that bond rating.

City Manager Brown: It would help.

Commissioner Withers: Which would help more? - the higher reserves or the reducing of the debt? I mean, it's a business decision that I think, if we have the money to do it, we ought to...

City Manager Brown: Currently and Mr. Nelson can correct me if I'm wrong; the reason why we dropped to 2A1, was the value of the unencumbered reserves.

Commissioner Withers: It was not the outstanding debt on the pension?

City Manager Brown: No, although they considered that, but the number one reason was they wanted us to increase our reserves.

Commissioner Withers: Maybe by the next Budget Hearing where we vote on the finality of it, maybe we can look at that, and maybe you can come back with a recommendation, maybe after speaking with each of us to see whether we would rather clean up the debt side of our balance sheet or improve the asset side of our balance sheet, because our debt isn't part of our operating balance sheet, its not a separate category anyway.

City Manager Brown: We'll have a recommendation for you all.

Commissioner Withers: David, that's very good news, and reducing what we call the unfunded liability, that's if everybody were to retire today at full retirement benefits at sixteen million dollars, that's also been reduced.

City Manager Brown: It went to one forty-four five eighty-four, which is a sixteen million dollar reduction, clearly...

Commissioner Withers: Wow! That's exceptionally good news.

City Manager Brown: Clearly the arrow is pointing in the right directions.

Commissioner Withers: Congratulations.

City Manager Brown: Thank you.

Commissioner Cabrera: Let me bring up a couple of issues. Let me start from the minor issues to the larger ones. First issue is, what are we removing or taking from reserves?...I'm on...can you hear me?

City Manager Brown: Barely.

Commissioner Cabrera: I've got it turned on.

City Manager Brown: OK.

Commissioner Cabrera: What are we taking from reserves to fund other projects in the City? What line items are being used from our reserve account?

City Manager Brown: Well, at the next Commission meeting before we close out the Fiscal Year, we are probably going to bring to the City Commission really two items that I'm positive of; one is the roof and the air conditioning of the Country Club of Coral Gables...

Commissioner Cabrera: And what do you estimate that to come in at?

City Manager Brown: Probably one hundred and fifty thousand dollars is the estimate.

Commissioner Cabrera: You know, I think there is something wrong with my speaker.

City Manager Brown: I think so too.

Commissioner Cabrera: My microphone, she can't hear me, and I'm speaking as loud as I can. Can you hear me now?

City Manager Brown: Much better.

Commissioner Cabrera: OK. Sound like a Verizon commercial. So what...say that

again...you are going to remove from reserves?

City Manager Brown: I'm going to ask for permission to remove from reserves that will go into this year's accumulation one hundred and fifty thousand dollars to repair the roof and the AC of the Country Club.

Commissioner Cabrera: And that's your projected expense?

City Manager Brown: Yes. And then also three hundred and thirty-seven thousand dollars for the Museum.

Commissioner Cabrera: Are those the only items that we'll be borrowing from reserves to fund other projects?

City Manager Brown: Yes sir.

Commissioner Cabrera: So one is the Museum and the second is the Country Club?

City Manager Brown: Correct.

Commissioner Cabrera: Secondly, and this is also a minor issues that we talked about earlier today during our City Commission meeting. We discussed the Fire Explorer Program. You sent me an e-mail sometime around four o'clock today, and you explained to me that it's about a thousand dollars a year to fund the Fire Explorers...

City Manager Brown: Two thousand.

Commissioner Cabrera: Two thousand...and you explained that that was primarily for their uniforms?

City Manager Brown: Um huh.

Commissioner Cabrera: What about staffing? What about the advisor, the person that has to provide supervision to these young people?

Chief Reed: The staffing is done...I use on duty staff so when the explorer leader is on duty he actually conducts the meeting and then I have a staff officer that's also assigned, so we don't incur any overtime any more to do that program.

Commissioner Cabrera: Well, I appreciate the quick turn-around by you Chief, and you Mr. Manager. Stay up here Chief because this is where it gets hot. This is the issue I have. You're going to get, I think, an approved budget from the five folks, the four folks that I serve with, and you will probably get one from me tonight, with one exception. We had a Budget Workshop this past July, and during this Budget

Workshop we talked about the Fire Rescue fee. During that time what we did was, or what I did was; is, I went out to the insurance industry, and I discussed with the insurance industry the cost or the administration of fire rescue services. I came back to the entire group, including you and your staff and my colleagues, and showed you all in writing, and incidentally I have copies of my work here. I showed you in writing that of the nine companies we contacted, six companies responded and each and everyone of the companies literally had a different way to administer the fire rescue fee. I went on to explain to you the cumbersome process that a resident would potentially undergo if they had a fire transport fee assessed, and we'll get to that in just a minute; subsequently to the Budget Workshop, and you were very clear with me yesterday when I called you and I was upset, that the fire rescue fee was back on, you were very clear with me when you said to me that the Commission had not given you the authorization to remove it, and its two hundred and eighty-five thousand dollars from this budget, that's what I'm looking at this line item. The way I left it when I made my presentation was, I told staff that the way to solve this problem was at the State level; subsequently, I contacted our lobbyist that represents us in the State of Florida, Mr. Fausto Gomez; Mr. Gomez and I decided that the best course to take was to literally fly up to Tallahassee and present a case where legislatively at the State level a reimbursement fee would be agreed upon, and then passed onto the insurance companies, so that the insurance companies could then uniformly monitor or administer this benefit; and what it would do it would eliminate the concern of citizens of getting a balanced bill or getting a bill of three hundred dollars for reimbursement of transportation services by Fire Rescue. Mr. Gomez and I have not made that trip to Tallahassee, I explained to Mr. Gomez that I would prefer to fly up there during the session, and solicit input and possibly support from other State Legislators, as we spoke to staff about this, but I bring you back to my discussion with all of us regarding this benefit. Here's the way it mechanically works: someone is transported by our Fire Rescue services in Coral Gables to Doctors Hospital, and medical information is obtained as it relates to health insurance; and let's say in the case, the case that I'm using today its myself; I was transported to Doctors Hospital and in the process of transporting me you obtain my health insurance information; and your presentation tonight says that you will then bill the insurance company. Let me give you some likely scenarios of what the insurance company may or may not do. First thing the insurance company may or may not do is decline the claim, just outright say, we're not going to pay this; this is not a covered benefit for Mr. Cabrera. The second thing the insurance company may say is, we're not going to pay or not pay, we need more information from Mr. Cabrera and we are going to send Mr. Cabrera a letter asking him to tell us why he was transported by Fire Rescue. I may get that letter within 60, 90, 180 days, and in the interim there is still an outstanding bill out there; or the insurance company may in fact pay a portion of that and balance bill me for the rest. What assurances can you give me, not the rest of the Commission, because I'm the one that lives and breathes health insurance for the last twenty-seven years; what assurances can you give me that the subscriber, the resident is not going to be either balance billed or

charged by someone for that transportation?

City Manager Brown: Just a little thought on my background of the item. We do about three thousand transports a year; that three hundred dollars a transport, if we collected on all of them, that's a million dollars, but we are not going to collect on all of them, we know that; so we budgeted twenty-five percent of that; and we thought that was a good number to start on insurance only, and here's our thought process - if it gets all the way down to where we are never going to bill anybody but the insurance carrier, that assurance you have; we are not going to bill...

Commissioner Cabrera: I know that, I know that.

City Manager Brown: But I know what you said is correct; the carrier may send a bill, they may say its uncovered, pay the bill. We will send a letter out to every homeowner, first of all we are going to do a very good educational program should you get a bill on transport don't pay. We are going to not bill them, but in the effect that somebody sees not a bill, or sees the carrier sends something and sends us a check, if it gets away we get the check, I will instruct the Finance Department to have a pre-printed letter sending it back to them, saying with the compliments of the City of Coral Gables, thank you very much but this is not...some nice letter sending it back to them; and we will never cash a check from a resident for a transport fee, and hopefully you will get to the Legislative Session next year and we won't have to do this, it will all be automatic.

Commissioner Cabrera: But Mr. Manager, I understand that the City is not going to try to hurt the resident, I'm not worried about us, I know we are going to make a real concerted effort; I was talking about mechanics. Fundamentally I had a huge problem charging people for basic services, and I consider Fire Rescue to be a basic service, and I know the next thing you are going to say, which I accept is we are the only City in Miami-Dade County who is not charging a Fire Rescue fee, is that correct sir?

City Manager Brown: That is correct.

Commissioner Cabrera: I don't care. I don't care.

City Manager Brown: But you know that is not one of the real reasons; the real reason is if we can get money from the insurance carriers and protect the resident, I'd be for that.

Commissioner Cabrera: Well, I will continue to say what I've said before, you are going to have people with fixed incomes in our City who are going to think twice before they allow Fire Rescue to transport them to a hospital, I'm just telling you like it is...

City Manager Brown: I understand.

Commissioner Cabrera: My own father who has more money than God, but doesn't spend it, he will transport himself, he will get on a scooter before he will allow Fire Rescue to transport him, because he will look at a three hundred dollar expense and say to himself, you know, what if I get charged, and then I have to deal with Medicare, and I have impeccable credit, and I pay all my debts, and everything I do on a cash basis, how am I going to deal with this problem?- and maybe my Dad was a bad example, but a lot of people on fixed income in this City are going to have a hard time. Look, let me give you an example; we've got people on fixed income in this City that are already calling us about the increase in trash, and it's a minor increase, because we talked about it three years ago when you gave a thirty percent increase and I said, can you lower that?- and can you make that more palatable for those that are on fixed income?- and we went down below ten percent; so now we are talking about, and incidentally the people that had called me, and I had received calls, and if you doubt me I'll give you the names of the residents, I'm sure I'd have to get their permission first; but I've got folks on fixed incomes in this City that have said to me I don't know how I'm going to pay it, I don't know how I'm going to pay that trash increase, I'm dead serious, I'm dead serious; so now we are looking at a three hundred dollar Fire Rescue fee. Now, I don't know if any of you value the work that I did, if you don't that's fine with me, but I went out and talked to all these insurance companies, and I got all but three companies to respond to me. Lady and gentlemen, everybody administers this benefit differently, there is no uniformity, there is going to be mass confusion on this issue, and we are talking about two hundred and eighty-five thousand dollars. Now we were able to find a lot more money for other projects in this City; other projects that are not I would call life saving, but quality of life nonetheless; and we were able to find funding for those projects and we have to now all of a sudden come in with this three hundred dollar Fire Rescue fee and Mr. Manager, thank you for calculating twenty-five percent, you are being overly generous, and I appreciate that, I just can't support it. So as we go through this Budget tonight, I'm sure there are going to be lots of folks that are going to talk about other things; fundamentally I'll support the Budget, but I will not support it based upon this Fire Rescue fee, so you are going to get a 4-1 vote, and if that's OK with you that's what you are probably end up getting tonight.

Vice Mayor Kerdyk: Mr. City Manager, I thought we talked about this during the Budget Workshop and there was some hesitance as far as moving on from that standpoint.

City Manager Brown: Well, that's what Commissioner Cabrera said, but when we were at the Budget Workshop we didn't get direction to remove the fee from the Budget.

Vice Mayor Kerdyk: I thought you were going to meet with each of us though and talk to us extensively about it.

City Manager Brown: It was my information, I mean, I thought that with the ability to send the check back that you would feel comfortable. We got the check. Commissioner Cabrera is bringing up a different issue and that's not wanting to get on the ride.

Commissioner Cabrera: In all fairness to the Manager, I mean, when we spoke about this, he did say, yeah, you know, you made a good presentation, and yeah you had some good points, he didn't say it this way, but he basically agreed to a great extent, but then he said the Commission did not agree on this and therefore I have it on the Budget. So, hey that's fine, but I'm telling you Bill, just like you are the real estate expert on the City Commission, and I do listen to your counsel, and I do listen to your commentaries when it comes to real estate; I've been doing this a long time and I know the problems that occur from claims adjudication, and I know what this will ultimately do, and it's funny because I made a melodramatic comment about people are going to die possibly, and Don said there are no statistics to prove that in other Cities people have died because of the introduction of transport fees; well that's true, but we don't know for sure whether people die or don't die from transport fees; the point is this is Coral Gables and I said to the Manager, you know, we are the only City that doesn't do this, well we are also the only City that gives you recycling in your backyards, and we are the only City that does the kind of trash pick up that we do, and that's what makes Coral Gables such a special place to live. So that's why I just can't support it, and I know that this puts a burden upon you, if my colleagues should agree with me, but I know you can find two hundred and eighty-five thousand dollars somewhere else because you have found it for other projects, I just saw it within the last two weeks; you found money for other projects; you are going to find other monies for other projects the next time we meet as a City Commission. So with that in mind...

City Manager Brown: I will tell you it gets tougher and tougher now.

Commissioner Cabrera: It's tougher and tougher; you know how I feel about this, I'm going to fall on the sword on this one and...

Mayor Slesnick: Don't fall on the sword...

Commissioner Cabrera: No, it's OK; falling on the sword is a good thing.

Mayor Slesnick: Ralph, it's more effective with me when you give us the facts that you worked so hard on as opposed to political statements...

Commissioner Cabrera: Well, I mean when I say falling on the sword, I'm not trying to

be political.

Mayor Slesnick: But I like what you did. Let me ask you a couple questions, this is not to debate...

Commissioner Cabrera: No, no, go ahead, I think this is good.

Mayor Slesnick: Number one, would you feel any differently if we were charging non residents who don't pay the taxes.

Commissioner Cabrera: Absolutely not, and I've told the Manager that, and he says he's already doing it.

City Manager Brown: We are already doing non residents.

Mayor Slesnick: You doing non residents?

Commissioner Cabrera: He says he's doing non residents and our City's population Monday through Friday slows to about a hundred thousand, is that correct Chief?

Chief Reed: Yes sir.

Commissioner Cabrera: And a lot of the Fire Rescue calls are for folks that are working in our downtown area and don't necessarily live in our City, so I would certainly be comfortable with that, as well as traffic accidents that occur because of cut-through drivers. So I don't...I do not argue that point. I'm only representing the residents of the City.

Mayor Slesnick: Which non residents do we charge?

Commissioner Cabrera: You charge them all.

Chief Reed: All non residents make up about a third of our transport gets the same price.

Commissioner Withers: The number that Dave gave, that three thousand number; two thousand of those are Gables residents?- or there's a total of four thousand of which three thousand...

Chief Reed: Approximately a third of the total is...

Commissioner Withers:...three thousand, so there's two thousand...

Commissioner Withers: Are not residents.

Vice Mayor Kerdyk: Two thousand times three hundred, which is six hundred thousand, so now you are not taking twenty-five percent you, are taking fifty percent in your estimation.

City Manager Brown: I'll take twenty-five percent on all transportation.

Commissioner Withers: Let me proffer a solution, which I think the City...let me proffer what I think could be a solution, which I think the City would benefit from. I'm assuming when we transport someone we know...are they put in any kind of data base?- how do we track someone from your department?- how do we...do put their name and address into the computer system that night, or how does that happen?

Chief Reed: When the officer transports they come in and do a report and put it into a computer system and all their information is kept...

Commissioner Cabrera: But the insurance is not part of that.

Commissioner Withers: I understand. I understand. But how neat would it be that if we sent a letter out to those people within forty-eight or seventy-two hours, not only asking them to maybe evaluate the service and ask them how it went, but at the same time to advise them that any billing beyond what your insurance would cover is not to be paid; could we be proactive at that point?- do we have the data and the persons name at that point to do that?

Chief Reed: We do mail-outs and customer service surveys for each call...

Commissioner Withers: I'm sorry, how's it done? - is it done computer generated? - is it done with a mailing label? or...

Chief Reed: It's actually done with a mailing label and then...

Commissioner Withers: Which we could improve on. I mean, Ralph, is that a solution?

Commissioner Cabrera: You know, I don't see it as a...I appreciate your idea, and I'm willing to consider it. Let me tell you why that's not a solution. In our business most of our clients, they get a claim, or they get some sort of notification from the insurance company; we literally are the ones that represent them; and you would not believe the number of issues that we deal with that are normal issues, things that are just completely non threatening, non critical, and people don't even know how to respond to them. So my fear factor is that practicality and the real world is that people are going to see a three hundred dollar fee, and panic and pay it, and/or call their insurance company and not get the right answer from that representative, or that

representative is not properly trained to respond to that; and that's the only reason that I'm concerned about it; and then you've got the folks, and again I apologize for using my father as an example, because he's a phenomenal guy, and he would pay that three hundred dollars. I'm just saying that you have people on fixed income that would be so concerned knowing upfront that there could be that expense, that they'll say, you know, maybe my daughter can come and pick me up because I'm not feeling well, and the daughter doesn't get there for two and-a-half hours; and the next thing you know by the time they arrive at the emergency room its too late to save their lives, or their medical condition has worsened to a point that it becomes even more expensive, and certainly more of a hardship for that person. That's my concern; over two hundred and eighty-five thousand dollars.

Mayor Slesnick: Let me ask you my second question.

Commissioner Cabrera: OK.

Mayor Slesnick: You are not suggesting that you have an objection to charging the insurance companies?

Commissioner Cabrera: No, not at all; I don't have a problem with insurance companies; I have a problem with insurance companies (laughter) but they let me pay my mortgage. But I have a problem with the mechanisms that insurance companies utilize to administer their claims and...

Mayor Slesnick: In a perfect world how would you...let me say this, and this is where I'm hung up; bear our souls...I happen to think you made some very good points, and did the first time around, as I said that time, but I just am still trying to wrestle with the fact that Miami Shores, Palmetto Bay, Pinecrest, etc., the Fire Department serving those upscale Cities, which is Metro-Dade Miami-Dade Fire Department, charges the insurance companies. So the insurance company pays for those governmental services and they are not paying for Coral Gables governmental services...

Commissioner Cabrera: But Don, they don't all pay, that's a big fallacy, that's where my analysis came in...

Mayor Slesnick: OK, they don't all pay; OK they don't all pay, but many do or many claim to pay.

Commissioner Cabrera: Some pay depends on how it's filed, how the claim is filed.

Mayor Slesnick: I mean, I know how much money the County takes in, it's a gigantic area; they take in a lot of money; I don't know if its from the companies or from the citizens; because let me say this too for people watching this there most other

jurisdictions don't worry about who pays it, they just take the money; they take it whether the citizen pays it or whether...

Commissioner Cabrera: Right.

Mayor Slesnick: So if we are concerned about that...I guess what I'm trying to struggle with is how can we get over this? Let's say we don't pass this in this Budget; let's say that your argument carries the day and I join you, and Bill joins you, someone joins you and says, we are not going to vote for this; how do we move Ralph, because we really started talking about this five years ago, and we never moved an inch, and by the way, if anyone thinks that I would be critical of David, or Don, or the Chief for trying to come up with the method of trying to move in this direction, I am not being critical of them, but if we say that Ralph has some good points that we need to address, how is it that we move off dead center and start moving in that direction?- depend on the legislator?

Commissioner Cabrera: The best...well I think so. Let me tell you what happens at that level. Today in the State of Florida insurance companies must provide certain mandated benefits, all kinds of them; they include OB-GYN annual examinations for females, well baby care, after a child is born, podiatry care, a number...dermatology visits to any dermatologist that doesn't necessarily have to part of a network. These things get done at the State level, and I'm going to tell you that in my conversations with some of the insurance companies at the senior level, they have said, hey you know what, its not a bad idea; and I'll tell you why, because we can go ahead and budget in our benefit plans as we reformulate them a set fee for Fire Rescue services; that is different from ambulance services, and now you have uniformity in the State of Florida, and everybody is going to pay a three hundred dollar transport fee, they may agree to pay two hundred and seventy-five dollars, or two hundred and fifty dollars, whatever the per diem ends up being, or whatever the mandated benefit becomes, its up to the carrier; and at least the subscriber, the patient, the client understands what the expectation is going to be from a monetary standpoint rather than this terrible system that nobody seems to have it down pat. I've got a client in Coral Gables, who is an owner of a company, who was in Pinecrest, and his child incurred some kind of injury, and was transported in Pinecrest to a hospital and they got, I think, it was a two hundred and seventy-five dollar transport fee and they called me, and this is a bright person who has a white collar firm, he is the President of it, and he says, what do I do?- how do I handle this?- and the best thing that I could do was, I said, you know what, let's file it with the insurance company and they are going to apply it to your calendar year deductible. So he was out of pocket two hundred and seventy-five dollars, and he said, gee I wish I had been in Coral Gables when this happened to my child. But you know, that was the way I got through that, and that was just one example; I can give you dozens of examples, that I go through day in and day out, and its still a benefit that people don't necessarily understand; and so you know, at the end

of the day if you decide that two hundred and eighty-five thousand dollars based upon the Manager's projections is going to save the day of this Budget, then so be it; I understand your positions; I respect them, but I will vote against this Budget; and I'm still going to go up to Tallahassee; I'm still going to try to do something about this issue, but I, hey you know what...

City Manager Brown: I volunteer to go with you.

Commissioner Cabrera: OK - if we are going to put this in, I know this is being childish, but if we are going to put this in, let's go look at the way we recycle; let's look at the way we pick up trash, because if everybody is doing it differently and we want to be like everybody else, then let's look at all our practices, let's just not focus in on Fire Rescue services, let's look at it all. I tell you what, you are going to get a lot more people upset about trash services than Fire Rescue, and that's kind of a ridiculous statement for me to make, but it is a reality, and people will only get excited over this in the next 30, 60, 90 days when they start see the fees. That's my argument.

Mayor Slesnick: Thank you. Maria did you have anything before we go to public comment?

Commissioner Anderson: No, I just wanted a clarification on, a few questions; what does the medical transport fee cover? Do we have expenses that we incur every time we go out on a call? Just out of curiosity.

Chief Reed: Well the transport fee covers taking the patient to the hospital, and then there is some small incidental cost for oxygen, if they are going to use that, but the major cost is the transport fee.

Commissioner Anderson: Mostly the vehicle and the personnel?

Chief Reed: Yes, it covers the cost of the personnel and the equipment that we are using, if we have to replace them.

Commissioner Anderson: That would be good just for general knowledge.

Commissioner Cabrera: But basic medical services are not included or any kind of medical services are not included in that transport fee.

Chief Reed: The medical services that they receive at the hospital are not.

Commissioner Cabrera: No sir, but Chief, the Fire Rescue does a phenomenal job once they arrive at a scene of whatever issue they are dispatched to, to provide basic medical services; they stabilize the patient, and they begin to analyze the condition, and

in some instances they provide treatment.

Chief Reed: Right. And we are not billing for the treatment itself, it's only the cost to transport the patient from their home to the nearest facility.

Commissioner Cabrera: I understand. And that's the basic medical treatment services are part of taxpayers service, I'm assuming, you don't charge for that ever.

Chief Reed: Not currently.

Vice Mayor Kerdyk: Let me just...can I ask another question please about the non resident. The non resident make up one thousand or thirty-three percent of the three thousand calls, is that correct?

Chief Reed: About that number, yes sir.

Vice Mayor Kerdyk: And so, how much money are we collecting?- we're collecting the three hundred dollars from those one thousand calls, is that correct?

Chief Reed: Well, we bill that amount, but in actuality we are probably collecting about fifty percent of that.

Vice Mayor Kerdyk: Fifty percent of that, alright. So in other words we have three hundred thousand dollars that we collect times fifty percent; we collect really about one hundred and fifty thousand dollars; where is that in the Budget?- where is that one hundred and fifty thousand dollars in the Budget?

City Manager Brown: It goes to General Fund.

Vice Mayor Kerdyk: In the General Fund. I learned something new today; I didn't know we were billing for non resident at all.

City Manager Brown: Vice Mayor, we started doing that about five years ago.

Vice Mayor Kerdyk: Five years ago.

Commissioner Cabrera: Do we get payment?- do we get payment?

Vice Mayor Kerdyk: Fifty percent.

City Manager Brown: Fifty percent.

Commissioner Cabrera: What happens to the other fifty percent?- you just let it go?-

you don't balance bill, you don't go after them?

City Manager Brown: We don't go after them.

Commissioner Withers: Can I ask a question non related to the Fire?

Commissioner Cabrera: I'm done, I'm done.

Commissioner Withers: You made a comment earlier about capital improvements...

City Manager Brown: Yes sir.

Commissioner Withers:...and you mentioned that there was three hundred and thirty-five thousand dollar for the Museum; I want this Commission to know and the people watching to know that that's not money going to the Museum.

City Manager Brown: No, that's to build out our portion of the second floor, which wasn't in the original plans. We weren't going to inhabit that second floor, since the archives are going to be up there. Carol will be up there and kind of monitor the archives, so that's our portion per contract that we have to be responsible for.

Commissioner Withers: I just want to make sure that its for City offices, storage of the archives, for employees of the City to have office space.

City Manager Brown: For facilities...correct.

Commissioner Withers: Thank you Dave.

Mayor Slesnick: Thank you Don. We are going to go to public hearing. For those of you who cooperated and put your addresses thank you very much; for those who didn't you'll have to give us your address when you come forward. I'll remind you that we have a time period of three minutes per speaker, and if you would please help observe that, I would appreciate it, as would the rest of the Commission. Aaron Glasser, 90 Edgewater Drive.

Mr. Glasser: Good evening gentlemen, lady; I represent the Coral Gables Citizens Crime Watch. What I would like to say is Coral Gables Citizens Crime Watch is a meeting between the citizens, and the Police, and the Fire of our City, and it brings us all together, and we had...what we are asking for; we are asking for a budget item of about thirty thousand dollars; and this would fund the Coral Gables Citizens Crime Watch; and the most is the payroll of our Director Chief Pat Keel; and we are running bare bones. We meet with the residents at various locations: North Gables, South Gables, and myself going with the Chief. I've got a lot of input that the people are really interested in continuing this program. So I would ask that you please give us

consideration, so that the Coral Gables Citizens Crime Watch can continue and do the good work that we are doing.

Mayor Slesnick: Mr. Glasser while you are here, David, we had asked you to look at Crime Watch, and did you insert any money for them? I'm just asking, or did you not insert?- just so we'll know.

City Manager Brown: We funded the remainder of this year.

Mayor Slesnick: I realize that; we came up with the money for the remainder of this year.

City Manager Brown: Did we fund Crime Watch in this Budget? No, it's not in there right now.

Mayor Slesnick: OK. Aaron, thank you very much.

Mr. Glasser: OK, my pleasure, thank you gentlemen.

Mayor Slesnick: Bring it to our attention again. Richard Namon of 5555 Oakwood Lane.

Mr. Namon: Thank you for taking the time to listen to my comments. I do want to make the additional comment. I agree with Commissioner Cabrera one hundred percent regarding the Fire services for emergency services. This year's budget is a carbon copy of its predecessors; its intended to demonstrate excellent financial management of the City by the City Manager and our Elected Officials; and up to eight years ago it did that. Since then our Budget and Financial Statements have become deceptive and incorrect by not including a new budget deficit. Our public Financial Statements have not had Florida Statutes on debt disclosures in public; according to Florida's definition of debt the Coral Gables Unfunded Pension Fund Liability...

Mayor Slesnick: Mr. Namon, would you pull that mike a little closer, if you can.

Mr. Namon: OK. The Pension Fund Liability should be referred to as a debt; we have been paying interest on the Pension Fund debt and all the financial disclosures have not included it. Interest payments should not be disguised as pension contributions or amortization payments in unaudited supplements to State required financial disclosures have been done in the past. Interest and principal reduction amounts for our largest debt payments cannot be kept from public budget hearings. The City has failed to make Pension Unfunded Liability statements in the budget, or show how much each budget payment will reduce the debt in the same way it does for borrowed money. The history of the pension debt shows the pension fund has a surplus of ten million dollars in 2000, that became a debt of one hundred and sixty million in 2006,

according to the 2007 Comprehensive Financial Report. As a bookkeeping convenience, pension debt is reported and paid for the previous year. That adds a seven and-a-three quarter percent carrying charge for payments, over a million dollars for last year. Considering the impact this debt has had on the budget, City services, and fees to residents and builders, it should be in budget reports given out for public comment. The Sunshine Law does not allow hiding unpleasant information. I ask this budget include complete pension debt information. It is needed, legally necessary, and a black mark against the City for its absence. As I just said, this budget does not reference our Pension Fund debt, or the seven and-three quarter interest payments forward. The pension debt was over one hundred and forty-four million on October 1, 2007. This is greater than our annual budget. Payments for the pension debt plus normal pension contributions account to more than twenty percent of this budget. The 2007 debt includes a five million dollar plan amendment charge for an average cost of living benefit. That expense isn't shown in our budget, while direct pay raises are shown. According to the City's actuary, our 2007 interest payments for the pension fund debt was over thirteen million dollars. Debt payment isn't identified in last year's budget, or in Coral Gables 2007 Comprehensive Annual Financial Report. Paying seven and-three quarter percent on the pension debt is bad business. We should openly state the debt and borrow the money at a lower rate. We would save millions of dollars a year if we did. On page 7 of the preamble of the Budget Proposal it says, the total outstanding principal debt of the City as of October 1, 2008 is sixty-two million plus dollars. It goes on to say the annual principal interest debt service of six million one hundred thousand, represents four point four percent of the total operating debt service budget a hundred and forty plus million dollars. Beware the City's administrative goal of maintaining under five percent of total operating and debt service cost. This is "Enron" bookkeeping; there is a notation in the budget of a twenty-four million dollar expense retirement benefit; there is no statement that a thirteen million dollar portion for it is being paid due to the pension debt. Our two principal and interest debt service is about thirteen point six percent of the total budget this year; for greater than the administration's five percent goal. The unfunded pension liability is a debt and payments for our debt payments. Pension debt information is a necessary part of the budget process, presenting good news in the Annual Report and hiding bad news in the Comprehensive Annual Financial Report has to be stopped. Interest and principal reduction payment information is required, and has not been reported in either. The future of Coral Gables financial health requires transparent disclosure. Many individuals that are a part of Coral Gables Retirement Plan are not aware their benefits are sixty-five percent funded. By not dealing with the pension debt and the three payments is an integral part of the budget both vested pension holders and taxpayers are not being fully informed. It is the fiduciary duty of the City to account to both groups in the only financial document available for public comment, which is this one. There is no good reason for not including the pension fund debt information in the budget since it is a part of the budget. There are many reasons why it should be included, and hopefully my attorney won't have to pursue them. I thank you for your

time.

Mayor Slesnick: Mr. Nelson, would you take this and please send a memo to the Commission concerning the allegations made by Mr. Namon.

Commissioner Cabrera: Can you copy Mr. Namon?

Mayor Slesnick: Sure. Mari Molina, 220 Miracle Mile. Mari did you stay?- here she is. Mari of course is the Executive Director of the Business Improvement District.

Ms. Molina: Good evening, I'm sorry, I didn't want to disrupt the members of the audience. Mr. Mayor, Commission, Mr. Manager, City Clerk, and City Attorney. I wanted to come before you to talk about holiday lighting. Earlier this year, our Board of Directors of the Business Improvement District of Coral Gables passed a resolution allocating a significant portion of our budget toward holiday lighting. This is going to be my fourth year here; my first year I was here, it kind of rushed up on me, and I was like, oh my goodness, we don't have any lights in downtown. The second year, the BID and the City actually split the cost of lighting the median; and low and behold we got a lot of accolades, but everybody said, is that all we are doing? The next year, the BID purchased street banners because we got an approval to put some banners and wreaths on the poles, and we still have those in stock; and then last year with all the cuts nothing was done, and actually I got more complaints probably from residents than I did from our business owners, although obviously, our business owners felt like we should allocate more to this. This year our budget is twenty percent less than it was last year, and we represent a larger area. So for us, we understand your pain, and it certainly is expensive for us as well. We have been working, the BID has been working with City staff; and I want to thank the Manager's office, Parks and Recreation; we've all been trying to be really creative of how we can get this done. We actually went to the company that does the Holiday Park, and got an estimate from them; and I have since found out, that they are the vendors that do a lot of our neighboring cities. I know that the City of South Miami spends about thirty-five thousand each year; Coconut Grove spends about one hundred thousand dollars each year; and I've been doing a little research and I found out its pretty much it's the same company. I thought that their estimate was very reasonable. We got a proposal from them to light all of the trees in the downtown, including those closer to the stores, the median obviously; and also to put some festive decorations in other streets around the downtown. The total estimate was about fifty thousand dollars. The B.I.D. has allocated twenty-five thousand dollars from our budget; we are also trying to secure corporate sponsorship, but as we know in these times right now we are having a really tough time trying to get that. As a matter of fact we are about to have "Halloween on the Mile", which we used to almost completely always get underwritten, and a lot of our sponsors haven't come back. So I'm really worried about not being able secure...we are trying really hard and we think its such a visible project; and hopefully,

if somebody is watching tonight and they want to contact us, we'll be more than happy to talk to them about it. But I'd like to come here today and ask the Commission to please, and at this point I don't even know if it might be in the budget already, but to look at all the events we do; and to really look at this one closely, because this is six weeks, this is not one night; this is not one celebration; this is six weeks of making our commercial district festive; and really, we've been talking about the commercial district; and I believe you said that sixty-seven percent of our revenues are coming from our district; we are also talking about how all our stores are having problems; this would be a great way for us to try to make the area vibrant.

Mayor Slesnick: David, is it in there?

City Manager Brown: No sir.

Commissioner Cabrera: You know, we had a pretty animated discussion, I'm sorry ma'am, have you completed your presentation?

Ms. Molina: Yes.

Commissioner Cabrera: Thank you. We had a fairly animated conversation, the five of us along with you, this past summer regarding the Fourth of July, and the fact that we decided not to do the Fourth of July. I don't know what happened to those monies that we had allocated for that event where they went; that's OK, you don't have to answer me, but more importantly, what I did was I asked you to give us a breakdown of all the expenses associated with special events...

City Manager Brown: We did.

Commissioner Cabrera:...and you did; I remember we spent thirty-three thousand dollars on plastic eggs for The Easter Egg Hunt. You know, something like that, thirty-two thousand, could we review some of our events?

Mayor Slesnick: I support this.

Commissioner Cabrera: I do too, I support this. This is a six week event, and Madam Director, you weren't here earlier today, maybe you were watching from your office and you missed my comments about the BID, and how important it is to have you come back to us and talk to us a little bit about the vacancies in the downtown area because I'm concerned, I'm really concerned about this, but more importantly here's a great opportunity to have six weeks of a program that I think will attract more people to our downtown area and beautify the area, and hopefully stimulate the economy, at least for those downtown merchants. I think its money well spent; and we do have events in our City that are not well attended by citizens; and maybe I was being funny

or trying to be funny about the Easter Egg Hunt, but I do remember you telling me thirty-two thousand dollars is what we spent last year on the Easter Egg event; and personally I'd rather see us spend twenty-five thousand dollars to help the merchants than have a one day event and have a bunch of little kids look for Easter Eggs at the Youth Center and various other parts throughout the City.

Mayor Slesnick: Thank you Mari.

Commissioner Withers: Can I ask a question though? If I remember, that we gave you the BID the opportunity to expand your territory...

Ms. Molina: Correct.

Commissioner Withers:...and you in order to expand your territory, and get the votes you needed, you needed to reduce your emolument by seven hundred thousand dollars.

Ms. Molina: We used to...the tax rate used to be based on the assessed value; we changed it to a formula that was based on the square footage of the property, because folks were getting...

Commissioner Withers: Right, right, right, they were upset with the pricing.

Ms. Molina:...so we brought everything down; we did a lot of analysis; we actually put a committee together, property owners and merchants and came to this new number; but in so doing because our entire budget had more than doubled two years in a row, we brought it back down.

Commissioner Withers: I understand. I guess what I'm saying is, I have a little bit of a problem with the fact that these same shop owners, and these same owners, and these same downtown merchants now want the City to take taxpayers dollars and put thirty or fifty or whatever thousand dollars into a lighting program; would have probably been covered by themselves if they would have agreed to pay what you had originally asked them to pay for.

Ms. Molina: Possibly, but...

Commissioner Withers: I mean, it's a hundred thousand dollars, if I remember, is the amount of money that was reduced or approximately, it was a hundred thousand dollars, which is three times what you are asking for, and they wanted their taxes reduced and now they are coming to us.

Vice Mayor Kerdyk: But that's when they go to the tenants; you are talking about the

tenants having problems...[inaudible]...

Commissioner Withers: I'm not arguing the economics of today's retailer on Miracle Mile, OK?- I'm just saying that it is ironic that these owners of these buildings who were going to pay, now don't mind defraying the expense across the City to other taxpayers, which to me is a little contradicting.

Vice Mayor Kerdyk: But they are not the ones paying; the tenants are the ones paying; they are the ones that you are concerned with.

Commissioner Withers: Well, landlords eventually, I think, would be concerned if tenant can't pay; don't you guys...

Mayor Slesnick: Twenty-five thousand is coming from the BID, which comes from the taxpayer, it comes from the owners not the tenants.

Commissioner Withers: That's exactly right.

Vice Mayor Kerdyk: Ultimately, it comes down from the tenants, but it doesn't matter, we are just talking about logistics here.

Commissioner Withers: I just find it a little you know...

Mayor Slesnick: Irritating.

Commissioner Withers: Well, yes somewhat irritated that people could have stepped up several months ago and they didn't step up, now they want us to step up, doesn't that...maybe I'm the only one...

Commissioner Anderson: I witnessed the process of the BID going through the taxation issue and trying to be a little more equitable for their property owners, because they probably might not have passed the BID again had they not looked at that formula; I think that adds value...

Commissioner Withers: They would have no lights at all.

Commissioner Anderson: No lights at all; we would have been suffering for that, but I think the BID adds value in that way because it actually has done a tremendous marketing campaign, so for me...

Commissioner Withers: I don't want to drag it out, I support the program, but I'm just a little irritated at the...

Ms. Molina: Thank you.

Mayor Slesnick: We heard the message, you delivered it well.

Ms. Molina: Thank you.

Mayor Slesnick: Arnold Perry, 423 Palermo.

Pastor Perry: Right to the point in three minutes or less. I stand before you this afternoon asking you to continue to support Crime Watch. I've been a part of that Board of Directors for over twenty years. I've held every office; currently I'm now the Secretary/Treasurer and I've doing that for the past couple of years. Why Crime Watch? Why do we think it's important? Couple of reasons. I had a chance to speak to some University students Sunday afternoon, as part of my involvement at the university, and we got to talking about relationships, neighbors, and how things work; and I got to telling them about the years of Crime Watch involvement and why I thought it was important, and I asked them, why do you think I spend time working with a group called Citizens Crime Watch? - A sharp little girl in the back raised her hand, said I know, because you've got people talking to each other at the meetings in your neighborhood; and I said bingo. That's exactly why we do this; its not the fact that we can hand "do das" out and whistles, and all that kind of stuff, but we get neighbors together who know each other, other than the color of their car or the back of their head, they know people; they come together, they talk to each other and have a chance to talk about their own neighborhood, about their block, whether its an apartment building, the residential neighborhoods, whether its in the business community where we are trying to do business crime watch meetings, or at the university where we are just starting that now or at the High School, we try to get people talking to each other. Two years ago we had a budget of fifty grand more or less, last year we got nothing and we ran the program for about half the year on the excess that we were able to squirrel away because we knew hard times were coming. You were generous with us and gave us a gift to help us get to the end of this year, and we thank you a lot for that. We are asking for thirty thousand more or less, basically to pay our Director; why? - that Director goes out and schedules at least one Crime Watch meeting a week; over the course of the year its about fifty meetings. We probably get about twenty-five people on an average for those fifty meetings. We are talking meeting an awful lot of people in a lot of parts of our community; students, businesses, residents, and we are getting a bang for the buck, you know, Pat Keel works hard for us; he worked part of the summer for nothing before we got a gift, OK; and so what we are trying to do is just have enough to pay him a minimal salary, some expenses, we are cutting out all the fluff; nothing that we don't need are we involved in; the banquet, our luncheon was a great event; we can't subsidize that anymore, we don't have the money; we want to be good citizens of the City, we know its tough for everybody, we want to share that portion with you too. So, please help us; we're doing our part; we are busting ourselves and we ask you please to help us to

move forward for another year.

Vice Mayor Kerdyk: You talk about six weeks BID, they work fifty two weeks a year for Crime Watch, I think it would be completely out of whack not to support Crime Watch for thirty thousand dollars in my opinion.

Commissioner Cabrera: I'm going to support it, but I'm going to ask the Reverend and his other colleagues from Crime Watch, would you be kind enough between this Budget Hearing and the second Budget Hearing to bring us back how many neighborhood meetings you've actually, or Crime Watch has actually sponsored in the last year. I don't want to be critical, but...

Pastor Perry: That information is available, its easy to pull up.

Commissioner Cabrera: And I'm a big supporter fundamentally, but I will tell you, and this is not about my neighborhood, but I am going to use my neighborhood; we haven't had a Crime Watch meeting in well over three years, and I'm just curious where are these meeting occurring?- because...

Pastor Perry: They originate because people call and ask for them to happen.

Commissioner Cabrera: Reverend, I remember...let me tell you how cool it use to be, OK. Here's an improvement opportunity. I remember getting an e-mail telling the Commission where the Crime Watch meetings were going to occur, and some of us would actually go there and say a few words, and then allow the Crime Watch Director and the Police Officer and Fire Fighter to make their presentations. I haven't seen one of those e-mails in a good two and-a-half - three years. So, I have no idea what's going on with Crime Watch, and I want to be supportive and I want to help you, but I don't hear anything.

Pastor Perry: I know that you all received today an envelope from Crime Watch that gave all the reports for last month...

Commissioner Cabrera: No, I haven't seen anything.

Pastor Perry:...the minutes, the agenda, all of the stuff that has been distributed at the meeting last week; you got nothing?

Commissioner Cabrera: I haven't seen it.

Pastor Perry: It's a big white envelope, it looked like this and had your names on it.

Commissioner Cabrera: It may be in my "in" box.

Mayor Slesnick: David Karcher, why don't we go ahead and get David Karcher next.

Pastor Perry: We'll send that to you, absolutely.

Commissioner Cabrera: I'd like to see it.

Mayor Slesnick: I believe, excuse me David, I believe if I'm not mistaken, this is the last speaker on Crime Watch...OK...

City Manager Brown: Mr. Mayor...

Mayor Slesnick: Excuse me David; David Karcher, 5374 S.W. 80th Street, currently President of Coral Gables Crime Watch.

Mr. Karcher: Let me go immediately to your question sir. After every meeting we send a packet to each Commissioner here to City Hall, with everything that we have done in the preceding two weeks we have a meeting.

Commissioner Cabrera: I get an agenda that I review.

Mr. Karcher: There's the agenda, the Executive Director's Report, there's the notice of the past meetings in the last couple of weeks and the ones to come.

Commissioner Anderson: I've received.

Mr. Karcher: If they've fallen through the cracks some place, holler, and we'll make sure...

Commissioner Cabrera: Look, I'm supporting you; I made a commentary as a potential improvement commitment.

Mr. Karcher: Extremely legitimate comment, because if you don't know what's going on then we are wasting our time.

Commissioner Cabrera: I made a personal commentary and then I made a professional commentary, they both meant to make the program even better.

Mr. Karcher: Both valid. You've heard a lot already about Crime Watch. It's been around for about thirty years; I've been associated about ten years; we are here today because prior to today we went through the normal budgetary proceedings, it went through the Police Department and so on; obviously that had to stop this year. So we come directly to you asking for about thirty thousand dollars. As Pastor Perry said

that's about half of what we've been asking for. This pink sheet has forty different programs on the back of it, and that's just a sample of the programs that Crime Watch is involved in, either directly or in conjunction with the Police and Fire Department. Everybody always talks about the Police Department and crime, but one of the integral parts of Crime Watch is working with the Fire Department; and I don't have to tell you what a great bunch they are to work with. You just had the Chief up here and we work with them all the time. You just put on a very beautiful presentation talking about neighborhoods and that's what Crime Watch is all about; its about neighborhoods and us working in partnership, albeit a junior partner, of the Police Department and the Fire Department, to work with the neighborhoods. Again, Commissioner Cabrera, the driving force behind any neighborhood crime watch is the block captain, and you all probably know that, but that's the toughest thing that Chief Keel has to deal with is the block captains. If they are doing their job then we can do our job; if they are not there is not much we can do about removing; most of them are terrific, they really are terrific, and every once in awhile we have a little trouble getting through these meetings. We talked about having one week, we'd like to have more than that, sometimes we can't; this year the Chief and the members of Board like Aaron, Arnold Perry, and myself sometimes, we go out instead of the Police Officers, why?- because that's overtime, and we realize the Police Department is really hurting, so we are trying to do our part to cut the expenses and we would like to get some money out of you this year, and we are asking for thirty thousand dollars. Thank you very much.

Vice Mayor Kerdyk: Thank you very much, thank you. Charles Girtman.

Mr. Girtman: Good evening. Commissioner Kerdyk, when you asked about the real estate values because the City Manager said that the property values, assessed values have gone up five percent between last year and this year. Because of the way the property values are listed on your taxes, and the Save Our Homes Amendment, when a house sells it generally sells for more than the assessed value; that five percent does not mean if your house is worth seven hundred thousand last year, its worth seven hundred and thirty-five or forty this year, that's a misnomer; the actual sale value has gone down this year, would you agree Mr. City Manager?

City Manager Brown: The market value has gone down, but the assessed value has gone up.

Mr. Girtman: Yes, that's what I'm saying. The market value has gone down from last year to this year, so I wanted not to make that confusing. Secondly, because I read about this all the time in the Gazette, and I can't find it in the Budget here, how do we account for "P" Card spending?- where is it listed in this Budget?

Commissioner Withers: For what?

Mr. Girtman: "P" Cards, our Visa Cards for our key valued members - all government.

City Manager Brown: Any charges to a Purchasing Card are charged against a line item account in an individual budget.

Mr. Girtman: So there is no way to pick out lunch money or something in here?- it just falls...

City Manager Brown: Absolutley, the cards have a monthly balance at the end and that's where they show the balances, but they then are charged to the line item of each individual department.

Mayor Slesnick: Charlie, for instance, if there is a line item that says City Manager's Expense account that's where it gets charged to...

Mr. Girtman: This was just an irritant last year and I'd like to say we are going to address it so it won't be an irritant again.

Mayor Slesnick: It is addressed.

Mr. Girtman: OK. Thirdly, I was at the Budget Hearing in July; I do value Commissioner Cabrera's work. He's done a lot of hard work on that Fire Rescue thing, and I wish that everybody would fully take it into consideration. Number Four and final, I personally am very happy with the Police Department and everything its doing; I do feel that zones, the twelve zones would be better than the two zones than North and South Zone for policing, however, I do not want that to be interpreted that I do not think the Police Department is doing a more than adequate job because I do, I just feel that as a measure for future policing, judged by the way it was done in the past, that the zones, the twelve zones are better than the North and South. And I thank you very much for your time.

Commissioner Cabrera: Thank you sir.

Mayor Slesnick: Silvia Unzueta, Asturia.

Ms. Unzueta: Hello Mr. Mayor, members of the Commission, Liz; and I'm not really saying hello to the Manager because I really didn't expect him to be here after the State finding of his falsifying public records. So I'm just, I was surprised and frankly amazed. When you look at some of the discussion around this table, it appears that we are doing just great in this City, and it is for some of us that know better, it is frankly shocking, totally shocking. Nothing would happen, there are able people that could take his spot immediately, if he were to retire tomorrow, and we would be under very

able leadership; and maybe with a new Manager we would have an adequate selection of a Police Chief. I will support this one, but the way it went down is absolutely unacceptable, really unacceptable; and I want that on the record. I would like to suggest that you might like to look at the impact of eliminating the area patrols, they don't make any sense. You have the stats, I have a copy with my analysis to Commissioner Anderson. The numbers are silly, had they been considered they would not have been one of the rationales given for the selection. I assume that the former Chief really didn't get the time to see the numbers of the six months, but those numbers are really alarming in my book. There is no control. So when you approve the Police Budget, I would hope that you take into account that maybe someone would come and make a recommendation; and I work in the North Dade Gables Committee with our previous speaker, and frankly he's correct, they don't make sense. The Building Department, you might like to have an ad hoc group that has been through the punishment of getting a building permit, and restoring a house as I have just done with [inaudible]. There are a lot of other people that frankly would be very helpful to serve as free consultants of ways. You have very able staff. When I brought that to the Manager he said, well, you start your restoration six months later; that is not correct. Some people are going in this direction, and the other direction, and there is no coordination even though you have brilliant, committed, dedicated people. It is only those folks that make it work, but it is insane, it makes no sense the way it is. As to the comment of the first speaker, as to the Pension Fund about transparent disclosure, I already told you, you have a Manager, we are discussing a Budget by a Manager that was accused of falsifying public records, so I'm not sure what that whole issue of transparency. It is pathetic that more residents are not here. I think they don't have the stamina to put up with some of the stuff that goes on; we love the City. If you would for instance, add a number of trash cans surrounding the golf course, I would be able to pick up the trash as I do now, and put it in one place and they can pick it up whenever they pick up trash, they don't. So I have to put it close to a tree, because a lot of the people that travel Greenway that don't live in Coral Gables throw whatever they have in the car out of the window, and some of us pick it up, we have no place to put it. I suggest you want to save some money, some of us would do it gladly; I walk my dog all the time. And yes, you should look at everything; it might be a cheaper way for you to pick up trash, if you look at the Dade County model, I'm not sure we think that's acceptable in our City. In closing, it is few of us here, but don't misunderstand the lack of presence by our residents, by the fact that they are accepting what they know is happening. Some of us are really very preoccupied, since people don't take action on their own volition, it is time for you to get us some leadership in the City, really we could be transparent and full disclosure. Thank you.

Mayor Slesnick: Rip Holmes, 800 Andalucia.

Mr. Holmes: Does the mike work OK? I'm a cautious person, and when I came in today perhaps the greatest leader the City has, Roxey Bolton, told me that I'm making

too many enemies, so I want to apologize to people if I've been outspoken and explain, and I'll get into the budget. In this recession as Bill Kerdyk knows, the real estate interests are getting hurt worse, you know, we just say Fannie Mae and Freddie Mac, and I'm getting hurt; so if anybody wonders are you looking at a strong guy here, or you are looking at a hurting guy, I'm the hurting guy. So maybe I've expressed myself in some ways that seem angry, but behind that is hurt. I'll go ahead now and talk about the Budget. Main message, if I may, I think that there's been a consensus here in the City Commission and the discussions that a budget-buster are the Pensions; and I know that Commissioner Cabrera is nodding and he has been the most articulate in that, but I think there has been a consensus of a lot of people even the City Manager has been trying to negotiate. So I think, maybe I'm going to make some more enemies by saying this, that Robert Burr is showing real leadership on this. I think he's trying to get a citywide referendum on Pensions; and I hope you all would get behind that because it seems to be the biggest budget-buster that we have. I will make one more remark, I'm maybe rambling a little bit because I want to get my anxieties out first, but the one place that I would exempt from consideration of controlling Pensions are the three sacrosanct areas the voters hold inviolable; and in which I think we therefore should hold inviolable, the Police, the Fire, the trash pick up. I think that in a recession our Budget needs to be prioritized; I think they are at the top of the food chain; I think they should be held harmless; and I submit to you in terms of trying to bring the budget under control, and I guess I'll close with this, I hope that you will support a voter referendum on Pensions exempting those three departments Police, Fire, and trash pick up.

Mayor Slesnick: Mr. Holmes, let me get this straight; you support a reform of Pensions but not of the Police, Fire, and sanitation pensions?

Mr. Holmes: That's correct.

Mayor Slesnick: You have any idea what the Police, Fire, and Sanitation pensions make us as far as our pension cost?

Mr. Holmes: Tell me.

Commissioner Anderson: Majority.

Mayor Slesnick: You just named the majority - seventy-five percent. Thank you Mr. Holmes, I just wanted to know if you understood what that meant.

Mr. Holmes: I think though that you would agree with me that...

Mayor Slesnick: I agree with you that those services...I agree that all City employees no matter what they do are critical, and are valued, and are treasured; I agree that all

the services are important; I certainly agree, I'd be silly not to, that any service that has to do with health, safety is vital to us, and that the people that do them for us is greatly respected, and treasured, but if we talk about Pension reform, we are talking about Pension reform.

Mr. Holmes: I hear your point. I still would give way not to my own particular view point, but the voter's view point. I don't think that the voters want cuts to the Police, Fire and trash.

Mayor Slesnick: Let me say this, we can move on tomorrow with that in mind and it won't solve the problem, that's all I'm saying, it won't solve the problem.

Mr. Holmes: I'll take that under consideration.

Mayor Slesnick: OK. Roxcy Bolton.

Ms. Bolton: Good evening gentle persons, my name is Roxcy Bolton, I live at 124 Cadima Avenue; and if I may I'd like to address three issues: One, may I ask how much the movie cost? that little movie you put on, David?

City Manager Brown: It was done in-house.

Ms. Bolton: But it cost money - money.

City Manager Brown: Just our labor cost.

Ms. Bolton: You don't want to tell me how much it cost?

City Manager Brown: It didn't cost out of pocket, it was done with staff in-house.

Ms. Bolton: A lot of time filming. What I want to say Mr. Mayor is that I was distressed to look at it, and not see a single member from the Black community; the black community was here before a lot of Coral Gables was, and to exclude a segment of our community is offensive to me, and I believe you would feel the same way.

Mayor Slesnick: I certainly don't know....

Ms. Bolton: You mean you didn't see it?

Mayor Slesnick: I saw it Roxcy, but I don't know there was any intention to exclude anybody....

Ms. Bolton: If they were excluded that was offensive, and they were excluded.

Mayor Slesnick: Your point's taken; I didn't film it; there's nothing I can say.

Ms. Bolton: I'm not communicating with you; you are tuning me out, man.

Mayor Slesnick: I didn't make the film; I understand your point; I understand your point.

Ms. Bolton: I care about Black Gables, I care about Black Americans, and when I see a beautiful piece like that, and to see a segment of our community excluded, not included it hurts me to think that we haven't come very far.

Mayor Slesnick: Roxcy, you don't need to lecture us about our Black Gables, and about the residents of our City who are Bahamian-American, or who are African-American because today at our Commission meeting, you weren't here with us, we spent a good deal of time in program that is very responsive to the needs of our African-American or Bahamian-American community, and there was a delegation from that part of our community...

Ms. Bolton: You mean on the scholarship.

Mayor Slesnick: On the scholarship Roxcy.

Ms. Bolton: I was the one that recommended that to Commissioner Barker; I'm the founder, I'm the starter, initiator, so don't lecture me about what I don't know, I know as much as you do about the Black community and Black America, so let's move on. The next thing, I would like to address please; I am opposed to any change in the Fire Rescue fee. All of us, all of us in this community love our Fire Department; if anyone tried to take our Fire Department away from us, all of us no matter what our age is we'd go to war for them.

Mayor Slesnick: They just did try and we did go to war for you, they did, and the people...

Ms. Bolton: I understand; I read the Miami Herald; I read the newspaper; I listen to television, and I think I know enough to know that what happened, we didn't get thrown under the bus; I remember the time you threw Kerdyk under the bus when you couldn't get him to change his vote.

Commissioner Withers: When was that? Did I miss something here?

Ms. Bolton: Yes you did, you did...you didn't even go try to get him out from under the bus.

Vice Mayor Kerdyk: He stepped on me further (laughter).

Ms. Bolton: The other thing, the garbage fee is distressing to me that you want to put thirty dollars on a fee that's already high, and I will not accept that; you spent something like thirty-five thousand dollars last year on wine and dining, and you want to raise our garbage fee, it's not right; and I do not accept the fact that you can't continue with the Rescue fee as it was removed several years ago when Maria put it on the agenda.

Commissioner Anderson: Excuse me, I did not put it on the agenda Mrs. Bolton, no; please clarify that, that was brought forward...

Ms. Bolton: I do want to correct that if that's not correct, but you did speak on it.

Commissioner Anderson: Absolutely, and I do have the transcript so I can gladly share it with you.

Ms. Bolton: If I'm wrong, I certainly will stand corrected.

Commissioner Anderson: Please, I'm glad to share the transcript with you.

Ms. Bolton: The bottom line is, we care about our Fire Department, and this will do more to make people think it's the Fire Department that's raising the Rescue fee; there is no need to raise our Rescue fee in this town. I don't want to hear about those other communities that charge a Rescue fee. Just as I said at the Commission meeting before when Mr. Eads was the Manager, as the second hearing the tape will reflect this, when I said people will die as a result of charging a rescue fee. Mr. Eads, and I certainly wasn't a favorite of Mr. Eads, make no mistake about it. The bottom line is Mr. Eads spoke up, its on the record, its on the tape, Mrs. Bolton is right; you are looking at the clock, you always look at the clock for me, you know you fail to look at anyone else...

Mayor Slesnick: Mrs. Bolton, Mrs. Bolton...

Ms. Bolton: Let me finish.

Mayor Slesnick: I was just responding, I was just responding to you, I wasn't looking at the clock, I looked up at the TV screen behind you, to see how good you look, Mrs. Bolton.

Ms. Bolton: I'm too smart for that. The bottom line is, Jack Eads said, Mrs. Bolton is right, if you put this fee into effect people will die as a result, they will not call Rescue, they will try to drive themselves, they will go to their neighbor. It's not right. I urge you

to consider that this is a community that doesn't require a fee for the Fire Department to take us to the hospital. Do you have any questions?-you always...

Mayor Slesnick: No ma'am, I just don't know why you always take it out on me, you know there is five of us up here...

Ms. Bolton: Oh, you pick on me every time I come here, but at least I give you some pleasure by appearing. Good day.

Mayor Slesnick: Ms. Bolton, I don't pick on you and I don't know why you act like I'm the person who is the central cause of any problems, I'm not, I try not to be, I don't know.

Ms. Bolton: Try harder.

Commissioner Anderson: Mr. Mayor, may I clarify something?

Mayor Slesnick: Yes you may.

Commissioner Anderson: Whenever it was brought before us and the record and the transcript will reflect that I supported it only if there was no possibility that a person would be charged; only if the insurance...the same discussion we are having, otherwise I didn't support it. If you read the whole transcript, and I know it because I was accused in the last election that I was going to charge older people for EMS, which is highly offensive.

Ms. Bolton: Not older people, all people.

Commissioner Anderson: Well, that was how it was characterized in the paper, and I remember it clearly, if you read the whole transcript it says, I would support it only if we can make sure people are not charged, and I have that.

Ms. Bolton: That was at the second hearing, not the first hearing.

Commissioner Anderson: Ms. Bolton, I have the record, it was four or five years ago, but I have that on the record that I did that, so please, please, let's just...

Ms. Bolton: [Inaudible - off mike]...not charging.

Commissioner Anderson: I don't have all the facts; I'm not going to commit to anything right now, Mrs. Bolton, you don't really need to put me on the spot on this one, I'm going to reflect on this, I have first reading, I'm going to hear what my other Commissioners have to say, and I'll make my decision at that point, but I wanted the

record to reflect that at that time, and the transcripts do bear it out, that's what I said because my stuff was taken out of context. Thank you.

Mayor Slesnick: Mr. Andy Murai.

Mr. Murai: Good afternoon Mr. Mayor and City Commissioners. As you know over the years I've been a strong advocate of Fire and Rescue in this City, and addressing Mr. Cabrera's statements, I fully support his position, and if the Manager, I understand the difficulties that he has in bringing about a Budget, and if the Manager cannot find two hundred and eighty-five thousand dollars in the Budget to do away with this Fire, Mr. Manager, with all due respect, I will give you a very simple solution; go ahead and charge twenty-five cents to the trolley for each passenger, and I'm sure you are going to come up with two hundred and fifty thousand or three hundred thousand dollars. I see no reason why we are not charging the residents of Dade County, which are the majority of the users just a little bit, Mr. Kerdyk, twenty-five cents.

Vice Mayor Kerdyk: Do you want to have a debate about this right now or can we do it later on?

Mr. Murai: No, we can do it later on, but twenty-five cents is not a big amount. Putting that aside, but we need to find that money. More importantly, the reason that I'm here today is a matter pertaining to the Police Department. Mr. Naue, I respect you sir, you've been appointed and I've known you for many years, and I wish you all success, but I'm addressing the matter of the Police Zones that has been eliminated from our patrols which I found out just by accident. Let me refresh your minds. When Green Bay was to be annexed, which I was opposed because it takes the Fire Department or the Police Department an overnight trip to get over there, I was told by the Commissioners and I was told by the City Manager, Andy relax, you are going to get more zones, don't worry about it, we are going to redo the zones and you are going to have better Police protection; and the Police Department redid the zones, and we continue to have Police protection. All of a sudden in the last few months, somebody came up with the idea to do away with the Police zones and have just two zones, south of Dixie and north of Dixie. What that has created is an increase in robbery by nineteen percent; and theft of motor vehicles by forty-seven percent; and total larcenies by twenty percent, and automobile theft by fifty-two percent. This is unacceptable; and the bottom line of all of this; and make no mistake that I know what I'm talking about is money, had to do with the three hundred and fifty thousand dollars in overtime paid to the Police Department; had to do with doing away with that expense, and that expense needs to be reinstated as part of our operating budget, and make sure that we have back the Police Zones that we are entitled. In the next few weeks, I will request through the proper channels the response times that have been going on for the last three or four months since we changed the zones. I will request the manning of the zones, because you can rest assured that the facts will come out; and I

will be very surprised to see that we have not as many Police Officers on the street on any given shift as we have in the zones. More importantly there is no accountability for the zone anymore, because everybody is either north of Dixie or south of Dixie. So there is no accountability for each individual officer; more important, if a Police Officer has an incident, he doesn't know where the backup is coming from, he used to know, because there used to have an officer in a certain zone. Not to say that as you drive through the Gables you don't see the officers anymore, either they are close to 57th Avenue, and I'm going to address that issue, or close to U.S.-1, but also it is extremely unfair for all of us who pay the highest taxes by unfortunately living east of Old Cutler Road, then we don't see any officers. I used to see my officer, I used to see my zone, I used to see the next officer in the next zone, you don't see them anymore; where they are? - I have no idea. This issue needs to be addressed Mr. Mayor; this is a money issue; this is not a Police Department issue; and then you can say, well Andy, I'm not going to tell the Police Chief how to run the Department. I'm not telling the Police Chief how to run the Department, I just want to have my protection; I want to have my zones; I want to have the Gables the way they used to be; and please don't make me bring all the paperwork and all the laundry out here, enough said. Thank you.

Mayor Slesnick: Chief, not now, you'll have a response to this for us.

City Manager Brown: We will.

Mayor Slesnick: It may be a response, it may be a supportive statement, I don't know, but I'd like to hear from the Police Department.

Commissioner Cabrera: Well, when we actually got the report after we asked the Manager for the change, to explain the change and you brought the Police Department to us, I vividly recall that you said you would come back to us with a follow up sometime in the latter part of the summer. So sometimes between September and October, I think you should have enough information, accurate information to tell us how effective this new program is or it isn't.

City Manager Brown: I will - October?

Mayor Slesnick: Wait, wait, wait; Mr. Murai's point is that this Commission has an obligation to budget three hundred and fifty thousand dollars in overtime basically, in order to go back to an old system because the old system works, and the new system doesn't. That's Mr. Murai's point. For us to make that decision of whether we have to come up with more money for overtime, we need to make it this month. So David, I think we need to get - this doesn't need to be an encyclopedia Britannica, it just needs to be a response to the things that Mr. Murai has stated.

City Manager Brown: We'll have that on the September 23rd.

Mayor Slesnick: Well, I'd like it a couple of days before, so I can look at it, I mean, something, you know, in order for us to make an intelligent decision. A citizen has stood up, I don't know what Mr. Murai's qualifications are to make all the assertions he has; I know him as a person, as a friend, as a citizen; I'd like to hear from the Police Department whether he's right, wrong or indifferent; and then, we need to make a budgeting decision; and Andy, I would say that I respect all the points that you brought up; and whether we are going to find out if we agree with those points; but I respect the points; but the fact of the matter is as you know, this Commission was beat up over, and over, and over, and over again about overtime expenditures in this City, number one; so the Commission responsibly and the administration responsibly moved to cut overtime. Then, we were beat up by the State Legislature and by Proposition I as to our income for the year, and overtime was a critical factor; so we did what we, I guess, was thinking what the administration was thinking, on solid ways to try to reduce overtime cost; and every time the Manager has brought back the reduced overtime cost, we've all applauded him and we all said that was great, and citizens who have read that in the papers say that's great. Now, you have raised the issue that maybe we can't cut back overtime cost in this area, and that maybe we have to rethink that; I'm willing to accept that challenge; I've asked for some information from our department, and we'll take a look at that.

Mr. Murai: Mr. Mayor, the other thing I have to say is that the statistics that I have given you tonight are from the Police records of the City of Coral Gables, they are not my own.

Mayor Slesnick: I didn't suggest they were...

Mr. Murai: I just wanted to clarify that on the record.

Mayor Slesnick:...and I respect the statistics, but the statistics don't necessarily represent a system as much as statistics; for all I know, and I'm not saying this is true, maybe the rates went up double that for the rest of Dade County. I just don't know Andy, and I'm just saying you've raised some intelligent, interesting questions and we are going to try to make some intelligent interesting responses.

Commissioner Cabrera: Don, in all fairness to the Police Department, two and three budget cycles ago, members of this Commission primarily Commissioner Withers were very clear on the importance of reducing Police overtime; and I have to say that our Police Department succeeded in that even before the implementation of this new program, because in all fairness to all concerned, when I discussed a new program with the Manager's office, one of the factors that lead to the change was the better or more greater control over overtime, am I misrepresenting your...

City Manager Brown: Resources and overtime.

Mayor Slesnick: But I remember distinctly though that the Chief talked about the ability to focus on high crime areas, to move the resources around...

Commissioner Cabrera: Right, right, right; a whole different approach to law enforcement, I would call it a metropolitan approach to law enforcement that may be very effective in metropolitan areas, but not necessarily in an eighteen square mile area known as Coral Gables. I'm not a law enforcement professional and neither are you.

Mayor Slesnick: That's exactly what I said to Mr. Murai. He seem to take me to task for saying that. I said I wasn't the Chief and I wasn't going to tell the Chief how to run the thing, and I stand by that, but that doesn't mean we won't investigate the points he's brought up.

Commissioner Withers: You know but, the whole overtime issue, from the perspective of the Police union? - and I don't know if anyone from the Police union is here. Is there anyone from the Police union because I want to make a comment and I want to make sure it's understood. There whole contention was that the overtime was a result of poor administration and mismanagement, it wasn't a lack of people, or the lack of cars, it was just not adequately handled. So to speak to Mr. Murai, I don't know that is it the addition of overtime that needs to be added, or is it the administration of managing the men and women in the Police force. So I think that's the issue we have to deal with.

Mayor Slesnick: And I think Mr. Murai, what he has done is brought this issue as a budget issue; and he's now framed it in such a way that if we wish to consider his input, which I do. I have to consider it as a budget issues so that we get back again....Chief, understand me, I'll say the same thing I said to Mr. Murai, I'm not the Chief of Police; and I don't intend to tell you how to run the Department, but in a budgeting; actually the way Andy has said it, we have shackled the Chief's hands; and he can't do the proper policing because of our drive to save on overtime.

Commissioner Cabrera: But again we've done it, we've managed overtime before this system.

Mayor Slenick: Not as much.

Commissioner Cabrera: Let me over simplify Mr. Murai's commentary.

Mayor Slesnick: I think I understood it.

Commissioner Cabrera: No, no, but I want to just take one more shot at it. He's tired of not seeing a cop car in his neighborhood.

Mayor Slesnick: That's fine, that's not as much a budget issue, he's raised it in budget terms in a budget hearing; and I think it's a good clever ploy to bring up a subject that might not fit into a budget hearing, but now does.

Commissioner Cabrera: It is, it's a good technique, but I come at it completely different to some extent because (a) I've seen what our Police Department has done under the leadership of Mike Hammerschmidt; (b) I also know the comments that I continually get from residents who say, hey we used to see Police vehicles in our neighborhood and we never see them anymore, what's going on? That's just a reality.

Mayor Slesnick: That's not necessarily true though because let me tell you something Ralph, as long as you and I have sat here I've told you I haven't seen a Police car, I don't care what system we are under...

Commissioner Cabrera: I used to see it all the time in my neighborhood, I did; I used to always see a Police vehicle in my neighborhood.

Mayor Slesnick: I complain all the time about not seeing...

Commissioner Cabrera: But Don, I didn't have those complaints prior to this system...

Commissioner Anderson: I think it would be great when we get the presentation. I had the opportunity to sit down today and learn more about it and get educated. So I think its good we sit down and get the facts....but the thing is too, because one of the questions I asked today was, are we sacrificing safety?-which is a main concern to everybody. So I think when that presentation is made these questions may or may not be answered to the satisfaction, but at least we will have some more information to be educated.

Commissioner Cabrera: And I agree Commissioner, but you know what?- ironically, if you all just take the time to reflect on this whole thought process. This became my question to the City Manager in the second Commission meeting in January; and at that time the Manager was unaware of any changes; and subsequently we received a memorandum and an explanation of this new system; and all of us understood it and you know, that's the part that sometimes gets me that I come to learn these things afterwards; and all of a sudden I say, gee, we got this new system and then we don't want to come out and say too much because we don't want the bad guys to find out how we are policing our City now; but at the same time we sort of stumbled upon this whole thing and we learned about it; and then we sort of try to kind of fix it, and react to it, and we have been reacting to it ever since then, Don.

Mayor Slesnick: The other thing is I want to point out to the budget speakers that...

Ms. Bolton: May I?

Mayor Slesnick: No, Ms. Bolton, we are moving...

Ms. Bolton: The point I want to make is having police cars out all over Coral Gables reduces crime, when you never see a police car; and I sit on my front porch at 5:30 a.m. in the morning to feed my cats, you never see a police car anymore. Police cars on patrol reduces crime, I don't care what City it is, but I know about Coral Gables because I'm about this City; and when you have police cars are suddenly off the seen, they are not around, that increase crime; that's why crime has increased is because police cars are not out patrolling. Let's not forget the importance of a police car patrolling. A police officer that's in a particular district knows everything, and we are failing if we don't recognize that not having the Police cars out there is failing the citizens.

Mayor Slesnick: First of all Mrs. Bolton, no one is talking about not having police cars on the street; secondly, we have all said that we'd like to see police cars on the street, the question is the expense of one system versus another, and the question as to whether one system supplies more cars on the street, not whether they should be there or not. Thank you. The other thing is to those of you worried about budget figures, or not worried, I shouldn't say, but concerned, for every dollar of overtime we add Pension expenses too, so that becomes another issue. Charlie, we are not debating here tonight. I'm sorry that Mrs. Bolton spoke out of turn, but we are going to move onto the next speaker here and that's Enrique Lopez of 1312 Serrola Avenue.

Mr. Lopez: Thank you Mr. Mayor, Vice Mayor, Commissioners, City Manager, City Attorney, City Clerk and my fellow residents, I'm Enrique Lopez at 1312 Serrola Avenue. Last year I stood here and I expressed tremendous concern over mandated budget cuts. I was very surprised how we have been able to weather the storm this year; and I'd like to thank the leadership both elected and administrative for buffering the shock; and I'm also very pleased to see a lot of my fellow residents who are now beginning to see what the clamor for tax reduction has brought about and the possible consequences. I've looked at the increases for this year, four million dollars; and I have not identified one line item that anyone in this room has any control over. So my only observation with that it's a given we say in mathematical terms, we have no option on the four million dollars. Reference the capital projects, not any of the beautiful projects, by the way the Garden Club did an excellent job on 37th Avenue on Douglas and 8th Street, long overdue and I enjoy that when I come from doing my coffee every morning. However, the capital projects are plain infrastructure projects; sewers, storm sewer road improvements and the things that frankly make us keep our insurance on

our areas zone "X" flood-free or not a flood zone. I support this budget as it stands for numerous reasons; number one containing the millage. I did hear that possibly next year, we will find ourselves in a different predicament, but we are ready; reference to waste fee, something you all decided several years ago and I applaud, that was never asked for...additional twenty-five thousand dollar Homestead Exemption; so it's a net minus ninety-two, so I'm ahead of the game, even if I pay your fee; and the usage fee, frankly pretty much transparent to that because I'm not a strong user to many of the services. Reference the Fire Rescue fee: I'm not an expert, I'm not going to opine on the issue, but the input both from Commissioner Cabrera, the Commission, the Fire Chief seems to me because I have an issue with insurance carriers; they are merciless when it comes to insurance premiums. Three years ago, I used to pay nine hundred and eighty-two dollars, this year I pay eighteen hundred and eighty-eight dollars. So what I ask as we look at these options, and obviously your expertise...

Commissioner Cabrera: That's per month, right.

Mr. Lopez: That's per month sir, that's correct, no I wish it was per year, those were the days when I was young.

Commissioner Cabrera: I wanted you to say that, its per month.

Mr. Lopez: That is correct. As we look at these services, let us not just limit to recovering the transport cost, which my carrier does cover; however, let us look at the other medical services that you mentioned about; a class "A" department doesn't come by cheap; and in these budget crunching times, I think its about time that we start asking people, insurance carriers, some of the other entities that are quick to charge, also to make them fairly quick to pay. So I urge you all. Reference to our Police Department: and I wasn't planning in the budget hearing; but I have to say, I don't speak from theory, I speak from fact; my home was burglarized in May; and this Police Department under, may he rest in peace, Hammerschmidt, Naue, whomever you put there, its crème-de-la crème. Four units within minutes; zones, no zones, call it whatever you want it; I speak from the facts. Support immediately from the fine men and women that comprise my department; and what I did, because I had preparation for my claim and the many other things, I looked at the Police reports; and yes, there is an increase in crime, but as this issue is being looked at on the effectiveness of the zones or not, to me it worked. When I needed them, they were there within minutes. I ask that we be aware that for the last eighteen months our economy has been suffering; and ladies and gentlemen, there is no light at the end of this tunnel; and people are not going to go to areas of less affluence to pick up things that they may need. So I would ask that, that objective factor be kept in mind. I look forward to your incorporation and many of the views of my fellow residents have expressed this evening, as we look to another challenging budget year. We haven't seen any tremendous change in the level of services; however, I know that sooner or later, its pay now or pay later, and I

rather pay now than pay later. Thank you.

Mayor Slesnick: Thank you. Javier Cervera. Javier Cervera he's left. Stan Birnholz - there's Stan.

Commissioner Withers: We missed you last year, Stan.

Mr. Birnholz: Stan Birnholz; I have two issues, number one last year was one hundred and eighty-seven thousand dollars, spoke to the Mayor about; and the other one is hundreds of millions of dollars. The small one is the twenty-five thousand exemption that the tax assessor gives to people that make under twenty-five thousand dollars and over sixty-five years old and have Homestead. Lots of other cities do it; I talked about it last year, and the Mayor explained to me his view as to why he didn't think it was appropriate because there are several homes, I don't know how many, in Coral Gables where they are multi-million dollar homes and these people have this exemption.

Mayor Slesnick: They weren't several Stan, it was over a hundred and something.

Mr. Birnholz: OK. What if... it's the responsibility of Dade County Tax Assessor to police that; if you have that list give it to me, I will personally take it down to the Tax Assessor and have it investigated, because I do work for him.

Mayor Slesnick: Would you provide that list to Mr. Birnholz? -its public record.

Mr. Birnholz: OK. In the meantime, I'd like to get into this budget, you told me last year it was about one hundred and eighty-seven thousand dollars, Mr. Brown, has according to what he just said, he has loose change of about ten million dollars, so you can afford it, OK. I leave it up to you, its your budget deal; but I have a more important issue, but this is equally important to those people who qualify for it, and its not a big deal really, OK. Remember your initial speech, humanitarian and all that, OK. The other issue is the Pension Plan. Now, I look at technical issues, first I determine what the issues is; and the issue is you are paying fifty percent pension on salaries, which is ridiculous; and again, this is my opinion, done a lot...I got copies of the actuarial reports; I've studied them; I researched; I analyzed; and I came to a conclusion; just the way Ms. Hernandez does, OK. Your pension costs are going to continue to get bigger and bigger and bigger. If you analyze the detail, which I'm going to tell you why. First of all, the formula is much too high, its higher than any other place I've seen; I've looked at lots of other cities; I'm familiar with business Pension Plans, professional Pension Plans, and what you have is basically a retirement age of 52; three higher year salary they get, the employees get seventy-five percent pension. If somebody comes in the City at age 27, they could retire at the full seventy-five percent at age 52; they get three percent a year of service. Now, unfortunately

everybody on the dias is in that Pension Plan...

Mayor Slesnick: That's not true Stan.

Mr. Birnholz: That's what it says on the Actuarial Report.

Commissioner Anderson: I'm not in the Pension Plan.

Mr. Birnholz: OK.

Mayor Slesnick: Some are, some aren't.

Mr. Birnholz: OK. Well, I'm sure the full time employees will be; it says the Commissioners too in the report.

Mayor Slesnick: The Commissioners are eligible.

Mr. Birnholz: Nobody's in it? I'm bias at this point.

Commissioner Cabrera: I'm on it, I'm on it. I'm a Commissioner for the Pension Plan and the free parking.

Mr. Birnholz: OK, I like honest Commissioners.

Commissioner Withers: And Junior Orange Bowl seats Ralph.

Commissioner Cabrera: I pay for those, I pay for those.

Mr. Birnholz: So basically somebody at 52 working twenty-five years in the City gets full Pension. I remember long time back when Thomas E. Dewey was running for President, he lost back in '48, I think he died at age 52 or 58; Roosevelt died at age 64. We have people living into their 90's. We now have the Palace Nursing Home; and probably the only people that are going to be able to afford the Palace Nursing Home are the Firefighters; their average salary according to the Actuarial Report is eighty-eight thousand dollars (\$88,000) a year, that's their average salary; with this liberal formula the salaries are too high, and they keep getting higher. The salary increase, just the increase this year was six percent; the benefits on the C.O.L.A., the retired people, is two point three percent (2.3%), this all adds to your pension liabilities. Another thing that I'm concerned about, Mr. Brown is, I know you did a lot of work on this thing, I know; and the Actuarial Report is not like an accounting report, like a CPA report; but it's like one year in advance; the numbers that the Actuary uses is as of October 2007 not 2008, in other words he does it in advance. Now, the stock market since October 2007 has crashed; it's gone down over twenty

percent (20%). That's not reflected in the current Actuarial Report. I'd like to know if anybody knows what the assets of the Plan are today, I'll get into that in a mi

Mayor Slesnick: Mr. Birnholz...

Mr. Birnholz: What?

Mayor Slesnick: You've got about another minute.

Mr. Birnholz: I've got more to say, there were two issues. What happens is people pack a lot of overtime into the last three high years where they get their pension set. A few years ago a Police Officer was making a hundred and fifty-six thousand dollars a year, that was all from retirement. The interest assumption on the pension is too high, its seven point seven percent (7.7%); it should be closer to four percent (4%). Every point you take off the interest assumption is fifteen percent or more in unfunded liability you are going to have. The Defined Benefit is the wrong type of pension for the City. Of course it's going to go out of control. The investments in the pension...listen Mr. Mayor, sixty-four percent in stocks, eleven percent in mortgaged backed securities, and they tanked, stocks are way down, and ten percent in real estate. So the stock market is going to fluctuate all over the place; and the unions are always going to keep asking for more; the City has other fringe benefits. The City can't afford this pension plan; right now its at fifty percent, the pension cost fifty percent of City salaries. Other cities that I've looked at when I got to sixteen percent they were in trouble.

Mayor Slesnick: You need to close it off here.

Mr. Birnholz: OK, but I have more, but my conclusion is, you should freeze the Pension Plan; freeze the accrued benefits. Every minute these benefits keep accruing based on salaries, age, and everything else; all you have to do is give a forty-five day notice to the employees, Ms. Hernandez will know what to do, otherwise you are going to end up with untold....

Mayor Slesnick: I'm afraid we are not going to discuss it in detail here, but that is not what we can do, OK. I think you are talking about some private sector rules and regulations. We must negotiate with our unions; we can't do anything to pensions; it is mandatorily negotiable by State Law; its mandatorily negotiable, we must negotiate with out unions; we are doing that now...

Mr. Birnholz: But you can freeze the benefits.

Mayor Slesnick:...we can't freeze anything; we cannot do anything without negotiating it, and we have to go through the entire negotiation process and then the public hearings to solve the impasse because the unions are not going to agree, so we are going to end up more than likely, I hope not, but more than likely an impasse, we

then...

Mr. Birnholz: Arbitration.

Mayor Slesnick: No, its not arbitration, it is a hearing officer who gives recommendations, and then we make a public decision; and then we can only force the results of that decision for one year; and then you have to negotiate with the unions again the next year. Our hope of course would be that we come to an agreement with the unions on ways on which we can start to trim the cost of the Pension Plan...

Mr. Birnholz: A lot of cities have done that.

Mayor Slesnick: No, actually Mr. Birnholz, a lot of airline companies and other private companies have done it, but a lot of cities have not in the State of Florida.

Mr. Birnholz: Anchorage...[inaudible - off mike]...

Mayor Slesnick: Mr. Birnholz, the majority, if not the overwhelming majority, if not almost all of the public sector pension plans in our area are competitive with ours. Ours is more expensive than most of them because of it being more expensive, many of the plans are part of the State Plan, and the State Plan has certain cost which right now are well below ours, that was one of the options we were looking at was the State Plan, but even that is very complicated as we are finding out on getting into the State Plan, and getting the employees to agree with the State Plan.

Commissioner Anderson: We can't force employees to go to...

Mr. Birnholz: [Inaudible - off mike]

Mayor Slesnick: Mr. Birnholz, all I'm trying to do is say to the citizens and say to you Mr. Birnholz, since you brought this up, that the pension plan is never far from our mind, and we are doing the best we can in an imperfect world to work hard to try to trim the cost, and as you said we started a couple of years ago trying to trim the cost of overtime; we have limited...

Mr. Birnholz: [Inaudible - off mike]

Mayor Slesnick: No, not just that, but what we didn't talk about before is we limited the number of hours that certain employees could put toward Pension, it used to be unlimited, but we have limited; now there are still some as some of you know like the Police who still are able to put substantial number of hours, I think its up to five hundred hours; five hundred hours in a year to their pension benefit; and that's a lot of hours as you can imagine, that's more than ten weeks of salary.

Mr. Birnholz: [Inaudible - off mike]...freeze it.

Mayor Slesnick: No, we can't freeze it. Now, if that was a decision that we made...no, I know...

Commissioner Anderson: We can't, really.

Commissioner Cabrera: That was...I don't care about saying these things, we've talked about it.

Commissioner Anderson: Oh yeah, ad nausium.

Commissioner Cabrera: So, I'm not afraid to talk about this stuff.

Commissioner Anderson: You know what would be good Mr. Birnholz, if we give them maybe six months of the Retirement Board minutes, so you can see how the citizens track investments, you brought that up.

Mr. Birnholz: [Inaudible - off mike]

Mayor Slesnick: I haven't gotten a report back yet, I'm still waiting.

Commissioner Cabrera: You know what we have with the Retirement Board?- what we have with them is a failure to communicate.

Mr. Birnholz: [Inaudible - off mike]

Mayor Slesnick: What I'd like you to do too, is go sit on a Retirement Board meeting seriously, and talk to them about the investment; they create the investment policies, and they work with our City, the Finance Director, and with outside consultants that they hire for the investment policies; they do the investments, we don't.

Mr. Birnholz: [Inaudible - off mike]

Mayor Slesnick: We do not. State Law...ultimately if the Pension Board went away we are responsible and in fact because of the bad investments that were made in the late 1990's before we came to office, we've been eating crow ever since financially because we have to find the money, but we aren't the investors, but when the investors don't do their job guess who? - well, we find it but you pay it.

Mr. Birnholz: Its in the stock market...[inaudible]...mortgage backed securities.

Mayor Slesnick: Well, Mr. Birnholz thank you very much, we appreciate your thoughtful input, thank you.

Commissioner Cabrera: He should go to a meeting.

Mayor Slesnick: Yeah, I asked him to.

Commissioner Anderson: And get the minutes for the last...

Commissioner Cabrera: But Mr. Birnholz, you should go to a meeting of the Board, the Retirement Board.

Mr. Birnholz: [Inaudible]

Commissioner Cabrera: I'll get you the calendar, I'll get you the schedule, I know how to get in contact with you, I've been to their meetings, oh yeah.

Mayor Slesnick: We are going to close the public hearing, OK. Public hearing is closed; any other questions of staff, any other comments.

Vice Mayor Kerdyk: Let's go back and address this transport fee; I think that we need to get that aired out as much as possible here. Commissioner Cabrera makes a compelling argument; I think we have addressed this ourselves on several occasions in the City Commission at our meetings; we had one several years ago; we talked about it again at Budget Workshop, and thirdly we're talking about it here today. I like Commissioner Cabrera's idea of going ahead and trying to get the State Legislators to change and allow us to bill; his lobbying efforts would be appreciated, and I certainly would back that and support him going to the State and seeing what he can do. I think that if he was fortunate to get it to where we would want it, we could readjust the Budget at mid-year to then address this issue again, thus taking it out now and then readjusting it again at the mid-year Budget. So I would be supportive of that of taking it out of this initial Budget presentation and then coming back and readjusting it, if he's successful in the State.

Commissioner Cabrera: Well, I certainly appreciate that, and again I don't want to keep harping over this, but I just went through the work that I did to contact the carriers; and I have copies of the analysis; Aetna, AvMed, Blue Cross Blue Shield of Florida, Humana, and then several carriers were non responsive. Everyone of them treats this service differently; everyone of them has nuances that cause you to say, well I could see how a patient, how a citizen might be billed by that carrier for that service, so we're denied. I give you my personal commitment, Mr. Gomez was extremely interested in assisting me in the process, in fact when we discussed it initially it was right after the workshop; and he said to me, you know, maybe this is something that

can be done in Tallahassee without legislative approval; it could potentially be looked at by a Department, the Department responsible for the administration of these kinds of benefits, and it may be something very simple to do, so.

Commissioner Anderson: Did you say it would have to be legislative...?

Commissioner Cabrera: You know, he really...its interesting, I'm sorry, he sort of said, let's go up there and first talk to the Department and see how they respond to this and I was kind of optimistically excited about that; and I just personally said let's wait until the end of the summer to do this. So, I will commit to all of you that I will accomplish this, at least a visit to Tallahassee before Christmas.

Mayor Slesnick: Ralph...

Commissioner Cabrera: Yes.

Mayor Slesnick: I would ask that if we, I, I won't speak for anyone else, if I having been impressed with your presentation and your argument, go with you...

Commissioner Cabrera: That would be great.

Mayor Slesnick: No, I didn't mean go with you...

Commissioner Cabrera: Come on Don.

Mayor Slesnick: I meant vote with you, vote with you, and I'd be glad to go with you, but vote with you, that you keep an open mind as we go through the coming years, that we got to readdress this issue sometime, I mean, we've just got to come to a final decision on how we do this.

Commissioner Cabrera: I agree, I agree.

Mayor Slesnick: I'm willing to go with you one more time, and let's say don't do it now, but let's try to figure out a way that we can address this in a really...

Commissioner Cabrera: And I thank you very much for your thoughts, and your authenticity and the way that you've expressed yourself, and I really appreciate the fact that you seem to be leaning in my direction, but having said the things that I said about the mechanics of this, I have a fundamental problem with charging for transport services; and that may come to pass that we may have a disagreement up here, and that's OK, but fundamentally, I'm trying to find a solution.

Vice Mayor Kerdyk: To residents - you have a fundamental problem with charging

residents, because we already charge non residents.

Commissioner Cabrera: You know, non residents I have no qualms with, and the Manager knows that, the Fire Chief knows that...go ahead Mr. Mayor.

Mayor Slesnick: Well, I was going to say, maybe I asked the wrong way, you never really need the support to do it, but I just would hope that you give us more latitude in your opposition to it, if we could find another way to do it...

Commissioner Cabrera: Oh yeah.

Mayor Slesnick:...and I have to tell you that there was a moment in the State Legislature last year that the State Legislature almost prohibited municipalities from charging first responders.

Commissioner Cabrera: And I wish they had, I wish they had.

Mayor Slesnick: Yeah, but it was the municipalities and counties who rose up and opposed the insurance companies, I think, it was the insurance companies; so I'm just saying we are going to run into some...

Commissioner Cabrera: Oh I know, there is going to be some push back, but I have to say to you that based upon my limited conversations with some of the leadership with some of the insurance companies, there really doesn't seem to be a real hang-up with this as long as there is some uniformity, and that's all they are looking for.

Commissioner Anderson: So it probably has to be legislative.

Commissioner Cabrera: Yes ma'am, it would have to almost be literally a mandated benefit.

Commissioner Anderson: It actually would be beneficial to...[inaudible]...Statewide.

Commissioner Cabrera: Makes it really simple.

Commissioner Anderson: Makes it uniform.

Mayor Slesnick: Let's do it this way; first of all let's address this ordinance. We have two ordinances to address on first reading; we have an ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2008 ending September 30, 2009, fixing the rate of such taxes; providing for the segregation and the application of the proceeds of several levies; providing for the severability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2008; and this is

setting the millage at 5.25. Do I have a motion on that?

Vice Mayor Kerdyk: So moved.

Mayor Slesnick: Moved by Mr. Kerdyk.

Commissioner Anderson: I'll second.

Mayor Slesnick: Moved by Mr. Kerdyk second by Ms. Anderson; is there further discussion on this first reading.

Mr. Clerk

Commissioner Anderson: Yes

Commissioner Cabrera: I'm sorry, Mr. Clerk, I need some sort of clarification.

Mayor Slesnick: We are just doing the millage assessment.

Commissioner Cabrera: OK, and the millage is no reflection on...

Mayor Slesnick: That's the next thing.

Commissioner Cabrera: OK, I'm sorry, I wasn't following the thought process; Mr. Clerk, my vote is yes.

Vice Mayor Kerdyk: Yes

Commissioner Withers: Yes

Mayor Slesnick: Yes

(Vote: 5-0)

Mayor Slesnick: The next ordinance we will consider is the ordinance adopting the Annual Budget of estimated revenues and expenditures of the City of Coral Gables, Florida, for Fiscal Year 2008-2009. It takes four votes under the current law in order to approve this budget, and we certainly can have a vote on the budget as presented; and if anyone wishes to require that I'm certainly glad to do that, but it seems to me that the discussion has lead to the conclusion unless we take the proposed income from the Fire Rescue fees out, it will not receive a four vote. So I would suggest that if we move this budget; that we remove those.

Commissioner Anderson: The 911 services?

Mayor Slesnick: The 911 services. I would also as a matter of personal privilege ask that we add to the expenditures the Crime Watch for thirty thousand and downtown Holiday lighting for twenty-five thousand.

Vice Mayor Kerdyk: I agree with that, very good.

Mayor Slesnick: Let me also, without trying to create a fire storm here; I would like to see us put in a place mark if you will, for discussion down the road, and this is not by the way, I don't want to bring up the Biltmore or anything else, but some money for the Fourth of July celebration. We have added monies for other things and I think that a Fourth of July celebration to be determined later is necessary, and I think we ought to go ahead and put something in here now; I think in light of other one day or one night so forth festivals, we should at least put in fifty thousand dollars.

Commissioner Cabrera: I'm in favor of that, the only thing that I'd like to really see is to see us carry forward the discussion of all the events.

Mayor Slesnick: Absolutley, that's why I'm trying to put that in though in the mix, so that it doesn't just disappear, and that we have that as part of our discussion with a real expectation that there is some money there.

Commissioner Cabrera: And I think that if each of us shared with the Manager our wishes for certain...I mean, I can tell you one event that I think is very near and dear not only to me, but many of our citizens is the Farmer's Market...

Mayor Slesnick: Absolutely.

Commissioner Cabrera:...it brings people together and it's a wonderful way to spend a Saturday morning for many of our citizens. If we all expressed our views on those events that we don't want to see go away, I think that gives the Manager the direction that his office needs to come back to us with an inclusive event like the Fourth of July.

Mayor Slesnick: Absolutely, I'm with you all the way.

Commissioner Cabrera: So I just want to make sure that you come away with clear direction that, what you did for us in June or in May to give us all the activities that you gave us. I'd like to see that embellished, not embellished but articulated in such a way that we have a clear understanding of how we are going to spend our money going forward this coming Fiscal Year.

City Manager Brown: That memo, Commissioner that you have, is pretty much in tact, and I'll show you some deletions, some minor deletions at that point.

Commissioner Cabrera: I know, I know, but you heard us talk about the lighting of Miracle Mile, that's an expense; you just heard the Mayor talk about some sort of funding for the Fourth of July, so that's going to have an impact on your budget.

City Manager Brown: Right now we have a three hundred thousand dollar swing.

Vice Mayor Kerdyk: You talk about a one hundred and forty-five million dollar budget, good luck.

Commissioner Cabrera: And where are you looking to put into reserves?

City Manager Brown: For this year?

Commissioner Cabrera: Yeah.

City Manager Brown: I can't tell you that yet Commissioner.

Commissioner Cabrera: When will you tell us?

City Manager Brown: I'm going to give you my very best estimate.

Commissioner Cabrera: Tell us why...look OK, OK...that's a very interesting response; I know why you said what you said.

City Manager Brown: Because the Enterprise Funds aren't closed yet.

Commissioner Cabrera: OK, OK. So that's the reason why you can't give us a definitive number?

City Manager Brown: I'm going to give you my very best estimate.

Commissioner Cabrera: But I bet you know.

City Manager Brown: I don't know.

Commissioner Cabrera: You know, come on.

Commissioner Anderson: Enterprise Funds like?

City Manager Brown: Sanitary Sewers, Venetian Pool, Biltmore Tennis Center, Biltmore...all those have to close out before I can give you a final estimate; we're going to give you a good guess.

Commissioner Cabrera: You know what?- if we didn't put ten million dollars in the reserves it would not be that the sky is falling.

Mayor Slesnick: Well, we are not putting ten million, we are bringing it up to ten million.

Commissioner Cabrera: That's what I meant to say, excuse me, if we didn't bring it up to ten million dollars, it would not mean that the sky is falling.

City Manager Brown: Because right now we are also looking at going into reserves for the eight hundred thousand to pay off the debt for the actuarial assumption.

Commissioner Cabrera: And other projects are being tapped, the reserves are being tapped for.

Mayor Slesnick: OK. Do I have a motion on the budget?

Vice Mayor Kerdyk: So moved.

Commissioner Anderson: I'll second.

Mayor Slesnick: Now let me ask the mover and the seconder if in fact, just to make sure that in the budget that you moved and seconded it, removes the 911 service fees from revenue; adds Crime Watch - thirty; Downtown Holiday lighting - twenty-five; Fourth of July - fifty.

Vice Mayor Kerdyk: That's my motion.

Mayor Slesnick: OK. Any other discussion or questions?

Mr. Clerk

Commissioner Cabrera: Yes

Vice Mayor Kerdyk: Yes

Commissioner Withers: No

Commissioner Anderson: Yes

Mayor Slesnick: Yes

(4-1)

Mayor Slesnick: You should have said something. Did we throw you under the bus?

Commissioner Withers: No, not at all. I just disagree with the Commission. The direction we've done such a good job tightening our belt last year and the results are

in, I just think we are going in the wrong direction.

Mayor Slesnick: I just want to make sure you got it; I mean, you didn't say anything.

Commissioner Withers: I'm fine with the decision, Don, philosophically I disagree with the direction.

Mayor Slesnick: OK. And Mr. Manager we did ask for more understanding of the issues that Mr. Murai brought up; and I ask Don Nelson for a response to Mr. Namon's piece. We are going to adjourn.

ADJOURNMENT

[Note for the Record: There being no further business on the First Budget Hearing Agenda. The Commission of the City of Coral Gables adjourned its meeting at 7:55 pm on September 9, 2008. The next Budget Hearing of the City Commission has been scheduled for September 23, 2008, beginning 5:01 p.m.]

DONALD D. SLESNICK
MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK