

**CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD**

Meeting Minutes: Wednesday, August 15, 2018

Conference Room First Floor , City Hall, 405 Biltmore Way, Coral Gables, Florida

MEMBERS	S	O	N	D	J	F	M	A	M	J	J	A	APPOINTED BY:
	17	17	17	17	18	18	18	18	18	18	18	18	
Tony A. Rivas	A	-	-	A	-	A	A	-	A	A	-	-	Mayor Valdes-Fauli
Erin Knight	-	-	-	A	-	A	A	-	A	A	-	-	Commissioner Jeanette Slesnick
Alex Menendez	P	-	-	P	-	A	A	-	P	P	-	P	Commissioner Vince Lago
John Holjan	A	-	-	P	-	P	A	-	P	P	-	P	Commissioner Frank C. Quesada
Cheryl Goldstein	P	-	-	P	-	P	P	-	P	P	-	-	Commissioner Pat Keon
Francisco Paredes	P	-	-	P	-	P	P	-	A	P	-	P	Commissioner Mena
Rosa Bravo [^]				P	-	P	P	-	P	P	-	A	Mayor Valdes-Fauli

(Dash indicates no meeting: blank space indicates member not yet serving.)

[^]- New Member

#- Special meeting

** - Resigned Member

Staff:

Diana Gomez, Finance Director

Keith Kleiman, Budget Director

Sally Ola Ola, Assistant Director

Minutes Preparation and Recording Secretary: Nieves Sanchez, Bailey & Sanchez Court Reporting, Inc.

1 CITY OF CORAL GABLES
2 BUDGET/AUDIT ADVISORY BOARD
3 TRANSCRIPT
4 CORAL GABLES CITY HALL
5 405 BILTMORE WAY, FINANCE DEPARTMENT CONFERENCE ROOM
6 CORAL GABLES, FLORIDA
7 WEDNESDAY, AUGUST 15, 2018, COMMENCING AT 8:05 A.M.

8 Board Members Present:

9 Alex Menendez, Chairman
10 Francisco Paredes
11 John Holian

12 Also Present:

13 Carmen Sabater

14
15 City Staff and Consultants:

16 Diana Gomez, Finance Director
17 Keith Kleiman, Assistant Finance Director for Management
18 and Budget.
19 Leonard Roberts, Assistant Director of Economic
20 Development
21
22
23
24
25

1 THEREUPON:

2 (The following proceedings were held.)

3 MS. GOMEZ: All right. We have a quorum.
4 Whenever you're ready, Mr. Chair.

5 CHAIRMAN MENENDEZ: All right. I'll call
6 the meeting to order. We have a quorum. We
7 have three?

8 MS. GOMEZ: Yes, three.

9 CHAIRMAN MENENDEZ: Okay.

10 MR. PAREDES: You know, we got the
11 quarterly reports, but I didn't get the
12 minutes.

13 MS. GOMEZ: It was in the attachments.

14 MR. PAREDES: I didn't get it. But that's
15 okay. Don't worry about it.

16 CHAIRMAN MENENDEZ: Are you sure, because I
17 didn't see it, either? I saw three attachments
18 in the e-mail from Yvette --

19 MR. PAREDES: Yes. I sent her a note
20 yesterday, when I was catching up to all of
21 this stuff, but that's all right.

22 MS. GOMEZ: Let me ask Yvette.

23 Okay. So they were part of the original
24 e-mail two weeks ago or a week ago, not
25 yesterday's e-mail. That's fine. We can skip

1 it for today. We can just skip the approval of
2 the minutes and move on.

3 CHAIRMAN MENENDEZ: We'll approve both at
4 the next one?

5 MS. GOMEZ: Yes.

6 CHAIRMAN MENENDEZ: Did you get a chance to
7 read them, John?

8 MR. HOLIAN: Uh-huh.

9 CHAIRMAN MENENDEZ: You did?

10 MR. HOLIAN: Uh-huh, but I don't read them,
11 you know, as you do.

12 CHAIRMAN MENENDEZ: All right. So we'll
13 skip the minute approval for the next meeting.
14 We'll approve both of them.

15 And we'll call the meeting to order. I,
16 myself, John and Mr. Paredes are all here, and
17 we'll move straight to the first order of
18 business, which, I guess, would be the sale of
19 the PBA site.

20 MS. GOMEZ: Actually, for the record, if we
21 can just kind of go around as to who else is
22 here, because we have some guests here.

23 CHAIRMAN MENENDEZ: Perfect.

24 So I think we have a future member of the
25 team.

1 MS. GOMEZ: We have a quorum.

2 CHAIRMAN MENENDEZ: We have a quorum right
3 now. We have a future member, who will be
4 replacing Cheryl, and she's an appointee of
5 Commissioner Keon.

6 Would you like to introduce yourself?

7 MS. SABATER: Good morning. My name is
8 Carmen Sabater. I will be working with you
9 guys on behalf of Pat Keon, and I look forward
10 to getting to learn a little bit more about the
11 City and its operations.

12 CHAIRMAN MENENDEZ: Great. We welcome you
13 to our Budget Advisory Board. Anything we can
14 do to help you, let us know.

15 I'm Alex Menendez.

16 MR. PAREDES: I'm Frank Paredes.

17 MR. HOLIAN: John Holian. Very exciting
18 Board, superexciting stuff here.

19 MR. ROBERTS: Leonard Roberts, Economic
20 Development.

21 MR. KLEIMAN: Keith Kleiman, Assistant
22 Finance Director for Budget.

23 MS. SABATER: Thank you.

24 MS. GOMEZ: And Diana Gomez, Finance
25 Director.

1 CHAIRMAN MENENDEZ: And the only person, I
2 think, that we're missing is Rosa Bravo, who is
3 the Mayor's appointment.

4 MS. GOMEZ: Yes. She couldn't make it
5 today.

6 CHAIRMAN MENENDEZ: And you'll meet her
7 hopefully at the next meeting.

8 MS. SABATER: I actually know Rosa.

9 CHAIRMAN MENENDEZ: Perfect. So you're
10 familiar with everyone.

11 And, then, with that said, Diana, do you
12 have anything else before the PBA stuff?

13 MS. GOMEZ: No.

14 CHAIRMAN MENENDEZ: So we'll just start and
15 go straight to Leonard.

16 MR. ROBERTS: I'm going to carry this
17 computer around, but just to kind of give you
18 some context of what we're looking at, here's
19 Coral Way. I guess, you guys remember the
20 BJ's? You can see, here's the 826, right here.
21 Here's Coral Way. Here's a fairly new BJ's
22 that was built, with a Pollo Tropical on the
23 front, Palacios de los Jugos. There's the
24 Brothers to the Rescue Park right here on the
25 corner of 72nd, on the west side, and then

1 right adjacent to that, there's a vacant
2 parcel, there's cars in the front that are
3 parked, and then just west of that there's a
4 Burger King and a plaza here.

5 So just to kind of give you some context,
6 the site we're talking about is this site right
7 here, this four acres. The City owns this.
8 The City owned all of this at one time. This
9 is the City's Public Works Department right
10 here. This is the Waste Management Transfer
11 Station, which the City owns the land, but we
12 lease it to Waste Management. So that's the
13 site we're talking right now.

14 So, as you can see, the site is outside of
15 Coral Gables.

16 CHAIRMAN MENENDEZ: Other than that one BK
17 lot to the west of it, the City owns all of the
18 other paved area just south --

19 MR. ROBERTS: No. This is owned by
20 Miami-Dade Transit. This is owned by the City.
21 This is owned by the City. This is owned by
22 the City.

23 CHAIRMAN MENENDEZ: Okay.

24 MR. ROBERTS: This right here is owned by
25 Westchester Hospital.

1 Sorry.

2 MR. PAREDES: Don't worry. I know the
3 facility very well.

4 MR. ROBERTS: Okay. Okay. And then here's
5 Westchester Hospital right here, and then this
6 land is owned by them, and this all of their
7 parking right there.

8 CHAIRMAN MENENDEZ: Okay.

9 MR. PAREDES: Before you guys were all
10 born, that used to be where Coral Gables High
11 used to play football.

12 MR. ROBERTS: Oh, really? Okay. On the
13 PBA site?

14 MR. PAREDES: Yeah. On the stadium.

15 MR. ROBERTS: And we call it the PBA site,
16 because it used to be leased by the Police
17 Benevolent Association, and the Police
18 Benevolent Association -- maybe we should
19 change the title of that, because that lease
20 is, as of today, terminated -- they used to
21 operate a gun range there, and as a result of
22 the gun range, the site has accumulated a
23 substantial amount of bullets that include
24 lead, and over the years, the site has not been
25 used by the PBA.

1 So since the City owns the land, we had
2 terminated the deal with the PBA, because they
3 weren't using it, and we were trying to figure
4 out what's the highest and best opportunity for
5 this. We did an appraisal on the site. The
6 appraisal came in at 11.7 million. After
7 further research and digging into it, we found
8 out that the City has a parking agreement with
9 the County that requires the City to provide 80
10 parking spaces on the site in perpetuity. So
11 there is no fee or anything. It's just an
12 agreement the City had made with the County.

13 And in addition to the site --

14 CHAIRMAN MENENDEZ: And it's for that
15 parking for --

16 MR. ROBERTS: Specifically for use of the
17 park.

18 CHAIRMAN MENENDEZ: Okay.

19 MR. ROBERTS: So if the park were ever to
20 go away, the City would no longer be required
21 to provide those 80 parking spaces.

22 CHAIRMAN MENENDEZ: The park has, other
23 parking, other than those 80 spaces?

24 MR. ROBERTS: Yes, it does. It has in the
25 back side. Let me show you.

1 So if you can see, there's this little
2 white area right here. That's supplement
3 parking for the park. And so you can see, this
4 is frontage right here. This is where the 80
5 parking spaces are.

6 It's not required to front Coral Way. It's
7 just required to be on the site. So if a
8 developer were to purchase it or anyone were to
9 purchase it or the City were to re-configure
10 it, we can do it like this, long way, as long
11 as they have access. So they can reconfigure
12 this however they want to.

13 So since we've terminated the deal, we went
14 and got an appraisal. The appraisal is really
15 based upon a vacant clean parcel with no
16 contingent or no kind of limitations on
17 parking.

18 With that said, we had our Parking
19 Department look at what would be the cost to
20 replace these parking spaces, if we had to, and
21 they were looking at roughly \$20,000 a parking
22 space. So 80 spaces, time 20, you get 1.6.

23 We had done a study in 2008 -- granted,
24 we're, you know, ten years later -- and that
25 study showed a cost of approximately \$660,000

1 to remediate the lead. So just looking at
2 those flat numbers, 700 and 1.6, you know,
3 you're looking north of two million dollars.
4 Our appraisal is 11.7. If we were to conduct
5 those costs, dollar for dollar, you would
6 roughly be in, you know, nine million and
7 change.

8 We put the property on the market for 10
9 million dollars as is. So whoever were to buy
10 the site, they would be responsible for the
11 remediation and adhering to the parking from
12 the County. We've had the property on the
13 market since November 2017. We had several --
14 I mean, beyond several, we had hundreds and
15 hundreds of phone calls related to the site.
16 We've had several letters of intent, and we
17 went through our process of highest and best to
18 try to get the best offer. And as a result of
19 that, we received two offers at 10.4 million
20 dollars, which is north of the asking price.

21 So what we've done is that we've entered
22 into a contract with both individuals. One is
23 a backup, one is a firm. We've looked at their
24 financials to confirm that they can afford it,
25 and they've showed us cash in the back of north

1 of 10 million dollars that they're going to use
2 to acquire this or not, but they had the funds
3 so far --

4 MS. SABATER: So it's not subject to
5 financing?

6 MR. ROBERTS: Not subject to financing,
7 correct.

8 So it was a straight as-is with a closing
9 within -- 60-day due diligence and 30-day
10 closing.

11 So we've received offers from several other
12 entities. A lot of them wanted to tie it up
13 with entitlements. "Hey, I'll buy this site at
14 another value less than 10.4 million dollars,
15 but we need a year to figure out what we can
16 build on it."

17 So we wanted to have an option contract
18 available. So we wanted to close this faster,
19 so, you know, going through that highest and
20 best process, the two individuals have offers
21 to close within 90 days.

22 Well, as of two days ago, the first offer
23 fell through, and the reason the first offer
24 fell through is because the County -- because
25 the County has a parking requirement, they're

1 requiring the City to build in a restrictive
2 covenant into the deed that states that 80
3 parking spaces will be provided, versus
4 currently we have a lease agreement. So that
5 made it a little complicated for the previous
6 buyer, but the second buyer is willing to go
7 forward with that restrictive covenant and
8 we're now working with them.

9 We are negotiating a purchase and sales
10 contract. We're going back and forth with our
11 outside counsel. So we're here today to talk
12 about that sale. And the purpose of the sale
13 or one of the purposes, as you guys know, that
14 the City is AAA rated, and we recently took out
15 a 50 million dollar bond for purposes of the
16 public safety building, and we have a Garage 7,
17 that's roughly just under 20 million dollars, I
18 think it is, 17 million, 20 million dollars to
19 build.

20 And the goal is to build that with limited
21 debt financing, so we don't impact our credit
22 rating, and so the proceeds from this would
23 probably be used for re-investment into the
24 City on a project like this Garage 7. So that
25 would be the ultimate goal, to take that money

1 from outside the Coral Gables area and
2 re-invest it in Coral Gables, and by investing
3 it in Garage 7, we are investing it into
4 another revenue producing asset, in which we're
5 going to have ground floor retail, second floor
6 office, and a 450-car parking garage structure.
7 So that's the ultimate goal to use the proceeds
8 for.

9 So this Board, as part of the Procurement
10 Code, has to review any purchase, sale or a
11 lease and ensure that it qualifies based upon
12 the procurement requirements of Section 1092.

13 And with that said, there are three
14 questions to be answered by this Board, and
15 they are, "Is the purchase, sale or lease
16 consistent with the property appraisal as
17 required under Section 1092"? And 1092 states,
18 "Whenever the City purchases, sells or is
19 involved in a lease of real estate and the fee
20 simple value of the property being sold or
21 annual value of the property being leased is in
22 excess of 250,000, the City shall, prior to
23 consummating the purchase, sale or lease, have
24 the property appraised by two real estate
25 appraisers holding the MAI designation in order

1 to determine the estimated market value."

2 We ordered one appraisal on this site. It
3 was 11.7 million dollars. We are having
4 another appraisal ordered, but based upon the
5 BPOs, which are broker opinion of values, we're
6 seeing like eight million dollars. This
7 appraiser is very familiar with this area, and
8 I wanted him to appraise this. This is Andy
9 Magenheimer. His family, his father and his
10 brother, have been appraising real estate in
11 Coral Gables for north of twenty years, which
12 Cathy Swanson, our previous Economic
13 Development Director, has used the father to do
14 that. So I wanted him to do this.

15 And then we're having another person, which
16 I know is pretty conservative, and the values
17 that I'm seeing so far are roughly around eight
18 million on that appraisal. So, you know, that
19 is coming, but just understanding that, you
20 know, I'm not sure what that value is going to
21 end up being.

22 So the question is, did it meet that
23 requirement?

24 MR. HOLIAN: I guess the question is, do
25 you have two appraisals or not?

1 MR. ROBERTS: One.

2 MR. HOLIAN: Okay.

3 MS. GOMEZ: So the answer that's provided
4 here is, no, only one appraisal was -- so
5 that's what would go to the Commission, the
6 answer of, no, we did not do it, but we have
7 the rationale behind.

8 MR. HOLIAN: That's fine.

9 MR. PAREDES: The only conceptual thing
10 that I would say is, the last time we had
11 something like this, there was wide variety on
12 the appraisals. So there is a purpose on all
13 of this, and I just don't like somebody
14 answering for us. I think, at the last Board
15 meeting, we did change the answers as a group,
16 as opposed to somebody from the Staff --

17 MR. ROBERTS: Right.

18 MS. GOMEZ: Right. And these are just
19 suggestions.

20 MR. PAREDES: Even though this fact --

21 MS. GOMEZ: These are just suggestion
22 answers. You can change it however you'd like
23 to change it.

24 MR. ROBERTS: Again --

25 MR. PAREDES: This is fact, but

1 conceptually somebody answering for us, it
2 doesn't sit well with me.

3 CHAIRMAN MENENDEZ: You need to understand,
4 we need to see it. When our task is to read
5 one sentence and make sure that we had two
6 appraisals, and we get here and we only have
7 one appraisal, and you rush us here to come to
8 a meeting to look at this, it makes no sense to
9 me.

10 So can we understand the back story on it?
11 This has been going on since 2016.

12 MR. ROBERTS: 2017.

13 CHAIRMAN MENENDEZ: 2017?

14 MR. ROBERTS: Yes. November 2017.

15 We wanted to get an offer. We wanted to
16 get something. We don't have a signed contract
17 yet, all right. We have people that have
18 submitted letters of intent, but before we went
19 to the contract stage, that's when we wanted to
20 do it, because significant time could have
21 passed.

22 So it is ordered. We just haven't received
23 that second appraisal.

24 MR. HOLIAN: It's really kind of silly.
25 It's the first question and the first thing

1 that needs to be done.

2 CHAIRMAN MENENDEZ: So if our job is to
3 ensure that we are within compliance with
4 Section 2-1092 and you know that the answer is,
5 no, then why do we come in here to do this? I
6 just don't understand.

7 MS. GOMEZ: And so I think the reason is
8 because we want to take it to the August 28th
9 Commission Meeting, and timing is what it is.
10 We can't make it to the August 28th meeting --

11 MR. PAREDES: But we do have a firm offer,
12 right? We do have a firm offer, not subject to
13 financing, on the books, 10.4, we're just
14 signing the paperwork?

15 MR. HOLIAN: Well, if you have a firm
16 offer, why are you doing backhand springs to
17 get the second appraisal done? I don't
18 understand. If it's important, it's important,
19 it's important, it's important.

20 MR. ROBERTS: Well, an appraisal takes like
21 45 days, the process. We ordered it probably
22 about 25 days ago. And so the offer that we
23 received has been within that time frame.

24 So what the response could be is that, no,
25 one appraisal is ordered and you can make a

1 motion to say -- at the end of these three
2 questions, you're going to make a motion to
3 approve the deal or not approve the deal. So
4 you can make a motion saying, we do not approve
5 this deal, because a second appraisal is not
6 ordered.

7 MR. HOLIAN: So what happens if the second
8 appraisal comes in very low at eight million
9 dollars, and the other appraisal is at 11.4
10 million dollars, and the guy says, "Hey, wait a
11 second, I was basing it on 11.4 million
12 dollars. We're going to have to readjust the
13 numbers"? Then what happens?

14 MR. ROBERTS: He has his due diligence
15 period that he can do -- the appraisals, even
16 though it's subject to --

17 MR. HOLIAN: I've said enough on this. I
18 find this ridiculous.

19 CHAIRMAN MENENDEZ: Yeah. And my other
20 question is, you said you had an asking price
21 of 10 million dollars, and you gave it six
22 months for offers, right?

23 MR. ROBERTS: Right.

24 CHAIRMAN MENENDEZ: So you had a firm, our
25 there in the open, 10 million dollar price. So

1 you put a for sale sign, 10 million dollars.
2 How did you come up with that price, from the
3 original appraisal?

4 MR. ROBERTS: Well, so we just talked
5 about, 11.7 was the appraisal.

6 CHAIRMAN MENENDEZ: Okay.

7 MR. ROBERTS: 1.6 million dollars was for
8 the actual parking replacement, which they have
9 to do, and then roughly \$700,000 in
10 remediation --

11 CHAIRMAN MENENDEZ: So you backed out the
12 remediation, the parking and then came up with
13 the 10 million, off of one appraisal?

14 MR. ROBERTS: Off of one appraisal.

15 MS. SABATER: Off of one appraisal and the
16 broker --

17 MR. ROBERTS: And the broker opinions.

18 CHAIRMAN MENENDEZ: And you're required to
19 have two appraisals?

20 MR. ROBERTS: Right. We have three broker
21 opinions of value, which are roughly -- one is
22 six million and change, one is eight million,
23 and the other one is like in the eight million
24 range.

25 MR. PAREDES: But if the guy doesn't close

1 at 10.4, which is the offer you have, we're
2 back to square one, right?

3 MR. ROBERTS: We're back for square one,
4 yeah.

5 MS. SABATER: With one appraisal being
6 ordered, and then, I guess --

7 MR. HOLIAN: Or can you negotiate?

8 I'm sorry, I didn't mean to interrupt you.

9 MR. ROBERTS: Well, we have negotiated.
10 This original --

11 MR. HOLIAN: No, I mean, afterwards.
12 Let's say the other appraisal comes in much
13 lower, then you start negotiating. It's not
14 10.4. Now it's like 9.2. Then do you come
15 back here again?

16 MR. ROBERTS: We would come back. Yeah, if
17 we don't do a deal, it would come back here
18 again, yes.

19 MR. HOLIAN: Well, what do you mean, if you
20 don't do a deal? If you don't do a deal at
21 that number or if you don't do a deal?

22 MR. ROBERTS: If we don't do a deal with
23 that specific buyer.

24 MR. HOLIAN: But at that number or a
25 different number?

1 MR. ROBERTS: At that number, yes. At the
2 10.4 million. It would have to come back here.

3 CHAIRMAN MENENDEZ: Okay. Do we need to go
4 through the second and third questions? I
5 mean, we already said, no.

6 How is this communicated at the Commission
7 meeting, that the Budget Advisory Board looked
8 at the terms --

9 MR. ROBERTS: So, in the minutes, you guys
10 are going to make a motion at the end, and that
11 motion is read by the Commission, through their
12 review of the minutes, unless this Board makes
13 a motion of an action to be presented to the
14 public, where usually a Board Member shows up
15 or the liaison for the Board shows up and
16 presents to the Commission.

17 MR. PAREDES: I'd make a motion that we
18 approve the sale, but if it doesn't go through,
19 then it's got to come back to this Committee.

20 MR. ROBERTS: Okay. For the record,
21 there --

22 MR. HOLIAN: I don't think we do that. I
23 think we just have to answer the question.

24 MR. ROBERTS: You do. After you answer the
25 questions, then you make a motion to that

1 extent.

2 MR. HOLIAN: Okay. That's fine.

3 CHAIRMAN MENENDEZ: So we'll move on to the
4 second one? Do you want to read it, Leonard?

5 MR. ROBERTS: Sure.

6 "What is the immediate impact on the
7 current fiscal budget and the long-term effect
8 on future budgets, i.e., the long-term overall
9 effect on the City?"

10 So, again, just to start a dialog, that's
11 the only reason I provide responses to it.
12 It's not to answer the question. So feel free
13 to modify it in any way you want.

14 The response that I provided, "The City
15 will receive 10 million dollars in the 2018-19
16 fiscal period and the proceeds will be used to
17 reduce any future debt for building Garage 7.
18 The Garage 7 site is anticipated to drive
19 additional parking and rental revenue."

20 MR. HOLIAN: By making that statement, does
21 that mean that's where that money is going or
22 is that just alluding to where it might be
23 going?

24 MR. KLEIMAN: Okay. That is where we've
25 recommended to the City Manager. She has

1 bought into that concept, and she's talked
2 about it to the City Commission, but it has not
3 been approved by the City Commission at this
4 point. Usually they leave the funding of
5 projects to us, unless we're talking about
6 going --

7 CHAIRMAN MENENDEZ: It's going to the
8 general fund.

9 MR. KLEIMAN: Right. Yes.

10 MR. PAREDES: It's cash coming in. Cash
11 coming in and the management will use it. This
12 is a proposed usage.

13 MR. HOLIAN: I think if it's not designated
14 to go there, I don't think it should say it's
15 going there.

16 MR. PAREDES: I agree.

17 MS. SABATER: And are you actually getting
18 10 million? Isn't there like a broker fee?

19 MR. ROBERTS: No, no broker at all.

20 MR. KLEIMAN: How about if you say, it's
21 recommended to go there, something to that
22 effect?

23 MR. HOLIAN: I'm not comfortable
24 recommending it for Garage 7.

25 MS. GOMEZ: Right. So they're not

1 recommending it to go wherever it goes. So
2 just, it's going to the general fund, period.
3 I understand what he's saying.

4 MR. HOLIAN: I think that's clean.

5 MS. GOMEZ: It's the City's recommendation
6 to make it go to the parking garage, but that's
7 fine.

8 MR. HOLIAN: And it's easier. What if
9 something else pops up, you know? Why don't
10 we, you know, spend it on the Fire Department
11 property that we're buying?

12 MS. GOMEZ: I got it.

13 CHAIRMAN MENENDEZ: The immediate impact
14 will be a 10 million dollar increase to the
15 general fund.

16 MR. ROBERTS: Okay.

17 MR. PAREDES: Right.

18 CHAIRMAN MENENDEZ: Okay. Question Number
19 3. I'll read it, while you write.

20 "Considering the City's mission statement, are
21 there other alternatives to entering into the
22 proposed transaction?"

23 And the possible answer that was provided
24 was, "Yes, there are always other alternatives.
25 However, this transaction is appropriate, as it

1 is in keeping with the City's goal in g it's
2 AAA rating. The proceeds will reduce the need
3 for additional debt that could impact the
4 City's AAA rating."

5 MR. HOLIAN: Is that really a fair
6 statement? I don't want to be Mr. Negative
7 today, but, I mean, considering it's 10 million
8 dollars, is that really very reflective on our
9 AAA rating over the whole scheme of things?

10 MS. GOMEZ: So not necessarily. We don't
11 want to take on additional debt. The more debt
12 we take, the larger the risk that the rating
13 agency will look at it unfavorably.

14 Does it mean that if we take out debt for
15 10 million dollars, it is going to ruin our
16 AAA? No, I can't say that.

17 MR. HOLIAN: Right. Right.

18 MS. GOMEZ: And I don't believe that that
19 would happen. I just think that it's better
20 that we plan for these expenditures and not
21 have to rely on debt. That's more financially
22 sound, I believe.

23 MS. SABATER: Wouldn't you say what he said
24 about just taking assets outside the City to
25 make them assets for the City?

1 MR. ROBERTS: Say that last part again.

2 MS. SABATER: The re-investment in the
3 City.

4 MR. PAREDES: You're just converting idle
5 assets into productive assets.

6 MS. GOMEZ: Right.

7 MR. PAREDES: That's what you're doing.
8 And the proceeds are reducing debt, which is
9 always a good thing.

10 MS. SABATER: If they choose to do that.

11 MS. GOMEZ: If we choose to do that, right,
12 because it's not directly reducing the debt,
13 but it's --

14 MR. PAREDES: Yeah. Don't use it for
15 salary increases, either.

16 MR. HOLIAN: Not that it's under our
17 purview, but I would love to see, if we ever
18 sold a piece of real estate, we buy a piece of
19 real estate with the money.

20 MR. ROBERTS: That's a very commom comment
21 from my other Boards, too.

22 MR. HOLIAN: I mean, I'm just saying, I
23 would love to say that this 10 million dollars
24 that we get for this, a portion would go to see
25 if we buy the property for the fire station or

1 whatever it is. I mean, maybe it's just smoke
2 and mirrors. It doesn't really matter where
3 the money goes, but we just bought a couple of
4 parks. You know, we're buying the fire
5 station.

6 MR. PAREDES: Oh, we're buying the fire
7 station, that famous one by the circle?

8 MR. HOLIAN: By the circle.

9 MR. PAREDES: That one got approved by the
10 Board?

11 MR. HOLIAN: You know, it's just a thought.

12 MS. SABATER: No, but it's within the City
13 boundaries, whereas that is outside the City
14 boundaries.

15 CHAIRMAN MENENDEZ: But do we keep these
16 property, because we can't do this stuff in the
17 City, like the industrial site? Outside of
18 this little parcel, is the other site kept
19 because it's industrial?

20 MS. GOMEZ: Well, we have our Public Works
21 facilities there. So there's no other real
22 area for it to --

23 MR. HOLIAN: That's what our gas and oils
24 did. Come on, that's why we had that great
25 audit from the gas and oil. Fuel is over

1 there.

2 MS. GOMEZ: So how do we want to change
3 this? So we're saying, yes, there's always
4 other alternatives; however, this transaction
5 is appropriate --

6 MR. HOLIAN: I think it's fine. I think
7 it's fine.

8 MS. GOMEZ: But, I mean, I guess, if we're
9 taking off the fact that we're going to set it
10 to debt in Question 2, we shouldn't say that
11 we're talking about debt in Question 3.

12 So we need to just say, what, on Question
13 Number 3?

14 MR. PAREDES: Keeping with the City's goal,
15 period.

16 MR. HOLIAN: Yeah, that's fine.

17 MR. ROBERTS: You know, I can reword it,
18 something to that extent, we are re-investing
19 proceeds from an asset sold outside the City
20 and re-investing it into the City.

21 MR. PAREDES: Fine.

22 CHAIRMAN MENENDEZ: Works for me.

23 MR. HOLIAN: That's fine.

24 CHAIRMAN MENENDEZ: The PBA just stopped
25 using this land, so they stopped paying the

1 lease?

2 MR. ROBERTS: They stopped paying the
3 lease. It's been about seven years that they
4 haven't paid the rent. It was a nominal dollar
5 amount, 500 bucks a month --

6 CHAIRMAN MENENDEZ: Seven years ago?

7 MR. ROBERTS: -- and insurance requirements
8 to maintain insurance.

9 CHAIRMAN MENENDEZ: And since then, the
10 land has just been there vacant?

11 MR. ROBERTS: Yeah, it's just been vacant.

12 MS. SABATER: They have parking there for
13 the softball fields.

14 MR. ROBERTS: Yeah. The frontage, at
15 least.

16 MR. HOLIAN: And they put a burger stand
17 over there when they have baseball games and
18 all sorts of stuff. They put up pop-up tents
19 there. It's pretty busy. I drive by there
20 going back and forth.

21 MR. ROBERTS: I haven't seen that.

22 MR. PAREDES: There is a batting range
23 there. There used to be a batting range by the
24 Burger King there. And like I said, Coral
25 Gables used to play football there, their home

1 games, Gables High.

2 MR. ROBERTS: And just to kind of put out
3 there, that before we even went out to the
4 market, we offered it to the County, and the
5 County did not have the money to purchase it,
6 and, then, we worked with them and we couldn't
7 work a deal, because we wanted to be good
8 neighbors, and then we went to the public to
9 try to sell it.

10 MR. HOLIAN: I'm all for the highest
11 bidder.

12 MR. ROBERTS: Yes.

13 MS. GOMEZ: And just so you know, so in
14 terms of you, why we're doing this, it's just
15 something that's in the Code that says these
16 questions have to be answered. It's just an
17 analysis to be provided to the City Commission
18 prior to the transaction happening.

19 It also says that the analysis may address
20 such other issues as the Boards may deem
21 appropriate in analysis of the proposed
22 position. So, yes, we have to answer these two
23 questions, but if you have other comments you
24 want to make, feel free to discuss it.

25 MR. PAREDES: I support you. Reducing debt

1 is the way to go in everything, whenever you've
2 got -- I just wouldn't want to see this 10
3 million dollars go to salaries.

4 MS. GOMEZ: Right.

5 MR. HOLIAN: See, I would prefer to buy
6 real estate.

7 MR. ROBERTS: At this point, a motion has
8 to be made related to the recommendation and
9 you can do a recommendation straight that you
10 are for the deal, you're against the deal or
11 you're for the deal contingent upon --

12 CHAIRMAN MENENDEZ: My recommendation would
13 be, I would oppose the deal because it doesn't
14 meet the requirement of Section 2-1092. I
15 mean, that would just be my personal opinion.
16 Obviously, the way we answer 2 and 3, we're not
17 opposed to a deal, we're just opposed to the
18 fact that it didn't meet those requirements
19 that we're asked to look at.

20 MR. HOLIAN: I agree.

21 MR. PAREDES: I agree.

22 CHAIRMAN MENENDEZ: So just to be clear,
23 the motion would be to deny the recommendation,
24 because we didn't meet the or -- I understand
25 what you're saying, that we didn't meet the

1 requirement --

2 MR. PAREDES: We accepted the explanation.
3 We just don't like it.

4 MS. GOMEZ: Right. So then the
5 recommendation is to move forward with the
6 transaction --

7 MR. HOLIAN: I think we need to phrase it
8 properly.

9 MS. GOMEZ: -- or not move forward with the
10 transaction?

11 MR. HOLIAN: I think, reluctantly, we would
12 like to move forward with the transaction. I
13 don't mean to speak for anyone else, but
14 obviously the first statement, if we're going
15 to do our job, has to be, no.

16 MS. GOMEZ: Right. The first question will
17 be answered, no.

18 MR. HOLIAN: We didn't meet the criteria.

19 MS. GOMEZ: The Commission will know
20 that -- and it's not going to be back before
21 the 28th.

22 MR. ROBERTS: Yes.

23 MS. GOMEZ: So when we brought it forth to
24 this Board, there was not the second --

25 MR. HOLIAN: No, it didn't meet the

1 criteria.

2 MS. GOMEZ: Right, it didn't meet the
3 criteria of the appraisal.

4 MR. HOLIAN: Right. That's it.

5 So then the question is, do you want to
6 have wiggle room and say, hey, we're saying,
7 no, but we're saying, go ahead.

8 MR. ROBERTS: Or you can make a motion to
9 approve the deal contingent upon review of the
10 second appraisal.

11 MR. PAREDES: Why? Why would you do that,
12 if the guy is ready to close --

13 CHAIRMAN MENENDEZ: I'm okay with --

14 MR. PAREDES: -- with the 10.4? All I
15 heard you say is, if the deal is not closed at
16 10.4, then you have to come back here, because
17 if the appraisal is eight or nine or seven or
18 whatever --

19 MR. ROBERTS: It's not contingent on
20 appraisal. The deal is the deal. So the
21 appraisal could come out at 30 million dollars,
22 it could come in at two million dollars --

23 CHAIRMAN MENENDEZ: That's what would
24 concern me.

25 MR. HOLIAN: Then why didn't you get any

1 appraisal done? Why didn't you get any
2 appraisal done before we got here?

3 MR. ROBERTS: We ordered the appraisal
4 right when we got the signed offer, so that we
5 can find out --

6 MR. HOLIAN: And then jump on the table and
7 bang the hammer and say, "We want to get this
8 done. It's 10.4 million dollars."

9 MR. ROBERTS: That's what we're working on.
10 So this is an Ordinance. Because it's over a
11 one million dollar purchase price, it goes to
12 the Commission twice. So when it goes to the
13 Commission for First Reading, there's another
14 30-day lag before the Second Reading. So
15 between that time frame, we will have the
16 second appraisal, and that information will be
17 provided to the Commission.

18 MS. GOMEZ: We need to make every effort
19 possible to have this Board and two other
20 Boards review the questions before we take it
21 to the Commission.

22 Now, let's just say this meeting didn't
23 happen, because we couldn't get a quorum, we
24 would still have taken it to the Commission and
25 just let them know that we were unable to have

1 this Board take a look at it.

2 MR. ROBERTS: Correct.

3 CHAIRMAN MENENDEZ: They've overridden us
4 in the past, the Commission, on things that
5 we've said, you know, we're not in agreement
6 with. I mean, we are, as a reality --

7 MS. GOMEZ: This is an advisory board.

8 CHAIRMAN MENENDEZ: -- an advisory board.
9 My only concern, truthfully, is if the second
10 appraisal comes in, like you said, at 30
11 million dollars. That would be the only time.
12 If it comes in at six, seven or eight, I see no
13 problem with going forward with it, but I would
14 somehow put into the language that my only
15 concern would be if an appraisal came in higher
16 than the 10.4 million dollars. Then we would
17 probably want to say --

18 MR. HOLIAN: Would you have to come back
19 then?

20 CHAIRMAN MENENDEZ: No.

21 MR. ROBERTS: No.

22 CHAIRMAN MENENDEZ: But at least we put on
23 the record that if it comes in higher than 10.4
24 million dollars, we would not be, you know, in
25 agreement with recommending this sale.

1 MR. PAREDES: Accepting the sale.

2 MS. GOMEZ: I mean, this is going to be the
3 First Reading?

4 MR. ROBERTS: Actually, as of two days ago,
5 which this whole process has been in place
6 since this meeting has been scheduled, our
7 first offer walked away because of the
8 restrictive covenant requirement of the County.

9 So what we're going to Commission for on
10 the 28th is an extension of 60 days to finalize
11 the purchase and sales agreement with the new
12 buyer.

13 MS. GOMEZ: Okay. But you said you had to
14 go to Commission twice.

15 MR. ROBERTS: And after that, 60 days --

16 MS. GOMEZ: So it's going to go to the
17 Commission in September for First Reading?

18 MR. ROBERTS: Correct.

19 MS. GOMEZ: Okay. So for our next meeting,
20 we may have the --

21 MR. ROBERTS: We will have that --

22 MS. GOMEZ: No, because the next meeting is
23 like September --

24 MR. ROBERTS: That quickly?

25 MS. GOMEZ: Because our normal meetings are

1 usually at the beginning of the month. So I'm
2 not sure that we will. But between First and
3 Second Reading, we definitely would have the
4 second appraisal.

5 MR. ROBERTS: Yeah. It's 45 days for the
6 appraisal. Roughly 20, 25 days have passed.

7 CHAIRMAN MENENDEZ: And you don't need our
8 approval in order for them to grant the
9 extension. So why don't we punt it until
10 October, when we have the second appraisal, and
11 we will just say, yes, to all three questions?

12 MS. GOMEZ: So that's up to Leonard and how
13 you present --

14 MR. ROBERTS: So what's going to the
15 Commission is an extension.

16 CHAIRMAN MENENDEZ: It's just an extension.

17 MR. ROBERTS: I mean, to avoid going
18 through this process, do you want to go ahead
19 and either respond to the third question or do
20 you want me to come back and represent?

21 MS. GOMEZ: So the Commission Meeting, just
22 so that we know, on the calendar, right -- so
23 our proposed next meeting for this Board is
24 September 5th. The Commission meeting will be
25 September 11th.

1 MR. ROBERTS: It will be after that.

2 MS. GOMEZ: That you get the appraisal?

3 CHAIRMAN MENENDEZ: That will be First
4 Reading.

5 MR. ROBERTS: Yeah, it will be after that
6 for the appraisal, probably, yeah.

7 MS. GOMEZ: So when will the First Reading
8 be?

9 MR. ROBERTS: First Reading will probably
10 be the first week in October, probably.

11 MS. GOMEZ: Okay. So then we have time to
12 come back to this committee with the
13 appraisals.

14 MR. PAREDES: We're talking about a
15 transaction for the fiscal 2018-19, the 10
16 million dollars. If we close on the
17 transaction, it would be after the fiscal year.
18 So you can't close the transaction without
19 Commission approval. So there's no rush. I
20 think we can defer it.

21 MR. ROBERTS: Oh, you want to defer it?

22 CHAIRMAN MENENDEZ: Yeah.

23 MS. GOMEZ: So that does not affect
24 anything for you for the Commission meeting?

25 MR. ROBERTS: No, not the first Commission

1 meeting, no. I'll make the notations.

2 CHAIRMAN MENENDEZ: So that's it on the
3 sale of PBA site. Thank you, Leonard.

4 And do you want to review the quarterly
5 financials?

6 MS. GOMEZ: I can go over it very quickly.
7 There's not that much to go over.

8 MR. ROBERTS: Thank you guys very much.

9 CHAIRMAN MENENDEZ: Thank you.

10 MS. GOMEZ: Do you need a copy?

11 MR. PAREDES: I had some questions on it.

12 MS. GOMEZ: On the quarterlies?

13 MR. PAREDES: Yes.

14 MS. GOMEZ: Okay. Hopefully I can answer
15 those.

16 MR. PAREDES: Yeah. Informational.

17 MR. HOLIAN: Where's Keith?

18 MS. GOMEZ: Yeah. This is actually
19 Sally --

20 MR. HOLIAN: Just kidding. Just kidding.

21 MS. GOMEZ: No, this is actually more
22 Sally, because this is actuals. Whereas he
23 lives in the budget world, Sally lives in the
24 actual world, but I can probably answer most of
25 the questions, but he had to meet with the

1 Manager real quick.

2 Okay.

3 MR. PAREDES: Okay. On the revenue
4 schedule, Utility Franchise Taxes, why have we
5 only collected 50 percent instead of, we're at
6 three-quarters?

7 MS. GOMEZ: Utility -- which one?

8 MR. PAREDES: Franchise Taxes, Electric,
9 the budget is 4.9 million. We've collected
10 2.4, which is 50 percent of the budget and
11 three-quarters of the year have gone by.

12 MS. GOMEZ: So we are two to three months
13 in arrears. It's just the way that they get it
14 to us. Right, we have only received --

15 MR. PAREDES: 2.4.

16 MS. GOMEZ: Right, but this quarter is
17 through the end of June.

18 MR. PAREDES: Right.

19 MS. GOMEZ: We have only received through
20 the end of March, in terms of payments.

21 MS. SABATER: It's consistent or actually
22 ahead of last year.

23 MS. GOMEZ: Yeah. It's just, we always get
24 everything two to three or months in arrears.
25 We don't accrue for it until year end. At year

1 end, when we do the financial statements, we
2 accrue them --

3 MR. PAREDES: Yeah, but is the 4.9 million
4 dollars, that is the budget that we're supposed
5 to receive in this fiscal year?

6 MS. GOMEZ: Yes. We're confident we will
7 get it.

8 MR. PAREDES: That is a hundred percent
9 this year's income. So if we're running in
10 arrears, it doesn't make sense that we've only
11 gotten 50 percent and not 75 percent.

12 MS. GOMEZ: It does, because -- so at the
13 end of the year, we will only have received
14 through maybe July, but we will accrue --
15 because we don't close our books until
16 December. So by December, we would have
17 received September's.

18 MS. SABATER: So the interim financials --

19 MR. PAREDES: Oh, this is not an accrual
20 basis.

21 MS. GOMEZ: We do not accrue. This report,
22 the way it's written, is written based on cash
23 basis.

24 MR. PAREDES: Okay.

25 MS. GOMEZ: Meaning, if we received it as

1 of the quarter, this is the way we present it.

2 MR. PAREDES: Okay. So that is an
3 accruable item.

4 MS. GOMEZ: Yes, but we just don't do the
5 accruals throughout the year. We do the
6 accruals at year end.

7 MR. PAREDES: Okay. So that would be the
8 same principle for anything that's not --

9 MS. GOMEZ: Yes, absolutely.

10 MR. PAREDES: Okay.

11 MS. SABATER: Like I said, the key there
12 would be just to compare it to the previous
13 year at the same time.

14 MS. GOMEZ: To the previous year at the
15 same time. So the previous year, at this same
16 time, we're kind of -- we did a different
17 version for you guys, because of specifically
18 that.

19 Right. So we do the same as of this year,
20 and then the end of last year, so that you can
21 see where we were at the same time last year.

22 MR. PAREDES: It's accruable revenue.

23 MS. GOMEZ: Yes.

24 MR. PAREDES: Then, on the
25 Intergovernmental Revenue, Federal Grants, we

1 were supposed to receive 500,000 and we've only
2 received 88,000. Is there a problem there? Or
3 is that FEMA? Or is that --

4 MS. GOMEZ: No, it's a HIDTA grant for the
5 strike force. The strike force is like the
6 South Florida Strike Force that we manage, and
7 it's a new grant that is, as it gets used, it
8 gets pulled. So it's a grant that has been
9 awarded in this amount and --

10 MR. PAREDES: We've only pulled 88,000?

11 MS. GOMEZ: Yes. Because that's all we've
12 needed as of that point.

13 MS. SABATER: So the expense side will be
14 the same?

15 MS. GOMEZ: Right, but we don't have a
16 detail of the expense here, because we do it by
17 department on the expenditure side, but, yes,
18 that is a grant that actually was just awarded
19 very recently and it's mainly for salaries and
20 some other expenditures.

21 And so it's only as needed that we pull it
22 down, but that's the authorized amount, but if
23 we don't need it, we're not going to pull it
24 down. It's not like we're losing it, because
25 we didn't need it, right, but the budget amount

1 is the authorized amount.

2 MR. PAREDES: I don't have anything else on
3 the revenues.

4 MS. GOMEZ: Okay. So the only thing of
5 note on the revenue side, for the most part,
6 we've looked at everything. There's a few
7 things that are slightly down, but nothing that
8 is significantly down from the previous year at
9 the same time. We're confident that everything
10 is going to balance itself out.

11 Down towards the bottom, Contribution from
12 Developer, we've received 2.59 million dollars.
13 This is the contributions from the Agave Ponce
14 deal. We've received about half of the total
15 development agreement amount, and this amount
16 is going to be going towards public mobility
17 projects. So mostly it's going to go towards
18 the trolley facilities and then we're pushing
19 about \$400,000 towards parking for their
20 efforts.

21 So on the revenue side, there's nothing
22 that causes the City Staff concern. Same on
23 the expenditure side.

24 MR. PAREDES: I've got a couple of
25 questions on that.

1 MS. GOMEZ: Sure. Go ahead.

2 MR. PAREDES: Why is Internal Audit
3 Division under the City Manager and why is it
4 only 31 percent? I thought Internal Auditor
5 was part of a contractual, that we hired an
6 outside firm. Why is that Internal City
7 Manager? They should be reporting to either
8 the Commission directly or to us or --

9 MS. GOMEZ: No. The way the setup here is
10 in this City, it has always fallen under the
11 City Manager's Office, the Internal Audit
12 function. This Advisory Board is an advisory
13 board and does go over everything with the
14 Internal Auditors.

15 When it was an individual person, that
16 person did report to the City Manager. It's
17 just the way the structure here is.

18 Yes, I've seen it in other cities, where it
19 reports directly to the Commission. I've seen
20 in other cities where it reports to the City
21 Manager's Office. It's just, that's where it
22 falls in this City. We do have an external
23 auditing firm doing our internal audit
24 function, Crowe Horwath, and in the budget to
25 date --

1 MR. PAREDES: It was the third slide that
2 was sent to us or the fourth slide. It's Page
3 4.

4 MS. GOMEZ: Yes, Page 4.

5 So through June 30th, the only expenditures
6 that they have --

7 MR. PAREDES: They've only billed us
8 \$51,000?

9 MS. GOMEZ: That's correct. They're on
10 track with all of their audits. They are doing
11 all of the audits that we have put on them.
12 I'm not sure how far behind, in terms of
13 billing -- I don't see the bills, because
14 Finance, myself, is taken out of the internal
15 audit function, because 90 percent of the time
16 I'm their auditee. So I'm not involved.
17 Keith, through Budget, directly reports to the
18 City Manager, manages the internal auditor --
19 unfortunately he's not here -- but they are
20 doing the audits as we are asking them.
21 They're on track with everything that we've
22 asked them to do and --

23 MS. SABATER: Do they provide you monthly
24 reports?

25 MS. GOMEZ: We have an audit plan. I

1 believe I forwarded it to you. The audit plan
2 that we have, and all of the audits that
3 they're currently doing, I could ask Elsie to
4 pop in and advise as to where they are with the
5 audits, if they need to.

6 CHAIRMAN MENENDEZ: And they come and
7 present to us on a periodic basis.

8 MS. GOMEZ: They do present to us when the
9 audit --

10 MR. PAREDES: Yeah, they did come to us and
11 presented an audit plan and all of that.

12 CHAIRMAN MENENDEZ: And findings. And they
13 present to the Commission, right, every so
14 often?

15 MS. GOMEZ: Yes, exactly.

16 MR. HOLIAN: They do a very good job.

17 MS. GOMEZ: There has been no issue. I
18 mean, Keith would advise me if there was an
19 issue or anything, but there's not. It's just
20 what they've billed us so far to date.

21 It could be that they're behind, that they
22 haven't billed us for May and June, maybe, and
23 so that's why it's not there.

24 MR. PAREDES: I'll tell you, the auditing
25 profession is making a lot of cash.

1 MR. HOLIAN: Seems like a low number to me.

2 MS. SABATER: So just in terms of the big
3 pictures, the total expenses are above last
4 year 10, 12 million dollars, and it's
5 predominantly due to the Hurricane expenses?

6 MS. GOMEZ: Yes. That is correct, because
7 obviously, in terms of percentages, we're not
8 that much higher in total, but, yes, we have
9 higher expenditures this year that we didn't
10 have last year.

11 MS. SABATER: So like police and fire and
12 all of that time incurred during the Hurricane,
13 is it reflected in the Hurricane expenses or is
14 it reflected in the different departmental --

15 MS. GOMEZ: Anything related to Hurricane
16 expenditures would be in the hurricane
17 expenditure line item. If it's their normal
18 working hours, it would in their departmental,
19 but if they worked overtime because of a
20 hurricane, the overtime hours would be in the
21 hurricane line item.

22 MR. PAREDES: We're supposed to get
23 reimbursed for that from FEMA, I think.

24 MS. GOMEZ: Yes. We are in the process.

25 MR. PAREDES: The question becomes timing,

1 when.

2 CHAIRMAN MENENDEZ: You said, what, three
3 years sometimes it could take up to?

4 MS. GOMEZ: It could take a long time. I
5 remember, I started in 2011 here, and when I
6 came in, Yvette was still working on things
7 from Katrina and Wilma in 2006 or '07.

8 MS. SABATER: Did we hire like a
9 consultant?

10 MS. GOMEZ: Yes. So we've been working --
11 we are --

12 MR. HOLIAN: Which costs 10 million
13 dollars.

14 MS. SABATER: And is also reimbursable.

15 MS. GOMEZ: It is. So we expect the
16 total -- I don't want to give a number now,
17 because I don't remember exactly what it was.
18 This is not the total, total. This is for this
19 year. Last year, we had about five million
20 dollars of expenditures. Remember, the storm
21 happened early September, so about the first
22 month of expenditures happened in last year's
23 financials, about five million dollars, of
24 which the City's responsibility was
25 calculated -- estimated to be about \$500,000

1 and we paid that out of our own general fund
2 revenues, and we have a receivable for the four
3 point some million dollars for last year.

4 This year, there's 10 million dollars of
5 expenditures, and there's a portion of that
6 that we know we're going to have to pay, and so
7 when we close out this fiscal year, we'll find
8 the funds to pay our portion of it, because we
9 don't budget for hurricanes, per se. We use
10 our general fund reserves and then we repay
11 ourselves, so to speak. We replenish the
12 general fund reserves with surpluses maybe at
13 year end.

14 So about 12 and a half percent is going to
15 be the City's portion, because we get about 75
16 percent from FEMA and 12 and a half percent
17 from the State; however, because FEMA, they
18 gave us a reimbursement of a hundred percent
19 for maybe 30 days -- I don't have the calendar
20 right in my head -- so some of the first few
21 days of October are still covered in the
22 hundred percent, and then they gave us -- some
23 expenditures were 90 percent covered, as
24 opposed to 75 percent covered, so around 12 and
25 a half percent is a conservative number or what

1 we feel we're going to have to pay on our own.

2 We've been in the process, over the past
3 year, of putting all of the supporting
4 documentation into the FEMA's Public Assistance
5 Grant Portal. It has been a very, very
6 difficult task. There's so many documents and
7 so many requirements, but we are at the end --
8 we see the light at the end of the tunnel. We
9 believe that in the next two months we will be
10 able to finish everything and final submit.

11 We've submitted some stuff already. Once
12 it goes to FEMA, FEMA reviews, they appropriate
13 the funding to be paid to us, and then it has
14 to go over to the State. Once it goes over to
15 the State, we don't know how long it's going to
16 take. The State has to review it and they have
17 to be comfortable with it. And then, after
18 they're comfortable with it, at that point we
19 get reimbursement.

20 At the end of the day, we have a fund
21 balance in our general fund that covers this,
22 so we are not -- it's not a hardship for us,
23 because we have the monies available to cover
24 these expenditures.

25 MS. SABATER: But these are the cash

1 expenditures. So next year, assuming no
2 hurricanes, you're going to get 10 for the
3 building and 10 for this and you should have
4 plenty of money to invest in real estate.

5 MR. HOLIAN: Yeah, exactly.

6 MS. GOMEZ: Well, that ten that we get for
7 this will go to replenish our fund balance,
8 because we're dipping into our fund balance in
9 order to pay for the expenditures. So, yes,
10 but that is correct.

11 So expenditures, for the most part, you
12 know, at this time of year, unfortunately, we
13 don't have exact monthly expenditures. Some
14 things are seasonal, so you're not going to see
15 everything at 75 percent. Some are going to be
16 a little bit higher. Some are going to be a
17 little lower. It's just because of the timing
18 of expenditures. But, for the most part, if
19 you look at the overall, most departments are
20 in line with or only slightly above the 75
21 percent mark of where they should be with their
22 budget.

23 The next set of schedules --

24 MR. PAREDES: I have questions on that,
25 too.

1 MS. GOMEZ: Go ahead.

2 MR. PAREDES: Diana, just a general, who
3 supervises these enterprise funds, because
4 there's a handful of them that are generating
5 losses? Who supervises those people? Like the
6 Venetian Pool is losing money, the Granada is
7 losing, the Tennis, Motor Pool and the
8 trolley -- you talked about trolley -- who
9 supervises that? These are enterprise funds.
10 They're supposed to be generating --

11 MS. GOMEZ: So they're not truly enterprise
12 funds. They roll up into the general fund.
13 The only true enterprise fund that we have is
14 the Parking Fund. I think it's the Parking
15 Fund.

16 CHAIRMAN MENENDEZ: That's it.

17 MS. GOMEZ: So the Venetian Pool is just
18 part of the general fund.

19 MR. PAREDES: So we subsidize -- the
20 general fund of the taxes, we subsidize that
21 and we subsidize all of those?

22 MS. GOMEZ: We subsidize. We know we're
23 going to subsidize it, but it used to be, in
24 the past -- it used to be a moneymaker, and
25 made this an enterprise. We call it an

1 enterprise fund, because we still have it in a
2 separate fund, but because it doesn't quite pay
3 for itself, we roll it into the general fund.

4 MR. PAREDES: You told me. You told me.

5 MS. GOMEZ: Yes.

6 MR. PAREDES: It gets subsidized.

7 Who supervises these things? How come
8 we're using taxpayers money to do this --

9 MR. HOLIAN: 90 percent of the people at
10 Venetian Pool are outside of Coral Gables, and
11 it caps out during the week -- during the
12 summer, it caps out. I live over in that area.
13 And it's a great resource for people, but you
14 go by the pool -- my daughters are older, but
15 they didn't go to the pool, because everyone
16 from outside the City is there. I mean, no
17 offense --

18 CHAIRMAN MENENDEZ: Once a year, they do
19 doggie day and it's one of my favorite days of
20 the year. So I'm all for it. I take my dog
21 there and my wife and we jump in the Venetian
22 Pool.

23 But we've had internal audit come in and
24 present, who does the supervision of the tennis
25 court, who takes the cash --

1 MR. PAREDES: Well, cash, I remember --

2 MS. GOMEZ: So the pool, the tennis courts,
3 the golf, those fall under the Parks and Recs
4 Department. So they are the ones that monitor
5 and maintain them. We know that they are --

6 MR. PAREDES: Not the most efficient.

7 MS. GOMEZ: That we are subsidizing them.

8 MS. SABATER: I guess it's a double edge
9 sword, right? If you market the property for
10 use, it will be too packed and local residents
11 will not want to go. If you don't market it,
12 then you're not going to get the fee income and
13 it will be a bigger loss and then you'll be
14 faced with closing it down.

15 MR. PAREDES: I just want to understand --

16 MR. HOLIAN: Why don't we open it up to
17 just Coral Gables residents and they pay an
18 annual fee and everybody from Coral Gables gets
19 to use it, and a couple of times a year you
20 allow the public to go there?

21 MS. SABATER: But you're paying an annual
22 fee in your property taxes, I guess, right?

23 MR. HOLIAN: But, you know, I think, if you
24 have young kids and you don't have a pool,
25 you'll pay -- well, look, it's beyond the scope

1 of this Board.

2 MS. GOMEZ: The City, this year or last
3 year, they reduced the capacity allowed daily
4 at the Venetian Pool because there was too
5 much.

6 MR. PAREDES: You answered it. We're
7 subsidizing it. These are what makes Coral
8 Gables -- but somebody's got to supervise these
9 people to make sure, and that, you're telling
10 me, is the Parks and Recreation, and the Parks
11 and Recreation reports to the City Manager?

12 MS. GOMEZ: He reports to the Assistant
13 City Manager, Peter Iglesias, who then reports
14 to the City Manager. They are usually within
15 the budget, with what we expect. We set the
16 expectation at the beginning of the year. They
17 usually fall within the expectation. A lot of
18 times, when there's construction or things that
19 are going on in either of the facilities,
20 there's going to be a lull in the revenues and
21 we know that, and we plan for it accordingly.

22 So we have the parking fund, the sanitary
23 sewer fund and the stormwater fund. Those are
24 the ones that are the enterprise funds.
25 There's nothing of note in any of those funds.

1 So unless you have a question of it, for the
2 most part, everything is, for the most part, on
3 track and where we expect it to be and we don't
4 feel that there's any issues that will cause us
5 an issue by year end.

6 So that's really all I have.

7 MR. HOLIAN: A quick question on passport
8 fees.

9 MS. GOMEZ: Yes.

10 MR. HOLIAN: Budget 350, actual revenue
11 580. I know it's a small number, but that's an
12 enormous jump.

13 MS. GOMEZ: Yeah, they're doing phenomenal.

14 MR. HOLIAN: I mean, has anyone gotten a
15 passport lately?

16 MR. PAREDES: Yes, I did.

17 MR. HOLIAN: It's fantastic.

18 MR. PAREDES: Fantastic. Right here.

19 MS. GOMEZ: The service is phenomenal.

20 MR. HOLIAN: It's unbelievable.

21 MS. GOMEZ: No, now they moved it by
22 Village of Merrick Park. It's no longer here
23 in City hall.

24 MR. PAREDES: Oh, where the driver's --

25 MS. GOMEZ: Where the diver's license used

1 to be.

2 MR. PAREDES: I came here and it was
3 fantastic. It was fast.

4 CHAIRMAN MENENDEZ: If it was still here,
5 you would have seen a line today, because, for
6 some reason, in the summer, the kids would line
7 up like down the block.

8 MR. HOLIAN: Really? Is that right?

9 CHAIRMAN MENENDEZ: Yeah.

10 MS. GOMEZ: So it was so much traffic for
11 this building that we moved them about a year
12 ago over there, and it is phenomenal. And
13 anybody that I send there, when they come back
14 to me, they tell me that it was just awesome.

15 MR. HOLIAN: They're delightful people.
16 They looked at the photo, and they said, "No,
17 we can do a better job with the photo."

18 I was like, "Really? Go ahead. You can go
19 to town."

20 But they were in and out in 15 minutes. It
21 was amazing. So no wonder they're making
22 money.

23 MS. GOMEZ: So they are. And so some of
24 their revenues also go to their special revenue
25 fund, so to speak, because they use it for

1 their initiatives for document processing and
2 things like that.

3 MR. HOLIAN: They do a great job.

4 MS. GOMEZ: Yeah, they do actually.

5 And so you're aware, at the beginning of
6 this fiscal year -- so, in the past, I used to
7 do a presentation to the City Commission. What
8 we have been doing this fiscal year, and the
9 Commission is okay with it, it appears that we
10 are providing a report with a narrative, and
11 the report, we send it to them and then offer
12 them that if they would like for me to present,
13 then I can come back and present it, but a lot
14 of times there's no questions, there's no
15 issues.

16 We always are communicating any issues or
17 problems or anything we have on a regular
18 basis. In order to facilitate a smoother
19 Commission meeting, I guess, it's --

20 MR. HOLIAN: Good for you.

21 MS. GOMEZ: So the Manager has asked that I
22 bring it to this Board first, see if there's
23 any questions or issues, address those, and
24 then I send off my report to the Commission.

25 CHAIRMAN MENENDEZ: I don't have any more

1 questions on the quarterly financials.

2 MR. PAREDES: Me neither.

3 CHAIRMAN MENENDEZ: I think we're good with
4 it.

5 MS. GOMEZ: Okay. Great.

6 CHAIRMAN MENENDEZ: We'll move past that,
7 and then what's left is Discussion Items and
8 Scheduling.

9 MS. GOMEZ: Right. So are there any
10 discussion items?

11 CHAIRMAN MENENDEZ: No, I don't have
12 anything.

13 MR. PAREDES: Off the record.

14 (Discussion off the record.)

15 MS. GOMEZ: Back on the record.

16 CHAIRMAN MENENDEZ: Scheduling.

17 MS. GOMEZ: So the next --

18 MS. SABATER: I have a conflict on that
19 date.

20 MS. GOMEZ: Okay. So at the 28th meeting,
21 it's on the agenda, I saw, for you to be
22 appointed.

23 I don't know that we have anything on the
24 agenda. So what happens is, when we don't have
25 items to present, through the Chair, we cancel

1 the meeting or postpone it to a further week.

2 MR. PAREDES: September 5th, I'm out of
3 town.

4 CHAIRMAN MENENDEZ: But can we pick a date
5 anyways, because it's easier for me to pick a
6 date, have it on my calendar? And not
7 September 5th, because you both have conflicts.
8 But if it's the week before, the week after --

9 MS. GOMEZ: Sure. And so does the first
10 Wednesday, in theory, work? Do we want to make
11 it --

12 MR. PAREDES: First Wednesday works for me.
13 Wednesdays work for me. Tuesday is a bad day
14 for me.

15 MS. SABATER: Yeah. Like October 3rd works
16 fine.

17 MS. GOMEZ: The next one after that. So
18 what we could do is --

19 MR. PAREDES: And you will be already
20 officially appointed by then.

21 MS. GOMEZ: On the 28th, she should be
22 appointed, right. So what we can do is, right
23 now I have nothing to bring forward to this
24 Board for the September meeting. So we could
25 tentatively not worry about a September

1 meeting.

2 MS. SABATER: Can you pencil in the 12th
3 instead, just in case you had something?

4 MS. GOMEZ: Yes.

5 CHAIRMAN MENENDEZ: We just know that we're
6 available that day, if she has to do a special
7 meeting.

8 MR. PAREDES: September 12th?

9 CHAIRMAN MENENDEZ: Yes.

10 MS. GOMEZ: If there's a need for it.

11 CHAIRMAN MENENDEZ: Yeah. If there's a
12 need for it, just know that that would be a
13 good day. Just note that we can't do September
14 5th.

15 MS. GOMEZ: If there's a need, because I'm
16 not sure if --

17 CHAIRMAN MENENDEZ: So we're not scheduling
18 it.

19 MS. GOMEZ: We're penciling it in for the
20 12th, and I'll know within the next week or so
21 if there's going to be anything else that's
22 going to be needed. That will be right before
23 the first budget workshop -- September 13th, I
24 believe, is the budget hearing.

25 MS. SABATER: We have to be there for that?

1 MS. GOMEZ: You do not have to be there for
2 that.

3 MS. SABATER: Should we be there for that?

4 MS. GOMEZ: If your Commissioner asks you
5 to be. So typically the idea is -- before you
6 joined, about a month or so ago, we had gone
7 over the budget, high level, provided the
8 budget books -- I have one for you -- and taken
9 any questions and concerns that may have come
10 up from this Board, typically is the process.
11 A lot of times the Commissioners will maybe
12 reach out to you guys before the budget
13 hearing, to say, "Hey, what are your thoughts,"
14 whatever, whatever they ask of you guys in
15 reviewing the budget.

16 We have a first budget hearing on the 13th
17 and then we have the second budget hearing on
18 the 25th, and then the budget is adopted on the
19 25th's meeting. If we don't have a need for a
20 meeting in September, then we won't have one,
21 and, then, when we meet again, the budget will
22 be adopted for the new fiscal year in October.

23 So anything else?

24 CHAIRMAN MENENDEZ: No. That's it.

25 All right. We'll adjourn the meeting.

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Thank you so much.

(Thereupon, the hearing was concluded at 9:00
a.m.)

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C E R T I F I C A T E

STATE OF FLORIDA:

SS.

COUNTY OF MIAMI-DADE:

I, NIEVES SANCHEZ, Court Reporter, and a Notary Public for the State of Florida at Large, do hereby certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 25th day of August, 2018.



NIEVES SANCHEZ