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CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
MEETING: WEDNESDAY, APRIL 29, 2015, 8:20 A.M.
CONFERENCE ROOM FIRST FLOOR, CITY HALL
405 BILTMORE WAY, CORAL GABLES, FLORIDA



MEMBERS PRESENT:

JOSE E. SMITH
ALEX MENENDEZ
CHERYL GOLDSTEIN

CITY STAFF PRESENT:

DIANA M. GOMEZ, FINANCE DIRECTOR
KEITH KLEINMAN, BUDGET DIRECTOR
SALLY OLA OLA, ASSISTANT FINANCE DIRECTOR

1 THEREUPON:

2 (The following proceedings were held.)

3 MS. GOMEZ: You want to get started?

4 At this meeting, if all members were here,
5 we were going to elect a Vice Chair, but not
6 everybody is here, so maybe we can wait for the
7 next meeting on that one, but maybe we can --
8 somebody can nominate somebody to act as Vice
9 Chair for this particular meeting, since Roland
10 is not here and he's not going to be able to
11 make it.

12 MR. SMITH: I'll do Vice Chair again. I
13 did it last meeting.

14 MS. GOLDSTEIN: Yes.

15 MS. GOMEZ: Okay.

16 MR. SMITH: Okay. So I'll make a motion to
17 approve the minutes from the last meeting. Has
18 everybody had a chance to look at them?

19 Roland's term is expiring --

20 MS. GOMEZ: The way that I understand it
21 is, since he was the Former Vice Mayor's elect
22 appointee, he will continue until he gets
23 removed or replaced.

24 MR. SMITH: Okay.

25 MS. GOMEZ: The new Commissioner can

1 reappoint him, if they choose to, unless he's
2 termed out. I don't know what the term limits
3 are. We can find that information out.

4 MR. MENENDEZ: So he doesn't actually even
5 finish his term, he --

6 MS. GOMEZ: He does. He finishes until
7 June, I think it is, and in June they make new
8 elections, but if they choose not to --

9 MS. GOLDSTEIN: I think I'm up in --

10 MS. GOMEZ: Right. So they know that they
11 need to do some appointments, so they will do
12 all of that by June, I think, but Roland will
13 continue to sit until he's removed or replaced.

14 Okay.

15 MR. MENENDEZ: I'd like to make a motion to
16 approve the last meeting's minutes.

17 MS. GOLDSTEIN: I'll second.

18 MR. MENENDEZ: All in favor?

19 MR. SMITH: Aye.

20 MS. GOLDSTEIN: Aye.

21 MR. MENENDEZ: Aye.

22 MS. GOMEZ: Next order of business is the
23 Quarterly Financial Report.

24 MS. GOMEZ: So in your packet, you guys
25 have the Quarterly Financial Report. This is

1 for the six months ending March 31st, 2015. It
2 was presented to the City Commission yesterday,
3 so this is the final form. I don't like to
4 finalize it until they have a chance to get it.

5 If you take a look at the Quarterly
6 Financial Report, on Page 3, at the very
7 bottom, total revenues are about \$107,000,000,
8 compared to \$156,000,000 of the budget, which
9 represents 68.5 percent overall.

10 So we're halfway through the budget. As
11 you know, some revenues come in seasonally.
12 Property taxes come in heavy in the beginning
13 of the year, or, the beginning of the fiscal
14 year, so that kind of skews it a little bit.

15 Property taxes, 44 percent of the budget.
16 We've received 61.6 million dollars to date or
17 90 percent, which is fairly in line with
18 property tax revenues received at this point in
19 time last year.

20 We haven't received delinquent property
21 taxes yet, and this is normal. We get a lot of
22 reverted taxes at this point, so it nets
23 against the property tax revenue. If there's a
24 sale, tax sale or something, in June or July,
25 we'll see some of that revenue come in at that

1 point in time.

2 As of March 31st, we received just recently
3 the transportation sales tax, totaling about
4 \$275,000. This is collections through
5 November. We receive this with a three to
6 four-month lag, but we believe that we will
7 receive everything that we need to get by the
8 end of the year. If not, we accrue for it for
9 Financial Statement purposes.

10 MR. MENENDEZ: That comes from the State?

11 MS. GOMEZ: The transportation sales tax
12 comes from the State.

13 MR. KLEINMAN: Yes. Well, they divvy it
14 up. They collect it and divvy it up.

15 MS. GOMEZ: Okay. I don't know if you have
16 any specific questions on any of the revenues.

17 MR. SMITH: I have a question. So we still
18 haven't collected from last year's?

19 MS. GOMEZ: Which ones?

20 MR. SMITH: For the transportation sales
21 tax. We only collected 30 percent or 28
22 million?

23 MR. KLEINMAN: They're behind.

24 MS. GOMEZ: Right. They're behind three to
25 four months. To date, we've collected through

1 December, which is the end of the first
2 quarter, and that came in in April.

3 This number that's here represents
4 collections just for the months of October and
5 November.

6 MR. SMITH: For 2015?

7 MS. GOMEZ: For 2015, right.

8 MR. SMITH: But we still haven't collected
9 on the 2014?

10 MS. GOMEZ: No. No. We've collected
11 everything past. This is where we were last
12 year at this time.

13 MR. SMITH: Great.

14 MS. GOMEZ: Yeah. Sorry, I wasn't
15 understanding.

16 MR. SMITH: No, I was confused.

17 MS. GOMEZ: Construction permits are up a
18 bit. That has to do mainly to two large
19 projects, the Aloft Hotel and the UHealth
20 Medical Center permits. So those are two large
21 permits that have come in already this year.

22 We don't tend to budget for one time
23 permits, one time large projects, unless maybe
24 we have a one time expenditure, because every
25 year we're not going to get that much money

1 from Aloft, because it's a one time permit.

2 So we budget for the overall trend of the
3 permits, of what we can consider to be
4 recurring revenue.

5 I don't know if you have any questions.

6 MS. GOLDSTEIN: I actually have a question
7 that's related to that. So for this coming
8 year, I mean, we know that was like a huge
9 election thing, was all of these developments,
10 so not looking at the trend, because the trend
11 over, let's say, the last five years, you would
12 think based upon what we heard out there it
13 would be more than the trend, for budgeting
14 purposes, will you like just stick with your
15 trend or will there be a little bump?

16 MR. KLEINMAN: You know, I just actually
17 started doing revenue for FY '16 just
18 yesterday, and if you look at FY '14, it's like
19 a million dollars over the budget, and that's
20 because we have -- you know, the City is just
21 the place to be, but those things -- we have
22 never, up until this point, budgeted the one
23 time bumps, because we needed to get our
24 reserves up.

25 Here's the budget theory, now that the

1 reserves are up, this is going to answer your
2 question, we can, if we know ahead of time
3 what's coming in, but we wouldn't want to spend
4 the money. We can plan some thing, that is, if
5 we collect for this big project, then this
6 money will be there and then we can use it
7 towards this one time thing, but it has to be
8 very closely watched, because that's how cities
9 have gotten in trouble in the past. They
10 budgeted just basically on loan.

11 "We did 4.7 million dollars last year, oh,
12 we're going to do it again," and you can't,
13 because you budget for recurring.

14 MS. GOMEZ: But the base amount, we do look
15 at it and raise it a little bit, because of the
16 trend of the increasing building happening now.

17 MR. KLEINMAN: Oh, with the economy,
18 absolutely --

19 MS. GOLDSTEIN: No. I'm talking about like
20 specific projects.

21 MS. GOMEZ: No. Now, if we have a specific
22 one time expenditure, we may be able to fund it
23 with the specific revenue that we know this
24 project is coming in. It has to be a one
25 time -- one time.

1 MR. SMITH: Like a street improvement in
2 front of a project.

3 MS. GOMEZ: Right. If it's a \$1,000,000
4 project --

5 MR. SMITH: The revenue that comes from
6 permitting, it can go to anything?

7 MS. GOMEZ: Well, it's supposed to cover
8 the cost of the Building Department.

9 MR. KLEINMAN: Right, but then you have to
10 set it aside.

11 MS. GOMEZ: Right. So, for instance, we
12 can't make a profit off the Building Department
13 and then use that money for something else, but
14 we can improve the Building Department, but
15 usually we subsidize the Building Department,
16 because --

17 MR. KLEINMAN: It's a loss.

18 MS. GOMEZ: Right. We can't make money on
19 that, okay, but we cannot use other general
20 fund revenues to fund their operations, right,
21 so it works out.

22 MS. GOLDSTEIN: Let's say you have a
23 \$30,000,000 project. The permit fees are
24 related to the amount of the project?

25 MR. KLEINMAN: The value.

1 MS. GOLDSTEIN: The value of the project.

2 MR. KLEINMAN: Right.

3 MR. SMITH: And the impact fees are part of
4 the permits or no?

5 MR. KLEINMAN: They're built into the
6 permits.

7 MS. GOLDSTEIN: There's another one that's
8 coming up.

9 MS. GOMEZ: That's the other side of it.
10 The impact fees are pulled out of it, and that
11 is put into a separate fund, and that can be
12 used for impact for expansion --

13 MR. KLEINMAN: Enhancements.

14 MS. GOMEZ: -- enhancements.

15 MR. SMITH: For budget purposes, the actual
16 amounts of impact are in the permit section?

17 MR. KLEINMAN: No.

18 MR. SMITH: So they're separated out?

19 MR. KLEINMAN: No, separate fund.

20 MR. SMITH: So where would I find the
21 revenues, down at the bottom somewhere?

22 MS. GOMEZ: It's not reported in this
23 report, it's not for general use. So this is
24 really just kind of a general operations
25 report. We can provide you that information.

1 MR. KLEINMAN: That money is just put
2 aside. It flows into fund balance, and, then,
3 the following year, we will appropriate it, and
4 then -- because it has to be appropriated. We
5 haven't even set many projects with it.

6 In the Capital Improvement Plan, which this
7 does not address, some of that money is being
8 tapped into.

9 And you'll see, in the next Capital
10 Improvement Plan, we're going to be building a
11 new fire station, so the fire station impact
12 fee is going to be used for that.

13 MR. SMITH: So when we see the revenues
14 here, there are also other funds that are
15 getting revenue, as well?

16 MS. GOMEZ: Correct.

17 MR. SMITH: Could we see all of those next
18 time or is it too many funds?

19 MS. GOLDSTEIN: There are some in the back
20 here.

21 MS. GOMEZ: Capital Improvement Funds and
22 Impact Funds are not there. So we can try to
23 see if we can come up with something. I'm not
24 going to promise it for next month, but we
25 could look to see if we can put together some

1 kind of report --

2 MR. SMITH: Or just a high level, of just,
3 "This is our regular revenues here, these are
4 three other funds," just so we know.

5 MS. GOMEZ: Right.

6 MR. KLEINMAN: So you know, the Capital
7 Improvement Funds are usually money that's come
8 from the general fund. We budgeted it ahead of
9 time, for the most part. I mean, the small
10 funds, like the Impact Fee Fund, is not a lot
11 of money that comes in. It builds up over a
12 number of years and now we're starting to use
13 some of it.

14 MR. SMITH: And it's earmarked for certain
15 projects.

16 MR. KLEINMAN: Well, it will be. We have
17 five years to at least appropriate it, and,
18 then, from there, we start planning it, like
19 the fire station, now we're planning it.

20 The impact fee started in 2008, so we
21 appropriated it two years ago and now we're
22 starting to plan the use of it, because if we
23 don't use it, we have to give it back. So it
24 has to be appropriated and we have to start
25 using it for enhancement, based on --

1 MR. SMITH: You said, "Give it back," do
2 you mean, give it back to the actual payee?

3 MS. GOMEZ: Uh-huh.

4 MR. KLEINMAN: Uh-huh, yeah.

5 MR. SMITH: Okay.

6 MS. GOMEZ: If we don't use it or
7 appropriate it --

8 MR. KLEINMAN: -- or appropriate it within
9 five years.

10 MS. GOMEZ: So as of September 30th, 2014,
11 the total impact fees are 4.7 million dollars.

12 MR. SMITH: Okay.

13 MS. GOMEZ: And just so you have an idea,
14 the public safety portion is two million; parks
15 and rec is 1.6; other, physical environment,
16 general type, is 1.2.

17 MR. SMITH: And that could have been
18 accruing for years?

19 MS. GOMEZ: Since 2008, because we have not
20 used any as of yet, as of this point.

21 MR. KLEINMAN: Right, we haven't spent any
22 yet.

23 Some of the park's money has been obligated
24 now for the Two Passive Park projects, and then
25 the fire station is going to use one point

1 something million dollars.

2 MS. GOMEZ: And then it's also going to be
3 used, the general government one, as well,
4 because we're doing the --

5 MR. KLEINMAN: Yes. Yes. Yes.

6 MR. SMITH: And this is completely separate
7 from reserves?

8 MS. GOMEZ: Absolutely. It doesn't help
9 nor hurt our general fund, right.

10 MR. KLEINMAN: So we have other assigned
11 reserves that are for capital improvements.

12 MS. GOMEZ: Okay. So that's revenues.
13 Expenditures, on Page 4, we're halfway through
14 the year. You would expect to see departments
15 operating at or below 50 percent of their
16 budget. They are, for the most part.

17 The only line item that is not, that it's
18 slightly over, is non-departmental
19 expenditures. Non-departmental expenditures
20 are expenditures that don't belong to any one
21 particular department, they belong to City-wide
22 endeavors, as well as outside legal counsel and
23 any kind of special professional service
24 contracts that relate City-wide.

25 The next set of funds are the proprietary

1 funds, the enterprise funds, storm water
2 utility fund, sanitary sewer fund.

3 If you have any questions, stop me.
4 There's really nothing much more to report.
5 This is where we report the operations of those
6 funds, those systems.

7 The Venetian swimming pool, it used to be
8 in the enterprise fund separately, it's not
9 anymore for our Financial Statements, but we
10 still do report it separately, because the
11 Commission likes to see what's going on with
12 it. So we're just going to continue with that.

13 Same with Granada Golf Course. The Granada
14 Golf Course will be closing May 18th through
15 October 18th, is the anticipation of the
16 closing, so we will lose some revenue,
17 obviously, when we shut it down.

18 MR. SMITH: It's just for the grassy area?

19 MS. GOMEZ: It's for all of the
20 renovations. There's a whole big renovation
21 project that they're doing there, and we
22 anticipate the loss of revenue to be about
23 \$165,000.

24 Other revenues that come in above what
25 we've budgeted for should offset it, so, in

1 totality, not for the Granada itself, but
2 overall City-wide, it shouldn't affect us, and
3 the Granada Golf Course is operating better
4 this year than it had in previous years. So
5 we'll make up some of that.

6 The Biltmore Golf Course, again, is managed
7 by the Biltmore. We get a certain percentage
8 of their revenues.

9 Tennis Centers, the operation of the Tennis
10 Centers are there.

11 Parking, we seem to be doing better in
12 parking revenues in the garages. As mentioned
13 at yesterday's Commission Meeting, a lot of
14 that has to do with the fact that we now have
15 new pay station machines in the garages, that,
16 in the past, after ten o'clock, the arms would
17 go up and you could leave without paying, but
18 now they have to pay, you know, the machines.

19 MR. SMITH: Is the Tennis Center doing
20 better, because we went over that a year ago
21 when we had that control test, we had the
22 audit, you know, we were having issues with
23 collections?

24 MS. GOMEZ: Have you heard anything about
25 the Tennis Centers?

1 MR. KLEINMAN: No.

2 MS. OLA OLA: I think they're operating as
3 expected.

4 MR. KLEINMAN: I mean, I haven't done their
5 revenue. That's going to be -- actually, I'm
6 just about up to that now.

7 The Venetian Pool revenue has been going up
8 steadily. The pool is jam-packed now during
9 the summer.

10 Granada Golf Course has gone up. The
11 Tennis Center, I don't recall the numbers
12 changing much.

13 MR. SMITH: There's a big jump in the
14 actual revenues for the year for the Tennis
15 Center.

16 MR. KLEINMAN: I know the lessons have gone
17 up.

18 MS. GOMEZ: So Tennis Center revenues, it
19 was 192 last year at this time, 173 this year
20 at this time, so it's actually down a little
21 bit, court fees, same with annual fees.

22 Daily and annual, just it's down a little
23 bit. It's nothing that causes any concern
24 overall. It's down a little bit from 394 to
25 340, but it's nothing that has been brought to

1 our attention or nothing that we felt that we
2 needed to really dig into to see what's going
3 on there. So I would say it's operating as
4 expected per the Parks Department.

5 So we talked about parking. Do you have
6 any more questions on parking?

7 Motor Pool Fund and the Facilities Fund is
8 the internal service funds where we capture the
9 interdepartmental charges for the use of those
10 services throughout the departments.

11 And then the last one is Transportation,
12 Trolley Fund, where the transportation sales
13 tax funds 100 percent the trolley operations.
14 As I mentioned before, we received 274. To
15 date, we've received another 215,000 for the
16 month of December, that's not reported here,
17 because this is cash basis as of March, but we
18 received December's revenue in April.

19 MR. KLEINMAN: Again, this is always
20 behind.

21 MS. GOMEZ: Right. It's always three to
22 four months behind. It always is, but it's
23 fine. We will get it. We will accrue for it.

24 MR. KLEINMAN: Every year it's the same
25 thing.

1 MR. SMITH: We had to actually purchase the
2 trolleys, but they cover the actual operation
3 expenses?

4 MS. GOMEZ: No. The funds that we get from
5 this covers everything, whether we buy a
6 trolley -- sometimes we get a grant. Once or
7 twice we got a grant.

8 MR. KLEINMAN: Yeah, we got a grant just
9 once, but what happened is, we charge the
10 trolley a piece of motor pool, and then it gets
11 purchased at motor pool.

12 Once in a while, if we need to add an
13 additional trolley that is not in motor pool's
14 budget, we will do that with this money, which
15 we did in FY '15.

16 MS. GOMEZ: So we will pay the operations
17 of the trolley. Like we have a contract with
18 the drivers, that with the transportation sales
19 tax money that we receive, we pay that
20 contract.

21 MR. KLEINMAN: Okay.

22 MS. GOMEZ: So any increase service will
23 come out of those monies. We haven't had to
24 supplement it. We have excess every year.

25 MR. KLEINMAN: No. As far as the economy

1 goes up, the sales tax, you know --

2 MS. GOMEZ: Right. Right.

3 MR. KLEINMAN: It's been going up steadily
4 every year.

5 MR. SMITH: It's always been a great thing
6 to the City, the trolley.

7 MR. KLEINMAN: You know, the County likes
8 us to, because -- of the full amount we get,
9 the minimum that you can use for a
10 transportation millage, like a trolley, is
11 twenty percent. We use the whole thing. So
12 the County loves us for that.

13 MS. GOMEZ: It's just a service to our
14 residents, obviously. We're providing them
15 transportation within the City and the
16 Metrorail. So we don't charge anything on the
17 trolley.

18 MR. SMITH: I love the trolley.

19 MS. GOMEZ: So that's it on the Quarterly,
20 unless you have any other questions relating to
21 the Quarterly Financial Report.

22 Cheryl, I want to give you the CAFR,
23 because you weren't here the last time. I
24 wanted to make sure you got it.

25 MS. GOLDSTEIN: Okay. Thank you.

1 MR. SMITH: Do we have to make a motion to
2 excuse Roly from the meeting since he sent the
3 e-mail before?

4 MS. GOMEZ: Yes.

5 MR. SMITH: I'd like to make a motion to
6 excuse Roly from the meeting.

7 MR. MENENDEZ: I'll second the motion.

8 MR. SMITH: All in favor?

9 Aye.

10 MS. GOLDSTEIN: Aye.

11 MR. MENENDEZ: Aye.

12 MS. GOMEZ: Next item is the Quarterly
13 Overtime Report. Keith will go through that.

14 MR. KLEINMAN: And, actually, there's not
15 much to go over, which is good news. Take a
16 look at the first page. This is all of the
17 salary and benefits. As you can see, for '14
18 and '15, we're right at the total of 45
19 percent. So we're doing very well considering
20 this is the second quarter report.

21 Vacancies are edging their way downwards.
22 It's going nicely. The City Manager is looking
23 at some of the vacancies that have been there
24 for a while and she's going to be
25 re-classifying them and using them where the

1 City needs them.

2 MR. SMITH: Okay. So she hasn't started
3 that yet?

4 MR. KLEINMAN: She has.

5 MR. SMITH: Great.

6 MR. KLEINMAN: If you go to the second
7 page, this is the Overtime Report, and this is
8 City-wide, and actually we're fairly clean
9 here.

10 For Public Works and Development Services,
11 we sort of budget as we need it. They're not
12 big uses of overtime, but Public Works, we
13 actually budgeted some new needs this year for
14 some studies that were done by City employees
15 after hours, and you'll see it's high, because
16 it was a one time thing, done within the first
17 six months.

18 So the money is budgeted. The whole thing
19 is going to be used, and you won't really see
20 -- it will look like a variance, but it's not,
21 we fully expect that to happen.

22 Development Services, they budget overtime
23 as they need it. It's not a regular thing
24 there.

25 And Police -- let's go to the third page,

1 because it's easier -- police and Fire are
2 separate.

3 Police, we have it separated obviously by
4 the division. We're still running high in
5 uniform patrol and the big reason for that is
6 we still have a good number of vacancies there.
7 All of the recruits are pretty much on the
8 street now, but they're paired up with existing
9 people, they're not on their own yet.

10 So we still have to cover -- we have the
11 twelve people per shift, we still have to cover
12 all of the twelve positions, the slots --

13 MR. SMITH: The twelve cars, plus the
14 person drive along.

15 MR. KLEINMAN: Right. So the recruit is
16 paired with somebody, and he or she is not on
17 their own. So we still have overtime.

18 Again, we're watching it. The City Manager
19 is aware of it. So we're just going to keep
20 watching it.

21 Fire, like they promised, has gotten their
22 overtime down. As they said the last time,
23 they experimented with trying to get back to a
24 standard staffing. It did not work. They
25 promised us by the end of the second quarter

1 they would be closer and they are. They are
2 pretty much in line.

3 Really, that's about it. Any questions?

4 I forgot, Technical Services and Police,
5 the E-911, they are experiencing a high
6 turnover. It's a very high pressure job. So
7 we've been maintaining a good number of
8 vacancies there, and unfortunately there's been
9 some overtime, and that is mandated, we have to
10 have a certain number of people on board at all
11 times.

12 So right now I think there's at least one
13 supervisor vacancy and I think five or six
14 operator vacancies. Out of thirty-two
15 positions, that's a really high percentage.

16 MR. SMITH: Do they have a non-emergency
17 number for Coral Gables? In cities, if you
18 call 911 --

19 MR. KLEINMAN: They usually switch over. I
20 had to use that once for Fort Lauderdale, and
21 they said, "This is not an emergency," and they
22 said they were transferring me to someone else.

23 MS. GOMEZ: The County has a 311 that's a
24 non-emergency.

25 MR. KLEINMAN: I think you're referring, if

1 you still have to reach the police --

2 MR. SMITH: Just for police. It's just for
3 police, non-emergency, and I only ask because a
4 lot of those, they'll call you back. You leave
5 a message. It's like lower stress. It's like,
6 "I lost my cat," you know.

7 MR. KLEINMAN: Right. Any questions?

8 MR. SMITH: No, I don't have anything.

9 MS. GOLDSTEIN: I don't have any questions
10 on this, but I have questions.

11 So as we move forward into the budgeting
12 process and as we have a new City Manager and
13 as we have the fund balance up there, do you
14 foresee any change in climate or any difference
15 in, I'd say, being tighter on what is being
16 budgeted by department?

17 So, for example, there's not one department
18 that I saw on the expense side that is at or
19 over 50.

20 MR. KLEINMAN: Uh-huh.

21 MS. GOLDSTEIN: So, to me, that's a
22 little -- yeah, it's a little comfortable. So
23 like is there any -- do you feel like there
24 might be a little push to be a little tighter?

25 MR. KLEINMAN: I would say, a good majority

1 of that are the vacancies, because we have 63
2 vacancies. I mean, that's like eight percent
3 of the City's staff. It's a lot of money.

4 MS. GOLDSTEIN: Right.

5 MR. KLEINMAN: And that's what we're
6 looking at now. Like the police vacancies, we
7 are trying to fill, whether they're sworn or
8 civilian. Those have to be filled, and there's
9 a good amount of those running on a regular
10 basis, and it creates some circles.

11 We do tend to use the surplus to aid in the
12 hiring or to cover additional overtime, if
13 necessary, but for the most part, the
14 surpluses -- the department doesn't generate a
15 lot of surplus on what's considered their OTPS,
16 which is other than personal services.

17 MS. GOMEZ: So they're always at that or
18 even cutting into and asking for salary savings
19 for specific types of expenditures, because
20 they're meeting their operational --

21 MS. GOLDSTEIN: But we budget at full --

22 MS. GOMEZ: Positions.

23 MS. GOLDSTEIN: At full positions.

24 MS. GOMEZ: Yes, we do.

25 MR. KLEINMAN: Yes. It's the conservative

1 way to do it. If you want to go tighter --

2 MS. GOLDSTEIN: I mean, I get that, but --

3 MR. KLEINMAN: Did you want to go tighter?

4 Like some cities, if you know you're going in
5 with vacancies, they'll budget ten months,
6 eight months, okay, and then -- you know, but,
7 again --

8 MS. GOLDSTEIN: But will you see more that
9 the re-allocations and re-classifying positions
10 to be done before the budget's approved, so
11 that it's -- the efforts to re-allocate
12 positions, like you were talking about --

13 MR. KLEINMAN: Before the budget is
14 approved? I can't speak for the City Manager
15 on that. I know she's looking at it. She's
16 only been here six months now. She has changed
17 some of them. There are going to be some --

18 MR. SMITH: She was going to spend 90 days
19 looking at everything, not making any changes,
20 and then, she said, after that, I'll start to
21 re-allocate positions --

22 MS. GOMEZ: And she has been.

23 MR. SMITH: It is possible it could get
24 done by the budget --

25 MS. GOMEZ: Oh, yeah.

1 MR. KLEINMAN: Not all of them, but some of
2 them.

3 MS. GOMEZ: So we've talked about things
4 and certain things she says she will do with
5 the new budget, so she'll do in the budget
6 process. You know, so if she wants to make a
7 change or whatever -- it really just depends on
8 what the change is.

9 MR. KLEINMAN: Right.

10 MS. GOMEZ: Sometimes if it's adding new
11 positions, she'll probably do that as part of
12 the budget, as opposed to -- but if it's just
13 to reclassify the current position, she may do
14 that now.

15 MR. KLEINMAN: Well, like the new ACM.

16 MS. GOMEZ: Right. She reclassified the
17 ACM over Finance Administration to be the ACM
18 over Public Safety. So she did that during the
19 fiscal year, because she wants to hire.

20 MS. GOLDSTEIN: Okay, and I get that while
21 you might be under in salary, you've over in
22 overtime to help compensate --

23 MR. KLEINMAN: No, we don't really tend to
24 go too far over in overtime. We watch
25 overtime. They're over in their use for the

1 time being.

2 Last year, Police did go over, but no one
3 else really went over. The Police are the
4 ones, because they have this tremendous
5 turnover, and that's also one of the reasons
6 why the City Manager was bringing on board a
7 guru for public safety, to really get into the
8 Police Department and to look at it.

9 MR. SMITH: Yeah, because outside of what
10 we see here, there's always a concern that
11 there's a lot of police who are actually
12 retiring in the next couple of years, right, a
13 good amount, and they tend to build up their
14 overtime and their salaries for the DROP. I
15 mean, there's always that concern there --

16 MS. GOMEZ: Well, overtime does not go
17 towards pensions anymore.

18 MR. SMITH: Even for the tenured ones?

19 MR. KLEINMAN: Yes.

20 MR. SMITH: They went retroactively and
21 removed it?

22 MS. GOMEZ: No. If they're already in the
23 DROP --

24 MR. SMITH: But anyone who DROPs now, it
25 doesn't actually --

1 MS. GOMEZ: Right.

2 MR. SMITH: I thought it wasn't for people
3 that were vested in, but it was for new hires.

4 MS. GOMEZ: No. So if you were already
5 vested -- if you were already retired, meaning,
6 in the DROP, then your pension has been
7 calculated, so you were calculated based on the
8 old rules, but any new calculations, someone
9 who is entering the DROP tomorrow or trying to
10 bump up their last couple of years now, it
11 doesn't, because as of 2010, overtime is not
12 pensionable.

13 MR. KLEINMAN: That was the reason for this
14 report to begin with, was the fact that there
15 was such abuse in overtime here, and now there
16 can't be.

17 I mean, we still watch it. We don't freely
18 give it, because there's a fine line between
19 should you hire another person or should you
20 use overtime. You know, so you really have to
21 see and look at that.

22 MR. SMITH: Uh-huh.

23 MS. GOMEZ: Other questions?

24 MR. KLEINMAN: By the way, we really
25 appreciate these questions. You know, before

1 we never had any contact. We're actually doing
2 this, so, I mean, really, ask your questions,
3 please.

4 MS. GOMEZ: Hold on a second.

5 MR. SMITH: I have a question. The leases
6 on the Mile, some of it is percentage of sales,
7 right, or is it all square footage?

8 MS. GOMEZ: No, the leases on the Mile I
9 believe are square foot.

10 MR. SMITH: We only looked at one. It was
11 the flower shop.

12 MS. GOMEZ: It's a square foot rate, and
13 then sometimes they negotiate a percentage of
14 sales, but usually not on the Mile.

15 Not on the Mile, but other properties, we
16 have percentage of revenues.

17 MR. SMITH: So it would be expected that
18 when they do construction on the Mile, like the
19 revenue will start to go down. They're not
20 going to have as much sales because of the
21 construction, and just --

22 MR. KLEINMAN: They are hoping to stage it
23 such that --

24 MR. SMITH: But it's not like a big amount
25 of money comes from percentage of sales --

1 MR. KLEINMAN: No.

2 MR. SMITH: -- that you have to adjust your
3 budgetary numbers?

4 MS. GOLDSTEIN: I would think that other
5 big project would have more of an impact.

6 MS. GOMEZ: Which one?

7 MR. SMITH: The Ponce Circle --

8 MS. GOMEZ: Agave, Mediterranean Village.

9 MR. KLEINMAN: That's not even in our
10 budget yet. I mean, there's nothing there.

11 MS. GOMEZ: Right. It hasn't been even
12 fully approved. They're still going through to
13 see what is going to be approved.

14 MS. GOLDSTEIN: That will be interesting to
15 watch on TV.

16 MS. GOMEZ: Any other questions?

17 Nieves Sanchez is the court reporter.
18 Nancy Morgan has retired. She's going to do a
19 couple of little things. She says that her
20 non-profit is taking too much of her time.

21 So we kind of want to keep you abreast of
22 the budget calendar and what's happening with
23 our budget process internally and what's new
24 and all of this.

25 We are planning, and it has not been

1 scheduled yet, a first budget workshop with the
2 Commission, to go over priorities, what they
3 want to see in the capital and things like
4 that.

5 MR. KLEINMAN: This is new.

6 MS. GOMEZ: Yeah, we have never done this
7 before.

8 MR. SMITH: Okay. My Commissioner asked me
9 about this and he wants an opportunity to be
10 involved in this. So if you have a tentative
11 date --

12 MS. GOMEZ: We're trying to do it on the
13 26th, after the Commission meeting, or on the
14 27th, sometime during the day. So depending on
15 that, that may reschedule our meeting here,
16 because the Manager wants to do it around the
17 time of the Commission meeting, because it's
18 when they're most available.

19 MR. SMITH: And that's a private meeting
20 or --

21 MS. GOMEZ: No, it's going to be a public
22 meeting. It's a workshop for the Commission.
23 It's a public meeting. I'm sure, if you're
24 there and you wanted to say something, they
25 would probably recognize you.

1 MR. KLEINMAN: It is televised, as well.

2 MS. GOMEZ: Yeah. I think it's being taped
3 and televised later. It's not for the public
4 to comment. It's not a public hearing -- we
5 will have two public hearings -- but as you are
6 Board Members, most likely you will be
7 recognized, but the public will not generally
8 be allowed to comment. It's a workshop for the
9 Commission.

10 So we're trying to make it on the 26th,
11 after the Commission Meeting, or the 27th,
12 either at nine o'clock or one o'clock, depends
13 on what the Commission wants.

14 If those dates don't work for the
15 Commission, we'll obviously do some other
16 dates, but they'll start polling the
17 Commissioners today to see if this calendar
18 works.

19 Internally we're meeting with Staff and
20 with Cathy and all of the directors in the
21 weeks from now until -- you know, Budget is
22 working on finalizing everything, gathering all
23 of the needs of all of the departments, all
24 their capital requests. The plan is to put
25 together a package, send it off to the

1 Commissioners.

2 MR. KLEINMAN: They're drafts. Everybody
3 has to see it, including the Board, so --

4 MS. GOMEZ: Exactly. So what we plan to do
5 is, we plan a week to ten days prior to
6 whatever meeting we schedule with the
7 Commissioners, we're going to send them out a
8 packet with kind of like the agenda of what we
9 hope for that workshop. We can send that out
10 to you guys, as well, at that time.

11 MR. KLEINMAN: Yeah.

12 MR. SMITH: That would be great, because
13 they're going to turn around and ask us.

14 MR. KLEINMAN: Right, and you're going to
15 get a list of a bunch of capital projects, all
16 of the existing ones and the new ones. You're
17 going to get all of the things that we're
18 looking at and each of your Commissioners is
19 going to want opinions from you on what you
20 think.

21 MS. GOMEZ: So if the meeting is going to
22 be on the 26th or 27th, we're hoping to mail
23 the packets out on the 18th. So we want to
24 meet prior to the week of. So that's the plan
25 for the budget.

1 And then, you know, we'll continue
2 internally working. The idea for that workshop
3 is to get the Commission's input as to what
4 projects are important to them, what are their
5 priorities for the projects. We can't do
6 everything at the same time. So we're trying
7 to get prioritization, and their ideas, so as
8 we're formulating the budget estimate, we can
9 have that.

10 So we're going to send the packages out.
11 We'll get them to you. Your input is always
12 welcomed. You can always send individual
13 e-mails back to myself or Keith for questions,
14 because you can't be conversing as a group
15 because of the Sunshine Law.

16 Another thing, today is the 90th
17 Anniversary of the City of Coral Gables. Let
18 me give you pins. Pass these out. So starting
19 today we're going to be celebrating for the
20 whole year 90 years of the City of Coral
21 Gables, City Beautiful.

22 So the City is trying find 90 events, you
23 know, somehow to commemorate the 90 years.
24 That's kind of what's going on with the City,
25 so we're very happy and proud to be part of

1 this Beautiful City.

2 What else?

3 MS. GOLDSTEIN: You guys are doing a great
4 job.

5 MS. GOMEZ: Thank you.

6 I have nothing else, except to schedule the
7 next meeting. Can I wait and see when the
8 Commission meeting is going to be?

9 MS. GOLDSTEIN: Yes. I'm out that whole
10 week, but I'm here all around that.

11 MS. GOMEZ: So perhaps we'll meet the week
12 before, sometime at the tail end of the week,
13 the Thursday the week before, because that way
14 you could have gotten your packets earlier.

15 Maybe we'll try to shoot for the 21st. I
16 don't know if that works for people, but maybe
17 we can try to shoot for that, because that way
18 we can get your input and you're all welcome to
19 come to the workshop, if you can make it.

20 I'll try to schedule that.

21 MS. GOLDSTEIN: Personally, if we skip a
22 month of the financial -- yeah, or like having
23 financials to look at, I think we're okay.

24 MS. GOMEZ: Yes. It just so happened that
25 the timing was there.

1 We'll schedule that. We'll let you know.
2 I don't have any other business. Do you guys
3 have any other business?

4 MR. SMITH: No, meeting adjourned.

5 (Thereupon, the meeting was adjourned at
6 9:15 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 record of my stenographic notes.

DATED this 10th day of May, 2015.


NIEVES SANCHEZ