

City of Coral Gables City Commission Meeting
Agenda Item I-1
December 9, 2025
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Richard D. Lara

City Staff

City Attorney, Cristina Suárez
City Manager, Peter Iglesias
City Clerk, Billy Urquia
Assistant City Attorney, Gus Ceballos

Public Speaker(s)

Maria Cruz
Charles Davis
Dan Thornhill
Rick Cook
Harry Pickering
Joe McNichol

Agenda Item: I-1 [Start: 3:51 p.m.]

Hearing, pursuant to the Alternative Dispute Resolution Mechanism set forth in the Class Action Settlement Agreement, regarding the determination by the Retirement Board that class members in Murrhee v. City of Coral Gables, Case No. 13-20731 CA (13) (Fla. 11th Cir. Ct.), Gap members, and Opt-Out members should receive a cost-of-living increase to retirement benefits (“COLA”).

Mayor Lago: All right. Welcome back. We have two items left on the agenda. One is a time certain item for 3 p.m. I apologize for so late. Item I-1, Madam City Attorney.

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City Attorney Suarez: Thank you, Mayor. Item I-1 is a hearing pursuant to the Alternative Dispute Resolution Mechanism set forth in the Class Action Settlement Agreement regarding the determination by the Retirement Board that class members in Murrhee v. City of Coral Gables, Case No. 13-20731CA13, Florida 11th Circuit Court, GAP members and opt-out members should receive a cost-of-living increase to retirement benefits. Mayor, if you'll allow me, I'd like to kind of explain the process here.

Mayor Lago: Yes.

City Attorney Suarez: The Alternative Dispute Resolution Mechanism was established pursuant to the Class Action Settlement Agreement and was ultimately codified in the city code pursuant to ordinances 2018-11, 2018-25, and 2018-35. The Mayor has issued a procedural order to govern the conduct of this hearing that has been shared with interested parties and is included in the record for this agenda item. The procedural order provides as follows. Any person wishing to speak must be sworn in by the City Clerk. The Finance Director or her designee will have three minutes to present her professional recommendation based on the memorandum provided to the City Commission. Any individual wishing to address the City Commission will be afforded three minutes each. After the conclusion of the presentations, the City Commission may ask questions of any party or individual. Pursuant to the terms of the Settlement Agreement, the City Commission in its sole discretion may, by a four-fifths vote, reject the Retirement Board's determination or reduce the amount of the proposed COLA considering the following factors. (A), whether the present value of the proposed COLA exceeds the net actuarial experience of the retirement system accumulated from all sources of gains and losses since July 1st, 1994. (B), the amount of the unfunded actuarial accrued liability and whether it has been declining or increasing and the amount of such decline or increase. (C), the amount of the unfunded actuarial accrued liability and the amount by which it will increase if the proposed COLA is granted. (D), the number of years since the last COLA was granted. (E), the percentage increase of the last COLA that was granted. (F), the single year actuarial experience of the retirement system for each of the seven years preceding the proposed COLA and the net actuarial experience of the preceding seven years. And (G), the increase or decrease of the consumer price index issued by the U.S. Bureau of Labor Statistics. If the Commission takes no action today or there is not a four-fifths vote to reject or reduce the Retirement Board's determination, the Retirement Board's determination to grant a COLA of 1.45 percent will stand. If the Commission votes to eliminate or reduce the COLA by a four fits vote, the City Commission's decision will not be overturned unless arbitrary and capricious. Any decision of the Commission to reject the Retirement Board's determination or reduce the amount of the proposed COLA based on factor A alone and regardless of the other factors specified will not be considered arbitrary or capricious. And so, Mayor, with your permission, I would ask the City Clerk to please swear in everyone who will be speaking today and then we can turn it over to the Finance Director.

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Mayor Lago: Thank you. Mr. Clerk.

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

All: I do.

City Clerk Urquia: Thank you.

Mayor Lago: How are you? Good. Before we get started, there's going to be some rules. As you remember from the last time when we had this, we will allow everyone to speak. You're allotted three minutes. There will be no shouting from the back. There will be no one running up to the podium like we had last time here. You will have one time to speak, which is what's allotted to everyone that comes here and speaks. The last time that we had this, it was a rodeo. It was a circus. In the Public Safety Building. As Ms. Maria Cruz knows in the back, she's giggling away because she enjoys it more than anybody else. It will not happen today. No matter the outcome, we will respect the Chambers, and we respect the City of Coral Gables. Many of you were here last time. Many of you understood exactly what happened. While many agreed or disagreed, it was an embarrassing moment for the City of Coral Gables. The way that things were conducted was not the way that we should conduct ourselves here in the city. So, I ask you, like I do in every Commission meeting, let's be respectful, let's be thoughtful, and let's abide by the rules that make this city so special. Madam Finance Director, the floor is yours.

Finance Director Gomez: Good afternoon, Diana Gomez, Finance Director. At the Pension Board meeting of November 13, 2025, the board voted to approve the 2026 COLA of 1.45 percent to class members as required by the COLA lawsuit settlement. Additionally, the Pension Board voted to approve the same 2026 COLA to GAP and OPT-OUT members. In accordance with the terms of the Settlement Agreement, at this hearing, the City Commission, in its whole discretion, may, by a supermajority of four-fifths vote, reject the Retirement Board's determination or reduce the amount of the proposed COLA. As the Finance Director of the City of Coral Gables, it is my professional recommendation that the City Commission reject the board's proposed 2026 COLA for class members, GAP, and OPT-OUT members. My recommendation considers the factors listed in the ordinance that are to be considered by the City Commission in making this determination. Specifically, (A), the present value of the proposed COLA will exceed the net actuarial experience of the retirement system. The current cumulative experience loss as of September 30, 2024, is \$194.9 million dollars as of the 2024 Actuarial Valuation Report. (B), the unfunded liability is \$169.8 million as of the last valuation. The unfunded liability has increased from the previous year by \$12.8 million. (C), providing for the 2026 COLA of 1.45 percent would increase the unfunded liability by \$5.25 million. (D), the

last COLA was paid on January 1st, 2025. (E), the last COLA provided 4 percent COLA for 2025. (F), the single year actuarial experience of the retirement system for each of the seven preceding years, years preceding the proposed COLA is provided in my memo to the Commission. But the sum of those net actuarial experience over the preceding seven years is a gain of \$8.165 million dollars. (G), the increase of the consumer price index since the last COLA paid in January 2025 is 2.9 percent. For the above factors support rejection of the 2026 COLA as a cost associated with granting the COLA would adversely impact the pension system. It's my professional recommendation that the City Commission does not grant a COLA of any amount until the pension fund is in a positive actuarial position. A COLA granted before then would cause additional increase to the unfunded liability which would adversely impact the pension system. Thank you.

Mayor Lago: Thank you very much. Mr. Clerk, I'd like to hear from the individuals that would like to be heard.

City Clerk Urquia: Understood. First speaker, Mr. Mayor, Maria Cruz.

Mrs. Cruz: Mrs. Maria Cruz. It is Mrs. Maria Cruz, 1447 Miller Road. Today, during A-6, item A-6, we heard a proclamation that was read about how wonderful our police and fire departments employees are. We heard marvelous things about our police. And some of you may think, or may have thought at that time, that this Commission loves the police and the firemen. The only problem is that actions speak louder than words. The reality is bigger than smoke and mirrors. We have elected officials that are here, present, that forget when it comes time to negotiating contracts and discussing COLA benefits, that they love the police and the wonderful job that the fire department does. They forget that we have young police officers and young firemen that leave this city because of their salaries. And now, that's not the only point. Now we also see that once they retire, we forget about them. We don't care about them anymore. You're already served. You already did your job. Forget about you. You can't make it too bad. So here we are. Once before, not long ago, last month, when we were all distraught about the two officers that were killed, and some of us really meant it. Some of us were really upset about that, but some put on a very good show. We were so, so sad because, you know, we love the police and then we know the reality. The reality is we love the police and the fire, except when it comes down to compensation. We are here today to talk about COLA. I think you need to look at the people that are here, the retired people that need you to show how much you support them and forget about the hypocritical comments that you all make and make it happen. This is not a charade. This is reality. These are people that work for you, that work for me, that work for our city. And now, because they're retired, you don't care about them. And I'm sorry, I don't mean all of you. I mean, those of you that do not think that they deserve what most human beings would deserve. And yes, the time ended, Lago.

Mayor Lago: Mr. Clerk, next person, please.

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City Clerk Urquia: Charles Davis.

Mayor Lago: Hello. Good afternoon, sir.

Mr. Davis: Hello, thank you. Mayor, Commissioners, my name is Charles Davis. I'm a retired Coral Gables firefighter. My mother actually worked for the city and had to quit because she was pregnant with me back in 60-something years ago. I came to work for the city and I kind of made a deal. If I did this, if I worked these many years, then my retirement would be this. And it was pretty well set in stone for the 25 years that I was here. After I left and it was time to get a COLA, the deal changed. And this COLA isn't so that I can buy a new TV or buy a new car or get luxuries. It's a cost-of-living increase. At this point, we're talking about one and a half percent. If I went to Publix and told them I only want to pay one and a half percent more than groceries were last year, they laugh at me. One and a half percent is a drop in the bucket, but it's better than nothing. And it's sad that I should even have to come here every year and beg for one and a half percent. But I'm just asking that you guys please do the right thing. Thank you. And I'd like to yield the rest of my time to the other speakers.

Mayor Lago: Thank you, Mr. Clerk.

City Clerk Urquia: Dan Thornhill.

Mr. Thornhill: Thanks, Charlie. I believe he had almost two minutes left. So, if I could just run over a few over my three minutes. Thank you. Thank you for the opportunity. Mr. Mayor, you said the word respect, and I surely hope that you'll reciprocate that respect when we talk about the importance of this issue here. The respect of these individuals that are dying, that have been retired 15, 20 years, that aren't able to attend here, and the lack of respect that they feel by having their agreement that they retired under taken away.

Mayor Lago: May I respond to you?

Mr. Thornhill: Please.

Mayor Lago: Because you invoked me.

Mr. Thornhill: Well, you looked at me when you said respect, and I said respect the process, so I'm reciprocating it back to you as well. But please go ahead.

Mayor Lago: I said respect. Mr. Clerk, will you do me a favor? Will you pull a public records request and make sure that everyone here gets a copy of last year's video of this exchange that happened here in the middle, just in case they forgot how it happened. I respect your work. I respect what you've done here in the city. But disagreeing with you doesn't mean that I don't respect you. And you know that very well.

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Mr. Thornhill: Yeah, I was just using your word respect.

Mayor Lago: No, what I was talking about was the way that the meeting will be conducted. I know that last year under Amos Rojas, this was a circus, and it was enjoyable to see people screaming from the grandstands. You know, you even had Chief Hudak show up here. You had multiple people screaming and running up to... It's not going to happen. Because at the end of the day, it's not appropriate. You can make your point without having to attack me or disrespect the city. So, I just said, let's be respectful and thoughtful, and if you come to the meetings, if you happen to come to our Commission meetings in the beginning, you will see that I read always a public comment statement. It says very clearly, I say, welcome. I'm going to ask everyone who comes up to state their name and address for the record. You will have three minutes to share your thoughts with the Commission. As a reminder, these comments are limited to those items on the agenda or within the scope of the City Commission jurisdiction. If you wish to speak on an item that is on the agenda right now, please remember that you will not be given additional opportunity. Please be respectful and thoughtful. Thank you very much. So, I'm treating you the same way I treat everyone else.

Mr. Thornhill: And I appreciate that. Thank you.

Mayor Lago: But you have to admit, since we're talking about respect, that last year was a circus.

Mr. Thornhill: I'm not going to agree with that, but that's your opinion.

Mayor Lago: Thank you very much.

Mr. Thornhill: As well.

Mayor Lago: Proceed.

Mr. Thornhill: Thank you. And thank you for the opportunity. Welcome back, Peter. Commissioner Lara, or Lara, excuse me. Welcome. Happy to have you here. Dan Thornhill, retired firefighter, 31 years with the City of Coral Gables. 16 of that, I was a Battalion Chief. As dramatic as it sounds, I made decisions that determined if firefighters went home. And I know it sounds dramatic, but that's the reality of it. And seeing the younger firefighters here today, it made me really reflect that the older firefighters, and that's really what we're talking about, even though this affects me as well, and it's my monies that I agreed to and did everything I was supposed to. But the older firefighters, they didn't have the training, the equipment, the response time, the building construction, the things that protect and insulate some of the newer, younger firefighters. He's down on disability. There are four other firefighters I spoke to today who couldn't make the drive because of their illness. And they have cancer. They have different heart issues. And if you understand sleep deprivation, there's a plethora of information out there about what that does to

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the body. And firefighters working 24 on, off 48, and with mandatory overtime so we can keep all the units staffed 24 hours a day. Chief Cook was instrumental in making sure that we had that minimum staffing article so we would have here 24 hours a day, seven days a week, we never close. That comes at a cost, not monetarily, but physically. You talk about numbers, and I respect numbers just as everybody does, but you have a goal that you would like to get to 90 percent funded and lower the assumption rate. Admirable, but that's a cost. Let's talk about some other numbers. Of that lawsuit, how many of these people have died? That brings the cost down. It doesn't bring it up. There's been over 200 people, I believe, that have died since this thing started. The two COLAs that were granted were cut in half. Cut in half. If somebody said to you, hey, you know what, your parents are retired in Social Security and they did a great job, they did everything they're supposed to, but we're going to cut their benefit in half. I'm sure you could raise your arm and say, wait a minute, what? It's no different here. We've averaged 0.55%, 0.55% in 13 years as far as the cost-of-living adjustment. 10 years went by, a decade, that nothing was done. We get the phone calls from our retired widows, from the older retirees. We have, I think, 12 different guys right now that don't qualify for Medicare. We don't get Social Security and they're in our health trust. Our health trust has gone up 20%, 10% last year, 10% coming up in January. This 1.45% makes a huge difference. Even though it's only a prescription or whatever, I'm begging you, please, support this. It's not a major cost.

Mayor Lago: Thank you very much.

Mr. Thornhill: And I thank you.

Mayor Lago: Mr. Clerk.

City Clerk Urquia: Rick Cook.

Mayor Lago: Chief, good afternoon.

Mr. Cook: Good afternoon, Mr. Mayor, Mr. Manager, Vice Mayor, Attorney. I'm glad to be here today, but I'm not glad to be here. Again, I'm here representing the old guys. I am one of the old guys now at 70 plus years of age, trying to stay on my feet. But there's a lot of guys that I worked with for, I worked 34 years, and I was the Fire Chief, but these guys are hurting out there. I've worked side jobs. I taught in a university for 10 years after I retired because I had to. And I can tell you right now, but a lot of my friends that were firefighters, they can't work and they can barely survive. So, I just want to commend you first of all for doing the job you do. But I want you to go look in your heart, as Dan had said, for these people that signed a contract had a deal with the city for a certain amount of money, and then things change. I know things change in life, but I don't believe they deserve to be living under the circumstances that they are. And I know a lot of them. I still have the phone numbers and names of every person who worked on the fire department.

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And I talk with them often. And yeah, there's some guys that are doing great out there, but there's a lot that aren't. And they're living day to day. And I just ask that you would think about that as you vote. And I know you have a tough job to do, but I pray you'll do your best. Thank you very much.

Mayor Lago: Thank you, sir. Mr. Clerk.

City Clerk Urquia: Harry Pickering.

Mr. Pickering: Good afternoon. My name is Harry Pickering, retired Police Major. I served from 1976 until 2007. Regarding COLAs to prepare for the immediate future, Vice Mayor Rhonda Anderson made a motion at last year's COLA hearing to create a line item in the city's annual budget, a line item or an account or a bucket, so to speak, for depositing funds in that bucket to help fund future COLAs or some sort of other retiree benefit. That motion did pass. I believe it passed unanimously. Retiree Martin Barros has been communicating in the past with Vice Mayor Anderson about this going back several years prior to that meeting and since. Well, when we examined this year's budget estimate and then the final budget, there was no COLA line item. The Commission either failed to follow its own direction or the Manager's office or whomever failed to follow up on the Commission's direction from that day. You all were at the annual City Commission workshop just 39 days ago on October 24th. Each one of you is well aware that the Retirement Board Actuary has documented in writing that if the pension fund continues to meet or exceed its assumption rate and earns the projected interest in the investment plan, they will be fully funded in six years. Here's a quote from that joint workshop. Assuming the total city contributions along with the extra payments being made every year, which increased 1.25% each year in the 15-year recovery plan, and if the investment return assumption remains at 7%, and all assumptions are realized and we earn 7% interest a year, then a retirement system should be fully funded in just six years on October 1st, 2031, end quote. On November 14th, Mayor Lago published his online Mayor's newsletter criticizing Commissioners Castro and Fernandez for voting for a 4% COLA last year while failing to mention the Commissioner Menendez and Vice Mayor Anderson also voted for a super majority. Many retirees personally resented this article, but the bottom line in the Mayor's article is true. The COLA is awarded between now and six years or so from now will increase the unfunded actuarial liability and could extend the time it takes to become fully funded. Forcing retirees to wait six years or more for a cost-of-living increase is unconscious but bold. Whatever terms you like or dislike, all retirees are suffering from financial distress, trying to make ends meet. Today, the catchphrase being affordability. So if you do not approve today the 1.4% COLA, then my suggestion is that we need to start thinking outside the box and instead award a one-time lump sum bonus or stimulus check to the retirees each year, not funded by monies from the pension fund, but funded from this new promised line item in the

budget so it doesn't affect the unfunded actuarial liability of pension fund. So, I'm asking you to please... I got just one more paragraph, but

Mayor Lago: Go ahead, sir.

Mr. Pickering: So, I'm asking you to please find a source of the funds to grant a stimulus or a bonus check for retirees without incurring any liability on the pension fund. And I further ask that you grant this stimulus or bonus check to all retirees, not just retirees that were members of the lawsuit that was settled in 2018. Last year, the retirees who were members of the settlement agreement received the COLA, but those retirees that have retired since 2018 and retirees in the next six years or so did not and will not receive a COLA. Last year, some 756 retirees who were members of the settlement agreement received the COLA, but some 237 other retirees did not receive a COLA, and we have approximately 993 retirees. So, I'm asking you to also please include those retirees that are not a part of the settlement agreement. And have retired since that time and henceforth. Thank you.

Mayor Lago: Mr. Clerk.

City Clerk Urquia: Joe McNichol.

Mayor Lago: Good afternoon, sir.

Mr. McNichol: Good afternoon. My name is Joe McNichol. I served with the Police Department for 30 years from 1982 until 2012. And along with my other retirees, thank you for the opportunity to address you on this item. This is the third consecutive year I made my fellow retirees have come to speak on this agenda item. And we do so in the true spirit of the alternate dispute resolution mechanism called for the cost-of-living adjustment litigation with the city. Last year, you listened to your retired employees and granted a 4% cost of living adjustment. You're listening and your vote to grant that adjustment is acknowledged and appreciated. The other aspect of this issue that is also acknowledged by retirees is the challenge of the retirement system's unfunded liability that you have maintained your commitment to addressing with the city's annual contributions to the retirement system. As we do appreciate the city's commitment to the long-term sustainability of the retirement system, we must also continue to remind you of what the long-term financial challenges are for your retirees. Those being the estimated cumulative increases in the consumer price index. The Finance Director's November 30th memo only cites the 2025 CPI of 2.9%. To appreciate the full scope of retirees' financial challenges, you can look to the CPI inflation calculator provided by the Bureau of Labor Statistics. It's found easily online by searching for BLS CPI inflation calculator. Using the BLS calculator, you can see that from January of 2000 to September 2025, an amount of goods and services that cost \$1,000 in the year 2000 is now estimated to cost \$1,924. That's a compounded cumulative increase of 90% in a 25-year period.

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Using the history of cost-of-living adjustments provided by GRS, the actuary, and their 2026 COLA determination letter, the COLA is granted to retirees in the same 25-year period amount to 20.275%. While retirees do not expect the percentage of cumulative adjustments to match the inflation calculator, we do remind you that our only ability to get a little closer than we are rests in this process of addressing you. To echo Harry Pickering's remarks, in each of the previous two years, Vice Mayor Anderson has expressed at length her desire to see funds allocated as part of an annual budget process until the net actuary experience approves in six or seven years. Funds that would not be a percentage adjustment, but a fixed amount of retirement-to-retirement system beneficiaries. But as far as any of us have heard, that proposal has not resulted in much, if any, follow-up in the annual budget estimate process. So again, in the true spirit of the alternative dispute resolution mechanism process, if you cannot grant the proposed 1.45% adjustment, which we desperately need you to do, then please resolve to follow up with Vice Mayor Anderson's proposal during the annual budget estimate process.

Mayor Lago: Thank you very much.

Mr. McNichol: You are retirees only allies in our battle with compounded long-term inflation.

Mayor Lago: Thank you very much.

Mr. McNichol: Thank you.

Mayor Lago: Mr. Clerk.

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

Mayor Lago: Please close the public comment. What is the will of the Commission? Madam Vice Mayor.

Vice Mayor Anderson: So, this past week, I had the opportunity to go and speak to our state leaders. And as most of you are aware, there are a number of proposals out there for elimination of property taxes. The reality is this is the way we pay bills in our city. But before I reach some of my reflections on that visit, I'm going to share with you, you know, because you brought up a number of times that I asked for the line item. That was because in a budgeting process, to come after the budget is done and now ask for monies that have already been budgeted elsewhere is really not a well way, a good way to run a budget. But there was a substantial COLA increase last year, not a line-item type of increase, but a substantial increase that required monies to be taken out of other budgeted areas and put in to take care of the COLA increase. In the future, you know, a line item may be warranted for doing lump sum checks. Lump sum checks are much more predictable, less volatile, much easier to make sure that we take care of the rank and file that are currently serving our city. And that's not to denigrate the years of service that you all have, but

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really the budgetary realities because the budgetary realities this year are dramatically different than last year. We don't know where we're going. We don't know if it's going to be off a cliff where there's zero property tax dollars coming in, but we know something for sure is going to happen. So, this morning I put together just a brief memo to highlight a few things and our Government Affairs Director followed through as well. And then I'll make some additional comments, so you understand the true picture of what's happening in Tallahassee. Perhaps your voices need to be heard there as well. During the legislative trip this last week, I was able to meet with key legislators listed in the end of this memo and the Lieutenant Governor. For our city's budgeting purposes listed below are some of the issues discussed during those meetings and information we have received from other sources that have and will decrease the city's revenues and increase expenses. Property taxes is the first item I touch on. It's abundantly clear that the Florida Legislature will be passing a proposal for property tax relief this year. And the Governor will call for special sessions if a proposal is not reached during the regular session. While some proposals exempt funding for, quote, first responders, comma, the House committee discussions reveal that some of the proposals only consider the Police Department as exempt. Stated differently, the Fire Department budget is not exempted from the revenue cutting proposals. Let that sink in. This is my concern. We don't know where we're going. We don't, we will not know until this legislative session is over. And then the voters, you get to punch the ballot of eliminating property taxes, don't really understand the repercussions of what they're choosing. Number two, TPO funding. This is the Transportation Planning Organization. That funding was cut for our trolley and freebie services. That's current cut. We're going to have to, people who want that service. We will be facing the music on that one too. Business tax receipts, as are again coming this year. As in past years, the Florida legislature is considering proposals to cut city business tax receipts. I recently learned that there are proposals in both the House and the Senate this year that will make that cut more likely this legislative session. And I know the City Manager knows the impact of that, and it's not pocket change that we're talking about. Again, it's going to be more, hundreds of thousands, I don't know, million, 4 million, I think it is. You would be able to tell me better. \$4 million there. Based upon the foregoing revenue cuts to our current and future budgets, I respectfully request that staff highlight the impact of these proposals on every decision this Commission makes to increase expenses or decrease revenues to the city. And long-term impact of the reduction of revenue to our city services and capital improvements that residents expect the city to accomplish and maintain. I listed in there the folks that I met with and spoke with, some of them twice. There's a memo attached to this from our Government Affairs Director. This will be posted on the city's website so you all can retrieve it. There's a number of factors. That our Finance Director cited. None of them dealt with this issue here. The elimination of property taxes is a real threat this year. It's going to happen in some form or another. There will be a reduction. And we're going to have to be able to pivot and reshape our budget. And it's going to cut fire budget. It's going to cut all kinds of budgets. IT, which supports fire. IT, which supports police.

Mayor Lago: Garbage.

Vice Mayor Anderson: Garbage. Maintenance of the vehicles, the trucks that run, the police vehicles that run. This is a big topic that we have to deal with before we can deal with anything else. So, I'm sorry. I cannot support a COLA increase this year. With the major issues that we're facing on city budget.

Mayor Lago: Thank you, Madam Vice Mayor.

Commissioner Castro: Through the Mayor.

Mayor Lago: Thank you, Vice Mayor. What I would like to say is, I will not be supporting a COLA this year. When I got elected in 2013, our pension was funded 52%. We gave, I think it was about half a million dollars that year, Mr. Manager. I don't have the chart in front of me. And every year we've been going up to last year, I think we gave a little over \$9 million. Correct? And this year we went down to seven.

City Manager Iglesias: Yes, last year was \$9.5 million. This, excuse me, the year before was \$9.5 million. Last year was about \$7.7 million.

Mayor Lago: The reason we reduced it is because we took the money to pay for the COLA. So, while you got your COLA, we still hurt you in your retirement. So, when we talk about respect and we talk about commitment, I could have spent all that money with my colleagues on beautification projects. I respected you and I invested that additional money every year, \$7.5 million, \$9.5 million in the pension because it's the right thing to do. It's not the pretty thing to do or the sexy thing to do, but it's the right thing to do. They say it's going to be fully funded in six years. Yeah, that's if we don't continue to chip away at it, if we don't continue to grant COLAs. It's a tough situation to be in. Do you grant employees that deserve a COLA or do you not? You can hate me for it, it's fine. I know I'm in a tough position, but I got to vote my conscience. Just to put it on the record before other people take credit for it, that's the way it works around here. I will take credit for it with Cason and Raul Valdes-Fauli and Mena and Quesada. That started in 2015. That's when we started tightening our belts to ensure that we paid down the unfunded. A fully funded pension will free up capital, significant. Right now, we're required to pay \$5 million. We're paying, correct me if I'm wrong, Madam Finance Director, \$32 million a year, correct? For the entire amount for a pension yearly, \$32 million. But we're obligated to only pay five. Think about that. It's a huge difference, huge difference because we're putting additional monies as gravy to ensure that your retirement is taken care of. That's respect, real respect. So yes, my colleagues voted for a COLA, and I voted against it. But these are the tough decisions where you got to make a decision whether you continue to jeopardize a pension by just granting COLAs and granting COLAs and granting COLAs, knowing that there's going to be legislation coming from

Tallahassee that's going to potentially jeopardize our source of income. I just can't do that. I can't. So, I think granting an almost \$2 million a year COLA last year was beyond rich. And then stacking that on top of it now, you know where the money's going to come from, right? The money's coming from the additional unfunded liability payments that we're making. That's where we're going to take the money from. So, we're going to just continue to hurt your pension. Just continue to hurt the pension, because the other option is raising taxes. And before the blog snippet and put it out that I want to raise taxes, I'll never raise taxes. I'll never do that. We need to live within our means, and we need to tighten our belt. So, I'm a firm no on this. I think we need to be thoughtful. I know you're in need. I could have kept my salary when my colleagues to my left and right raised their salaries by 101%. But out of respect for you and the employees, I cut back that salary along with my colleagues here, Commissioner Lara and the Vice Mayor. I don't think it was appropriate. I thought it was actually a slap in the face to the retirees. So, I'm a firm no in regard to this and I hope that you understand it. That it's in protection of your pensions and in protection of the city. And at the end of the day, you all depend on. Because the city does well. We pay down our pensions, and we continue to ensure that your retirement is protected.

Commissioner Castro: Through the Mayor.

Mayor Lago: Commissioner.

Commissioner Castro: I have been attacked over and over again by the Mayor sitting right here to my left.

Mayor Lago: That's true.

Commissioner Castro: 100% and by his PAC, Coral Gables First, since he likes to mention it so much. You know why? Because I was supporting police and fire retirees. That is the reason. Okay. But before I continue, I want to thank you for your service because that's really important. And that's something that you cannot oversee. Because all of you sacrificed a lot of your lives for this city. And that's why I feel so strongly that we need to give back when you guys are struggling. This lawsuit settlement was in 2018. It started off with 901 members. Right now, in this settlement, there's 744 left. Do you know what that means? Let me put something into perspective. That means that while we have not been giving you a COLA increase, 157 have passed away. So, my question to this Commission is, what are we waiting for? For all of them to pass away? Is that what we're waiting for? To finally give a COLA to what? When there's 100 left? I mean, I think it's our responsibility to take care of you guys in a balanced approach that does not hurt the city. And that you guys are not struggling at home trying to make ends meet. It is our responsibility. The Mayor here says, put your money where your mouth is. That's what he just said. That he backs the blue, that he backs first responders. Well, this is your chance to prove that you back first responders. Put your money where your mouth is. The city deeply loves police and fire, and I

think this Commission needs to take that into perspective. You guys are the backbone. You were the backbone and I respect you. And once again, thank you for your service.

Mayor Lago: In response to the Commissioner. In the last union contract negotiated with the police, I supported the union contract. We're in a good position with our employees. But I will not waste all the hard work that we've done since 2013 to ensure that we pay down our pension. Because I will not allow you to be in a position where your retirement is in jeopardy. So, all the back the blue and put your money where your mouth is. Again, belt-tightening is something that is very difficult to do. And people have to do it. Retirees have to do it. We have to do it too. To ensure that we are viable. So, at the end of the day, I will be voting no. Still back the blue. I still back our firefighters. But I will not agree to irresponsible agreements. Especially when it comes to pensions that have massive legacy implications. Massive legacy implications. Because look how we got into this. I didn't give you 52% funded pension. I walked into it in 2013. Let's remember that. And remember that clearly. But I assumed that responsibility along with my colleagues in the Commission to add additional money to take care of your pensions that were mismanaged until we got here. People tend to forget that. And it's very easy for people on my right to mention that when they weren't at 52%. When they walked in at almost 80% funded. Spend, it's not my money. At the end of the day, as a taxpayer in this community, as a homeowner, I have to protect the residents alongside the employees. And that's the difference between myself and Commissioner Castro. She doesn't pay property taxes here. She doesn't understand that. And when you do, you have a little more clarity before you make decisions that cost the city \$20 million. And potentially even more today, another 7 million. Commissioner Lara, you had something you wanted to say?

Commissioner Lara: Yeah. I just wanted to say, I want to echo bits and pieces of what the rest of my Commissioner, colleagues here have said. I mean, I'm very appreciative, very grateful for all the service you brave men have given over the years to the city. I mean, a great personal sacrifice, great economic sacrifice to yourselves. It certainly is an easier way to make a living than to be a firefighter or to be a police officer. There's no question about that. But that being said, echoing what the Vice Mayor said, echoing what the Mayor said, we have great uncertainty about where we're going to be with respect to the budget following these likely property tax reductions. I mean, like what is certain is there's going to be a property tax reduction. What is uncertain, you know, because the Vice Mayor and I were up in Tallahassee last week. That's what came across pretty loud and clear from our legislator. So, until then, until we have a clear picture to understand, you know, what we're going to be looking at revenue going forward, my responsibility for why I was elected was to ensure a long-term fiscal balance and to ensure that we have enough money to make all of our obligations. I cannot pick and choose as if it were my money, how to spend it. I'm responsible for all the residents and all the services that the residents of Coral Gables deserve and expect. It would be unwise. It wouldn't be prudent. And I'm not in the business of robbing Peter

to pay Paul because in the end, I will be putting to jeopardy where we're going to find the funds. When I don't know what the financial future looks like and climbing out of a hole is very difficult to do and it won't be on my watch that we're going to climb downwards into a hole. There'll be another time we'll be able to perhaps revisit this issue. I like some of the creative ideas that were coming up. Maybe a lump sum payment or some other avenue that we can look at when we have a clearer picture of what our revenues will look like. But in the meantime, I mean, understand, gentlemen, when I was elected, I ran understanding exactly for illustrative purposes, right? I knew how much the salary would be as a Commissioner and I ran, knowing what it was. But the very first vote I took here was to cut it in half. I did my part. That's money that would have been in my pocket going back to the city. I also am a homeowner. I pay taxes to this city. But I was elected to make sure that I wasn't going to be anything less than prudent about how we spend it. It's a difficult decision, but we're not up here to make the easy ones. Believe me, the easier decision would be to give everybody who wants something and even deserves something, give it now and let the next Commissioner elected worry about those decisions tomorrow. I'm trying to figure out tomorrow, today. So, my vote will be no.

Mayor Lago: Commissioner Fernandez.

Commissioner Fernandez: These discussions are never easy. They're more difficult when you're dealing with somebody who's just launching political attacks all the time, just to try to score cheap political points. Last year, four of us voted to grant a COLA. It wasn't a 3-2 vote as the Mayor has tried to paint many different occasions and his PAC. And I agreed with the Vice Mayor then. And I have to tell you, I agree with the Vice Mayor today. We are in a situation today where our uncertainty going into October is we're not sure what tax revenue is going to be come October. And we may have to be finding ways just to pay our portion, not just the additional payment, but the portion that we have to pay. Until that uncertainty is addressed, I agree with Commissioner Lara. We're in a position and I mentioned it last year. This always comes about during a very difficult time. It's after budget season and at that point is when we have the numbers and we can figure out what we need to, what that COLA is going to be. And that's the situation we're in today. Predicting where we'll be in October is virtually impossible. Too many factors that are at play. Granting a COLA right now will put the city in a situation, which I believe will put us in a bad situation going into October with the potential uncertainty that we face. Had we had a conversation even three months ago, the whole conversation about property taxes was just, you know, pie in the sky. This was something that was being, you know, tossed around, but nobody thought it was a reality, but today we know that is their goal. It's no longer an idea that was tossed around. It's a goal in Tallahassee to ensure that property taxes are either eliminated, reduced or reformed. And we have a responsibility up here to ensure not only your financial future, because if we're not paying into the pension fund, those funds are going to dry out. But also, the men and women in uniform today, who we need to make sure we can keep them on our streets, we can live up to the

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contracts and the contract expectations that we have with them. And as difficult as it is to say, I can't support the COLA today. I really can't. And you all know how difficult this decision was, has been for me in the past. Three years ago, when I voted against it, last year we were able to get something done. We were in a better position. We're not this year. We're really not this year. The uncertainty that's being tossed to us from Tallahassee is very, a very difficult situation. And it could put the city in a very untenable position trying to provide the services that we need to provide. So, we need to make that decision. And unfortunately, we can't put ourselves in a position where we're now having to take money out in order to, before we get into that situation. So as much as I would like to support a COLA today, you had my support on it last year. And next year, we'll see what next year brings. I cannot support it today.

Mayor Lago: Thank you very much. I just need a motion.

Vice Mayor Anderson: Move to deny.

Mayor Lago: I need a second.

Commissioner Lara: Second.

Mayor Lago: Mr. Clerk.

City Attorney Suarez: Just to clarify. It'd be a motion to reject the determination of the Retirement Board to grant the COLA of 1.45%.

Vice Mayor Anderson: Correct.

Mayor Lago: Yes.

Vice Mayor Anderson: Reject instead of deny.

Mayor Lago: We have a second. Mr. Clerk.

Commissioner Castro: No.

Commissioner Fernandez: Yes.

Commissioner Lara: Yes.

Vice Mayor Anderson: Yes, unfortunately.

Mayor Lago: Yes

(Vote: 4-1)

Mayor Lago: Moving on to the next item.

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Commissioner Fernandez: If I may, Mr. Mayor. I would like to take up the determination we had made last year about possibly putting a line item on the budget, or at least bringing this issue up again in budget season so that we can have a conversation at that point, making that a priority going into budget season, just to have a conversation and be ready if we're in this position next year. Because we did vote on that last year. I thought it had been included in the budget. It was not. But just to make sure, if there will be the possibility, if we're not in the financial situation we're trying to prevent, that we can at least have a conversation during budget season to see if we can be ready for this position versus always being behind the eight ball.

Mayor Lago: Call it, if I may. It was called political tax and all kinds of things. I voted in favor of having the conversation. Amos Rojas was the Manager, the Manager, who would not speak to me for 10 months. This could have been brought up at any time over the last year. So, if we're serious about it, you're serious about it, bring it up the first day in the budget or a month before the budget or two months before. Don't bring it up now saying, oh, I thought this was going to happen. So, at the end of the day, if you're serious about it, do it. Don't just talk about it and then say, oh, this is politics. This is politics. This is politics. It's not politics. This is reality. This is what it is. So, if you're serious about it, grab the bull by the horns and start talking about it. Not during budget season, start talking about it in February, in April. Start talking about it before. Sit down with the Manager and sit down with his team and figure out a way to address the issue. Where are we going to get the money from? But if I may, one last thing. Where are we going to cut from? Remember, we're cutting because remember what I said and my dear friend in the back, the giggler said, winter's coming. Winter's here. And everybody laughed at me. Property values were going up 11 and 12%. Then where did they go, Mr. Manager? Down to eight, correct?

City Manager Iglesias: Yes.

Mayor Lago: And then they went down 5.5%.

City Manager Iglesias: 5.5%.

Mayor Lago: Winter came. Winter came. And now it's being exacerbated like a five-gallon drum of oil being thrown on a fire by the conversations that are being had at the state level. So, winter's here. So, at the end of the day, we can talk about it, but there's not going to be more revenue, we're actually losing revenue. Let me give you examples because I like facts, not politics. So, the gas tax has gone down because more people are using electric cars. TPO funding, which I've gotten before and we're back on the TPO, has gone down. Correct? Property values are not going up double digits. That's gone down. But what's gone up? Insurance continues to be an issue. Healthcare coverage continues to be an issue. It's a litany of things that are continuing to be an issue. So, I want to be honest with my colleagues on the Commission and the blogs. You're going to have to cut services or you're going to have to cut projects or staff. That's what it means to run

a business. But winter's not coming. Winter's here, guys, okay. We laugh, then we giggle, then we dance, then we had a good time, we mocked, but it's here. That's why a \$20 million COLA last year, which cost \$2 million, was catastrophic. Okay. Madam Vice Mayor.

Vice Mayor Anderson: So, I'm going to put a footnote on it for the rank and file as well. If we spend recklessly, and I'm not saying this is reckless, if we spend without the checks and balances of being able to pay our bills, Tallahassee is watching. And we have to be careful how we spend. We have to balance the budget. Robbing Peter to pay Paul doesn't work. We have to maintain our streets. They expect us to maintain our streets. They expect us to maintain our sidewalks. Okay. And we have to, if we're going to get any appropriations requests from them, come up with at least a 50% match. If you don't, you're not going to get the appropriation. You have an opportunity to speak to your state legislators about why you would not be wise to cut the revenues that can go to the fire department. Because we all know how important a fire department is, not only to this municipality, but all the municipalities throughout the State of Florida where the departments triage in advance of a storm coming through. Some legislators may not be aware of that. It's time to help inform them. Just the remarkable performance that happens and the type of resources it takes for that to happen. Instead of cutting the revenues for these departments, they should leave them alone. So that's my final comment on that.

Commissioner Lara: Through the Mayor. Briefly, I just wanted to add to what the Vice Mayor said. And that's an excellent, very astute observation on your part. Because when you and I were up in Tallahassee last week, I was taken aback actually by how frank, how direct, and how candid some of the people, or I would say the majority of the folks that we met with, were in expressing just how focused their eyes are on Coral Gables and how we spend money. They were specific in saying that they were displeased to be charitable, okay, with the increases that the former Commission allotted for themselves. While at the same time, going up to Tallahassee and asking for appropriations. I was not a part of that delegation, but I'm hearing from the people up in Tallahassee saying that we are watching you. The silver lining is that they did express that they like the way, the new direction that the city has been taken since the last election. I took some solace in that. But I also took that as a warning. Change course. We control the purse strings. So, I have to echo and note what you said because you hit the nail square on the head. And that's part of the overall conversation I want everybody here today on this item to understand. We are under tremendous pressure here. Not just here, but all the municipalities all over Florida. But the one I'm worried about is this one here in Coral Gables. I'm not worried about other municipalities because I wasn't elected statewide. I was elected here to be Commissioner. So that is further explanation and further underscoring why this is a very difficult decision from an emotional perspective, but not at all from a fiscal prudent perspective. It's actually the only one that makes sense.

Mayor Lago: Thank you.

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