

**City of Coral Gables City Commission
Second Budget Hearing
September 23, 2014
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Pat Keon

Commissioner Vince Lago

Commissioner Frank Quesada

City Staff

Acting Interim City Manager, Cindy Birdsill

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Finance Director, Diana Gomez

Management and Budget Director, Keith Kleiman

Public Works Director, Glenn Kephart

Assistant Chief Information Officer, Raimundo Rodulfo

Public Speaker(s)

Second Budget Hearing

Mayor Cason: Everybody, welcome to the Second Budget Hearing, we are going to go through the budget finish that up and then we are going to open the discussion on the Manager that we suspended or put in limbo after the session this afternoon. So Diana, we are going to do five things today in terms of the budget. The first one is again a presentation of any changes on the budget that we heard from the first session, any public comments, and then we have an Ordinance for the levy of taxes, and then we have an Ordinance adopting the annual budget of estimated revenues and expenditures, and then a Resolution adopting the capital improvement program. So why don't you start with the budget.

Finance Director Gomez: OK. Good afternoon, from the First Budget Hearing on September 11 in your agenda packages, and copies will be available up here shortly I apologize, there is a

change sheet and on that change sheet shows all of the changes from the budget that was passed on first reading, to the budget that is being presented now for adoption. If you look at that change sheet...

Unknown Speaker: Where is it?

Finance Director Gomez: It is in the packet, it is attached to the item number four. Does everybody have it? The supporting documentation, it is called the changes to the fiscal year budget estimate. Does everybody have it?

Mayor Cason: Yes.

Finance Director Gomez: If you look at the revenue the changes, the revenue estimate for the September 11 First Reading \$160,849,982 to that we are adding revenues of \$1.63 million the majority of that change has to do with recognizing the increase due to the parking revenue, parking fees. It is a twenty-five cents increase that was adopted by the Commission on September 11, we are budgeting for seventy-five percent of that revenue for a ten month period, because it takes a couple months for us to get the changes done. So we are being conservative all of that revenue will flow into fund balance and can be appropriated at a later point in time as the Commission sees the need to. Other changes in revenue has to do with recognizing the Miami Boat Way impact fees, having to do with the De Soto Fountain. A small change of \$8,000 to Miscellaneous Revenues, and a small change for transfers to fund Balance. On the expenditure side we have changes in the same amount, what we are doing is applying the revenues to the related expenditures. So you see the Miami Dade Roadway impact fees, you see the \$1.1 million moving into fund balance, there are changes having to do with personnel related activities and sale of annual leave, a change to contingencies and a couple of small changes in the transfer to fund balance, and those are all of the changes that are from the first hearing proposed budget to this one. If you have any specific questions, I can go over those, if you would like I can go through the whole presentation, but it is a repeat of the presentation at the first hearing.

Mayor Cason: I think we have been through it.

Commissioner Quesada: I would like to hear, we went pretty extensively through it the first time, obviously there is time for public comment, but I would like to hear if there is any public input, now that more time has passed.

Mayor Cason: Right, that is the second stage of this. You had some questions.

Commissioner Lago: My questions are pretty simple there are just two-fold, the first one was in regards to, I think everyone here had a change to...I forgot her name now.

Commissioner Keon: Meg Daly.

Commissioner Lago: Meg Daly. In regards to the underlink, can you give us a little update in regards to that, underline. I am sorry underline, and the proposed potential funding and what the City would be responsible for.

Finance Director Gomez: So my understanding is that the requested, or the possible requested funding, proposed funding would be \$50,000 from the City of Coral Gables, it is something that is not included in the budget as of yet, but for instance that is why we have contingencies. It is for unplanned expenditures that come up throughout the year, so it would not be an issue to fund it.

Commissioner Lago: What they were looking for from us, was some sort of non-binding commitment, which showed an interest from the City and said if they do bring this project to fruition, which would be a spectacular project, that the City would be willing to contribute the \$50,000.

Finance Director Gomez: So we would take it from contingencies most likely.

Commissioner Lago: So that was number one, number two, the second one and we discussed briefly and I wanted to discuss with my colleagues to take advantage of the Sunshine was the issue of paperless permitting. I know that is something that we have been looking at for about two years multiple municipalities already in Dade County are using this process. I have seen the benefits of the process, just expediting and clients are super happy with it. Can you give me a little bit of an update if we are going to include anything here, or are we going to include it in next year? What is the plan to hopefully get and bring that software to fruition?

Finance Director Gomez: So, it is not included in the current budget, my understanding is that it is still being vetted as to what is the best system that is available to us what is going to work for us, so we are still kind of going through that process once all of that has been identified, we can move forward in the next year's budget to funded if that is a priority and the will of the Commission.

Mayor Cason: Yes, I think this is really important.

Commissioner Lago: In regards to those two issues do we think that is something that we should look at to entertain.

Commissioner Keon: I understand that with Meg Daly and the underline what they are asking for is a contribution to the study. To do the master plan, and they are going to come back and do a presentation.

Mayor Cason: And it will be prorated based on our mileage.

Commissioner Lago: Like the Mayor said our prorated rate will be \$50,000, but we are just proposing a commitment, that we will be forthcoming, supporting the project.

Commissioner Keon: Based on their presentation.

Acting Assistant City Manager Birdsill: Meg will be available in October to come and do the full presentation.

Mayor Cason: It is a great project.

Commissioner Lago: And the other item was the paperless permitting, I think that is something that we are exploring right now.

Acting Assistant City Manager Birdsill: I did want to point out that the cost of that is quite significant and the preliminary estimates are somewhere in the \$600,000 range.

Commissioner Lago: Really.

Acting Assistant City Manager Birdsill: So we do really want to study it.

Commissioner Lago: I thought it was around \$200,000 to \$250,000. Wow. \$600,000 is a lot.

Mayor Cason: Come back to us when you...

Commissioner Quesada: There was one other item that I had and I was just discussing with Cindy. I believe in the budget the money was reallocated we had last year at the budget cycle, this time last year. We had agreed to add a new position under the City Manager, I guess it would actually be under Finance

Commissioner Keon: It was under Finance.

Finance Director Gomez: Yes.

Commissioner Quesada: For the economist.

Finance Director Gomez: Fiscal and Policy Analyst.

Commissioner Quesada: And the individual that was hired was the PHD economist coming from the Downtown DBA. He accepted the job the day before Pat resigned, the timing was tough. He reached out to me, and I got to know him after that, and he basically called me and said "what do I do". Because he was basically, even though he was directly under our work chart he was going to be under Diana's Department, but really he was going to be working for the City Manager's Office. So the last conversation I had, he is still at the Downtown DBA, at that time the conversation I had with him, what he had asked me was, if we could sort of leave it open until a new Manager came in and you can have that conversation. I know the money has been

reallocated, I don't know if his mind has changed at all, but I know it is something we had discussed at the Budget hearing last year. This is an individual who has experience, you know performing efficiency studies and quantitative analysis and it is the kind of thing that we can really improve efficiencies throughout the City and it is the kind of employee we have never had before.

Commissioner Keon: I had asked Pat not long after I was elected to office that I would like someone on staff to work with departments or to work with the City to set performance measures for every City department and then to work to develop a tool to assess where they are, with regards to those performances and a lot of our budgeting should be based on performance and performance measures and also we would identify efficiencies and whatever else and he told me in the last budget cycle, I had a long discussion with him, where he told me that he had identified, that it was in the budget, it was put in the budget and I had asked him a number of times where that individual was and he did tell me that he was talking to someone so I would hope also that, that remains in our budget.

Commissioner Quesada: And just so you know, he went through what I believe an eight month process, and the former Manager interviewed countless number of candidates and he was the final one selected and again, when I found out, he has a PHD in spatial econometrics, and he does this kind of work, economic analysis, performance evaluation, you know economic detailed analysis for the City of Miami currently.

Finance Director Gomez: So, what we have done in the Finance Department because that position was very specialized and in discussing it with the former City Manager there was other projects that the City Manager was going to have that person work on that had nothing really to do with Finance or performance measures. So, since then we have reclassified a different position in our department and we are hiring and the process of interview next week for a Senior Budget Management and Budget Analyst for which we plan to utilize for performance measures, because we don't believe there is such a high level position or such a specific position is needed for the performance measures. It is a budgetary function, it is a function that my budget director is very familiar with, just doesn't have the time to actually start doing that. So, we want to bring in that person to work under budget to be a person that does performance measures and assists also in the budgetary process.

Commissioner Quesada: In other words the person that was originally hired has been cut out of it.

Finance Director Gomez: The person that was originally hired, again my understading, was hired for a different reason for other specific reasons that were no longer needed technically when the former City Manager resigned. There were other projects that they were supposed to be working on, which that person was the perfect fit for. It is my understanding, the performance

measures piece of it was only a portion of the position according to my discussions with the former City Manager. So, this position was more for other studies, I am not saying it is not needed in the City, I am saying it is not needed in the Finance Department in terms of performance measures it is something that it is typically done by Budget Analysts, Senior Budget Analysts. We want to give that information to the City, we want to start using performance measures and we feel that we can do it with a Senior Budget Management Analyst.

Commissioner Keon: Could you explain to me what you mean when you say performance measures.

Finance Director Gomez: So, going out to the individual departments and assessing their performance as it relates to setting objectives, setting individual objectives for the departments, so that we could measure their performance and how it affects the budget and what needs they may have moving forward in the budget.

Commissioner Keon: Give me an example of a performance measure in Permitting.

Finance Director Gomez: I had not thought about that.

Commissioner Quesada: How long it take to process x portion of the permit. How long it takes for the individual doing the mechanical analysis? How many are they processing per week or per month? What are the time lags? Same thing for plumbing, same thing for electrical.

Commissioner Keon: That is what I am talking about in regards to formance measures, that is what I am talking about in Parks and Recreation, that we are providing programs that the community wants, not programs that we think should be, just that we think should be surprised, but programs in how we measure resident satisfaction with those programs in that sort of thing.

Mayor Cason: Let me say that when I first came on board in the budget, in the back there was something that purported to be performance measures, but it was awful, because it just said you would judge us by the number of and not what are the numbers. So, I always looked at that and said that doesn't tell you anything. We need to move to something very specific, so you can measure it, did they do that. In Police it could be burglary cases closed, it could be speed of response. There is a lot of ways to do it, that should be meaningful and really measurable not the things you would look at.

Management and Budget Director Kleiman: Exactly, and there are two components. You have in house measurements, but you also have external. You go to the community and find out what it is they want to see in the budget and how it does affect them. So what we are going to do when we hire this person is community outreach, to go out, maybe have some town hall meetings get input. As long as everyone is on board of course. I mean this is something that we have to put in front of you, there is a whole process. I was part of this process twice in two jobs up in

New York and it was very successful, and basically it brings in two components. In-house from the directors point of view within each department, it is a volume measurement of their workload, as it comes in, when it comes in, how long it took to do the work, how many tickets they actually processed, and so on. That is simplifying it of course, and then going out to the community and finding out their satisfaction, and you do that in the beginning of the budget process. You reach out to all the community, you go out and get community input and then come back and you start putting together measurements on that.

Commissioner Keon: What else in addition to that were the other things that you were looking at?

Commissioner Quesada: Well, from my conversations with the former City Manager and this employee, or I guess not employee.

Commissioner Keon: This individual.

Commissioner Quesada: This individual, which I feel terrible for, his specialty is economic analysis.

Mayor Cason: But it doesn't preclude that when we have a new City Manager saying this was what the former City Manager thought was necessary, do you feel it is necessary.

Commissioner Quesada: What I don't like is that they are going out to hire another person that would do a portion of the job this guy would do. He went through an eight to ten month process of interviews and over and over. We remember how Pat Salerno was in the interviewing process, it was very long and drawn out. I don't like the fact that he took the job, he accepted it, and he said well since everything is up in the air right now, I will sit back until you have a new City Manager, and which I think was reasonable, and we had conversations about this. You and I had a private conversations where you said I don't know what I would do with this guy, because he was going to be with the City Manager, and I asked you to keep an open mind until the next City Manager came. So now I hear that you are going out and you are getting another person in Finance to do that specific task. At a minimum this person should be contacted to interview for that job, which I think it is horrible because he has to interview again for a job he already got. I don't like the way this is being carried out, I don't. It is not right to the person we offered a job to.

Assistant City Manager Birdsill: Commissioner, I think we have do a clarification.

Management and Budget Director Kleiman: The Fiscal Policy Analyst is still in the budget.

Commissioner Quesada: It is?

Finance Director Gomez: Yes.

Commissioner Quesada: So it hasn't been reallocated?

Finance Director Gomez: No.

Management and Budget Director Kleiman: It is still there, no it is not reallocated. We took another position, because honestly the person who was coming in and no offense to him. He has absolutely no budget experience. OK. The staff I have right now, they try a lot, but I inherited them with no budget experience. So, I have been training one of them, and one of them is going to retire soon and honestly they do as best as they possibly can, and the budget analyst, she is really coming up, but again she didn't come to me with any budget experience, and now the person that is going to come in has absolutely no budget experience.

Commissioner Quesada: That is fine, and I am not casting aspersions on any staff members at all, don't take that the wrong way. I understand the benefit that PhD level economist can provide to an organization like ours. There are metrics that we could use from Economic Sustainability throughout the entire organization, and someone with that kind of experience that went through an extensive vetting process. I just don't want to see us closing the door on someone who already got through the process.

Management and Budget Director Kleiman: It is still there.

Mayor Cason: The room is still there.

Commissioner Quesada: OK. And that was my misunderstanding, I thought that money was reallocated, and you were going to hire someone else outside.

Finance Director Gomez: It was a separate position that I reclassified.

Commissioner Quesada: Then I apologize for jumping to that assumption, but I started that assuming, I guess not assuming I felt the money was reallocated.

Management and Budget Director Kleiman: Just so you know we are going to start the process now, we are going to go into other cities and look at all of their measurements, just to start getting everything ready and we would like to get a workshop with the Commission, just looking at some of the items that you would like to see in there and then we are going to implemented as long as the new City Manager is on board for the 2016 budget.

Commissioner Keon: I think that is some of the value and we had talked about before about the Sterling Award and some of those things, but some of those cities such as the Consolidated Government of Jacksonville I think has gone through it and actually provides, does exactly what you are talking about. I think Coral Springs also does and it is on their website.

Management and Budget Director Kleiman: And Miami Beach.

Commissioner Keon: And I know Miami Beach is doing also.

Management and Budget Director Kleiman: Polk County also, there are a whole bunch.

Commissioner Keon: There are in the State of Florida, that have done it and that is something I would like to see. So, I am very glad that you reclassified somebody and you will have somebody available that will do that and help us really look at outcomes.

Mayor Cason: That is great, thank you.

Management and Budget Director Kleiman: Thank you.

Commissioner Keon: Thank you.

Mayor Cason: Did you have anything else? Any other questions on the budget?

Finance Director Gomez: So in order to satisfy Trim, I do feel we should go through the presentation. I will go through it very quickly, but we just don't want to have an issue with Trim at some point. The presentation you all have it in your packets, if you look at the budget, the annual revenues of \$155,406,230 to that amount we are adding inter funds allocations and contributions of \$2.6 million and then we have transfers from reserve in a total amount of \$4.1 million. Transfer from reserves represent amounts that are from the various fund balances that will be appropriated for use with this budget. For total revenues of \$162,113,705. Expenditures totaling \$159.8 million are broken down into three categories operating at \$142.7 million, capital at \$10.1 million and debt services \$6.9 million. To the expenditures we add transfers to reserves of \$2.3 million and these transfers are amounts that we plan on adding to the respective fund balances with this proposed budget. For a total expenditures and a balance budget of \$162.1 million on the next slide we have revenue increases affecting the budget in total we have \$6.5 million of increases the only difference from this proposed budget is adding the automobile parking fees, the rest of the items, property taxes are increasing by \$2.2 million and they are all listed there, again for a total revenue increases \$6.5 million. On the next slide we have revenue decreases affecting the budget, revenue decreases total \$12.7 million and they are listed there. Debt proceeds these are just the monies that we are appropriated the previous year and the current year, that are not re-appropriated next year. Same thing with the Building Better Communities Bond Program, and Miami-Dade Roadway Impact Fees. The next slide goes through the expenditure changes in the budget, here we have salaries increasing by \$2.7 million of which a lot of the salary increase have to do with the negotiation of contracts, that number should be netted against the retirement decrease because that shows that we are increasing police to from 5 percent to 10 percent for pension contributions so that is the net effect if you look at it together. For total changes in personnel services of \$2.7 million. On the next slide we have expenditure changes affecting the operability budget other than personnel services. These expenditures total net change other than personnel services is \$2.8 million for a net change in the

operating budget of \$5.5 million and the total operating budget of \$142,773,005. The next two slides go through the capital projects, the capital projects are listed there. The addition to this is recognition of the \$200,000 project for De Soto Fountain traffic circles, that we added it to the revenue side and talked about that. So we had total capital projects of \$13.2 million. When we look at the next slide this is the headcount for the City, it is increasing by one position from last year's budget and that is for the Commissioner Aide position.

Commissioner Quesada: So was that Senior Analyst already on the budget or were you short staffed?

Finance Director Gomez: It was another position, I don't remember exactly the title that I had, it was a vacancy that I had that I reclassified to the Senior Manager. We needed more help in budget.

Commissioner Quesada: Got it.

Finance Director Gomez: This slide shows the ten year property tax millage rate schedule, as you can see for 2015 the proposed millage which will be adopted and comes into effect with this budget is 5.589 which is a reduction from the previous year's millage rate of four tenths of a mill.

Vice Mayor Kerdyk: Which is very important to point out, because I think the paper ran it as we increased taxes and basically we reduced the millage rate.

Finance Director Gomez: So, the millage rate is reduced, however because...

Vice Mayor Kerdyk: Yes, I know how it works.

Mayor Cason: And also, you will get to it later

Finance Director Gomez: So, we have estimated...the next slide shows the estimated taxable value of a homesteaded property that for 2014 was \$550,000 increased by \$16,000 and the percentage increase was 3 percent, because homesteaded properties are capped at the 3 percent. On the next slide you will see that this is comparing the City of Coral Gables millage rate to other cities in Miami-Dade County as you see we are number twenty-four which means there are only eleven cities whose millage rate is less than ours.

Mayor Cason: And we are second lowest for full service cities.

Vice Mayor Kerdyk: Yes.

Finance Director Gomez: The next slide, this last slide it shows how the property tax dollars are split up between the different agencies. Coral Gables gets twenty-eight cents for every dollar,

the County gets thirty cents for every dollar, State gets two cents, and the School Board gets forty cents of every dollar.

Mayor Cason: Last year we got twenty-nine cents.

Finance Director Gomez: Yes.

Mayor Cason: And it is because of the schools and the libraries.

Finance Director Gomez: Well the County actually increased their millage rate because of debt service, their debt millage increase, so theirs went up to thirty cents, theirs used to be twenty-nine and ours was twenty-nine. And that is the presentation, if you have any questions about that.

Mayor Cason: Very good, again thank you.

Finance Director Gomez: If not we can move on to the Ordinances.

Mayor Cason: Well we need to...anybody from the public would like to make a presentation. If not we will move on to item three.

Commissioner Keon: Can I ask a question about this? On IT, we have IT Data Systems replacements upgrade, does that have anything to do with any that would enable us to go to paperless.

Finance Director Gomez: For permitting?

Commissioner Keon: Yes.

Finance Director Gomez: No, it is not in this budget. This is other IT initiatives that were brought to us this year, a lot of them have to do with initiatives in the Police Department and upgrading their systems and certain things that they need, and other things throughout the City.

Commissioner Keon: I also understand that they are looking to, I know that at the First Budget Hearing we talked about credit cards fees and all of that and I was told that they were evaluating whether that software can interact with the City's platform. Is that right?

Finance Director Gomez: Correct, we are looking to see if certain vendors can work with us before we would go into moving towards a procurement process.

Commissioner Keon: I understand that, but I guess what I am asking is, are we finding that our platform is such that it is difficult for us to have other vendors work with us?

Finance Director Gomez: Not incredibly difficult, there are some things that it depends on how much the investment, you can always make it work, that is my understanding.

Commissioner Keon: But is our system such that there is a tremendous investment in order to be able to make things work or is that because of our system?

Finance Director Gomez: So, I am going to defer that to IT.

Assistant Chief Information Officer Rodulfo: Raimundo Rodulfo, Assistant Chief Information Officer, basically what they call the Payment Gateway System, the current ERP provider which is Tyler Eden, they have a list of accepted IPG Providers. Some of them are the most common used in the industry like PayPal for example or Data Systems, and some of them that we are evaluating are not in that list and they are not in the other list of the other system that we use for example the parking system T2. So, we are trying to look to a system that would be on both applications accepted as a payment gateway. So the one that we are evaluating is not in either of those two, so we were requesting from them what would be the cost to add them to the compatibility list and see if that cost offsets because the City would get a better fee, maybe the cost would balance to pay Tyler and T2 to add those payment gateways.

Commissioner Keon: Do we know are there other vendors who use a...who can interact with us? Or we don't know that. Are there other people that process credit card fees whose system is adaptable or can interact with our platform?

Finance Director Gomez: So the current vendor that we are using, I don't believe that their fees are so unreasonable, so we haven't really gone out to do a process for it since we have had them. We did get some companies that came in and asked can we. So we are evaluating them, if we see that we can make it work with our systems that there could be a savings there and we can go through the process of doing the procurement to see, but it hasn't been clear to us yet that there is such savings out there.

Commissioner Keon: That were significant enough that you would pay the cost to have them work with yours.

Finance Director Gomez: We are evaluating that now. We did start with these one or two vendors to see, could we even get them to work with us and then see what kind of pricing if it would make sense. So we are in that process, but we are not there yet.

Commissioner Keon: Do we have that issue with other types of processes within our City, that could actually make us more efficient and whether there could be cost savings, I mean is the platform that we use easily can they interface with it relatively easily or no?

Assistant Chief Information Officer Rodulfo: The internet payment gateways right now in the market if you look for them, there are many there are hundreds, and some of them are the most used. When you look at e-commerce providers or e-commerce systems that allow for online credit card payment most of them they gravitate to the most common platforms, so right now if

you look at our ERP System Tyler Technologies and you look at our Parks and Recreation System which is Class and you look at our Parking System, if you compare them they have in common two or three payment gateways that they share, because they are commonly accepted in the market so if you choose one of them maybe the rates that you will get are not as good as maybe going with another provider that you will need to pay maybe a little fee to get them accepted on the list and that analysis will tell you if that is a good business case or not.

Commissioner Keon: I was surprised that the fee for that is added to parking for payment by credit card.

Finance Director Gomez: I am sorry.

Commissioner Keon: When someone uses a credit card to pay for their parking meter or whatever else in addition for the twenty-five cents for twelve minutes or whatever it is now, what part of that goes towards the processing of the credit card fee.

Finance Director Gomez: I don't have the actual rate, so there are two things there is a piece or a certain percentage that the City pays for the transaction but then there also is a mark-up that individuals who are paying pay, a service charge. So there are two separate fees.

Commissioner Keon: Right, I was surprised at the amount of that fee.

Finance Director Gomez: I can get you that information, I just don't have it with me right now.

Commissioner Quesada: Are you talking about Pay by Phone?

Commissioner Keon: Yes.

Commissioner Quesada: The service providers for Pay by Phone charges you thirty-five cents for every dollar.

Commissioner Lago: That is pretty significant.

Commissioner Keon: That is very significant. That is a lot of money.

Finance Director Gomez: That is not a fee that the City pays.

Commissioner Keon: No, but the user pays it.

Commissioner Lago: The user pays it.

Commissioner Quesada: I am almost certain that is what it is.

Commissioner Lago: And collections are up, significantly.

Mayor Cason: Way up.

Commissioner Lago: Versus citations.

Commissioner Keon: They use it for convenience.

Mayor Cason: Convenience, they don't get parking tickets so that is down.

Commissioner Keon: But I didn't know what our part was and I understood that our fee was...

Finance Director Gomez: A couple of percentage points, I just don't have that.

Commissioner Keon: The other thing I wanted to know about was, do we track also the impact fees that are collected by the County that are credited back to the City so that when you go to talk to the County about like road impact fees do we track a balance independent of what the County tracks. So we know what it is being paid to the County.

Finance Director Gomez: I don't think that is something that we track internally.

Management and Budget Director Kleiman: The County puts together a five year plan most of the funds the spend on projects for the County within our City, however they do work with Public Works to put some projects on that we want to do like Ponce Phase III, it is coming from Miami-Dade. De Soto Fountain we have \$200,000 in the budget that is all that there is right now, that is money that we are going to be using for our projects.

Commissioner Keon: I just wondered if we ever tracked what those fees were too, so that when you sit with the County you can reconcile their balances.

Management and Budget Director Kleiman: We can look into that and see if it is possible. Right now we don't have access to it, but maybe we can, and we can get back to you on that.

Commissioner Keon: Having worked in the County, I think you should look into it.

Management and Budget Director Kleiman: OK.

Commissioner Keon: Also we keep reading in Miami Beach the whole issue of all of the fees that remained uncollected over a long period of time do we audit those types of fees, the hook-up fees and the different fees that are charged? Do we audit those fee balances here in the City of Coral Gables?

Finance Director Gomez: For what type of fees exactly?

Commissioner Keon: Well I think that there were a lot of the water connection fees, sewer connection fees, and I don't know. Do we charge a sewage connection fee for restaurants and different things?

Finance Director Gomez: We do have certain fees that we collect having to do with sewage connections and all of that, usually when somebody is going to connect it, we get the information and we bill and then we follow up.

Commissioner Keon: We keep reading in the paper, the amount of uncollected fees that Miami Beach now looking back at their records have never collected for sewer connections and water connections and all of those types of fees. I am asking you if we ever audit those records?

Finance Director Gomez: I don't know that we audit, or we how we would audit fees. I mean, if we do a connection we then bill for the connection and we make sure and we keep a track and we bill on a quarterly, or a monthly basis some bills and we bill on a quarterly a dunning notice. So we are actively collecting so if a connection happens that Finance is not aware of then we can't collect on it.

Commissioner Keon: I know, but is there an interface between what you bill for and maybe what, I think is the Building Department...

Finance Director Gomez: Right.

Commissioner Keon:...that would know what connections there are.

Finance Director Gomez: Yes, so when they put in a permit or whatever, it does come through to us for us to be able to know that something happened, that is why I am not really understanding.

Management and Budget Director Kleiman: I think this would be a question for Lori St. John, our Chief Compliance Officer, I believe that if we actually looked at, and I don't want to speak for her, but if we looked at all of the permits, especially large building permits that are sanitation connection fees and stuff like that with her insight into going in and looking at it to see if we missed anything maybe that would be possible, but I think that would be a discussion between the City Manager and the Chief Compliance Officer.

Commissioner Keon: OK. Every week we read about the uncollected fees, particularly in Miami Beach for different fees and they are huge amounts of money, I wondered if we go back and audit that process.

Mayor Cason: Why don't you come back with Lori for the next meeting.

Acting Interim City Manager Birdsill: We can certainly discuss with the Internal Auditor what that would take to do.

Commissioner Keon: Or even if it is necessary. I don't know that it is really necessary, I mean they were surprised by the multi-millions worth of dollars of connection fees that were never collected.

Mayor Cason: The broader question is, is there any reason to believe that we are not collecting fees that we should other than the ones we discussed earlier today?

Finance Director Gomez: Right. The system works in that sense that when we put a permit in and we get it in, and if we get it the information in Finance then we will bill for it. I don't know that there is a disconnect, we haven't had an issue with a disconnect in getting the information to be able to bill. So, that is what I am trying to say, so if we have a the information we do bill it and we do follow up with it.

Commissioner Keon: But it would be Lori St. John the one...

Finance Director Gomez: She could go in an audit and actually look into it.

Commissioner Keon: I was just wondering if we would take a look at it.

Vice Mayor Kerdyk: Diana, I have one question, our debt service is \$6.9 million per year is that right?

Finance Director Gomez: That is correct.

Vice Mayor Kerdyk: How much of that is allocated toward the Streetscape Project? How does that work?

Finance Director Gomez: For the first two years of the Streetscape Project once we actually go out for debt the amount that we are going to be paying is a little bit higher than the normal amount, and then in the subsequent years once we level debt service after the first two years that we pay the City will be paying about \$750,000 out of that \$6.9 million will be going toward the Streetscape.

Vice Mayor Kerdyk: As I remember when we did this program that \$6.9 million got reduced to \$6.5 million when we initially did the bond, not the bond, but we did the...

Finance Director Gomez: The NRP.

Vice Mayor Kerdyk:...refinancing, basically the refinancing. We refinanced the debt...

Finance Director Gomez: We did have some savings.

Vice Mayor Kerdyk: We did have some savings, but we kept the same.

Finance Director Gomez: We kept the debt service at the same level.

Vice Mayor Kerdyk: What was the threshold between the savings?

Finance Director Gomez: There were so many refinancings that we did, I think the one that you are talking about when we did the NRP I think there was about \$400,000 in savings. It is kind of what rings a bell to me. So there were some savings and since we have done other refinancing so there were other savings and we have been leaving the debt service at the same level, so that we do have the ability to absorb the new debt without having to change recurring revenues or let go of something, or reallocate some other funding for it.

Vice Mayor Kerdyk: Right, that is what I was getting at.

Finance Director Gomez: Exactly.

Vice Mayor Kerdyk: So we basically have built in the \$700,00 in the \$6.9 million.

Finance Director Gomez: In the \$6.9 million the amount to pay the Streetscape is already there so we don't have to...

Vice Mayor Kerdyk: It is already part, I think it is important that we all understand this, so that when we have to answer these questions at some point, it is already in our debt service.

Finance Director Gomez: Right.

Vice Mayor Kerdyk:...and furthermore, we have had some reserves because we have built it up...

Finance Director Gomez: That is correct.

Vice Mayor Kerdyk:...over how many years? Three years possibly?

Finance Director Gomez: The past three or four years.

Vice Mayor Kerdyk: Three years times what \$700,000 per year.

Finance Director Gomez: A little bit more, right now the fund balance as of the last audited financial statement it is about \$3 million in the debt service fund. So this year the savings is about a \$1 million, but remember the first two years of the Streetscape is going to be about \$1 million because we are covering the interest.

Vice Mayor Kerdyk: I know, I just wanted to make sure we all.

Finance Director Gomez: So we are making sure that we will have enough funding so that we don't have to change or allocate other.

Vice Mayor Kerdyk: The great thing is that we already planned for it, we already allocated it.

Finance Director Gomez: That is right.

Mayor Cason: And the other thing to, was I remember our target for debt service was at eight percent or something in that range.

Finance Director Gomez: Under ten percent.

Mayor Cason: Yes, so we are way down, way below that and about a year ago I had my intern look at the debt service ratios throughout all of the cities in Miami-Dade and we were very, very low. We are one of the lowest.

Finance Director Gomez: That is true.

Mayor Cason: So we are in good shape, I guess the question is will we ever be able to get a AAA Moodys' again with the change in the accounting rules that put your pension debt in them.

Finance Director Gomez: In terms of everything else other than pension, I think we should be there already. There is no reason why we would be there. I think rating agencies are still looking at pensions as the issue and it is so difficult to overcome it. I don't think the fact that GASB is changing and we are going to have to put it and place it on the financials is going to make that big of a deal because it has always been there, it just I don't necessarily think that GASB67 or 68 is the reason that we wouldn't get there. I just think that in general our funded ration and everything with pensions is what is holding us back.

Mayor Cason: OK. Thank you. So I guess you move onto the third item which is...Madame City Manager are you going to read that?

City Attorney Leen: I am supposed to read that.

Mayor Cason: Go ahead.

City Attorney Leen: I am going to be reading items three, four and then five items three and four are ordinances after I read each title we do have to just to be completely technically correct we are going to open a public hearing and close it, unless there is someone who wants to speak, and then there will be a vote on each item separately. So first I will begin with item number three. This is an ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2014 and ending September 30, 2015; fixing the rate of such levy; providing for the segregation and the application of the proceeds of such levy; providing for the separability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2014. This was passed on First Reading September 11, 2014. I also need to read Section 1. That there is hereby levied upon all the real and personal property within the present corporate limits of the City of Coral Gables which is assessed for taxation for the year 2014, and which is subject to taxation under the constitution and Laws of the State of Florida as now written. A tax of 5.589 mills

which is a 6.79 percent increase over the rolled-back rate; all proceeds of the collection of this levy to be recorded into the General Fund of the City, and shall be reserved therein and disbursed therefrom for the sole and express purpose of paying the necessary operating expenses of the City of Coral Gables, its departments, offices, and properties, for the fiscal year ending September 30, 2015.

Mayor Cason: Do we have any public input on this? If not we will close the public input. Do we have a motion?

Commissioner Quesada: So moved.

Vice Mayor Kerdyk: Second.

Mayor Cason: Commissioner Quesada makes the motion the Vice Mayor seconds it. City Clerk.

Commissioner Keon: Yes.

Vice Mayor Kerdyk: Yes.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Mayor Cason: Yes. Item four.

City Attorney Leen: Mr. Mayor this is an ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2014 and ending September 30, 2015; providing for the separability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2014. . This was passed on First Reading September 11, 2014 and I will read the following whereas clauses. Whereas the Budget Estimate submitted to the Commission on July 1, 2014 in the amount of \$157,710,133 has been revised by the City Manager to include additional revenues and expenditures in the amount of \$4,403,572, bringing the total budget amount to \$162,113,705; and whereas the revised revenue estimate of \$162,113,705 includes total revenues of \$158,033,442 and transfers from fund balances of \$4,080,263, and the revised expenditure estimate of \$162,113,705 includes expenditures of \$159,837,657 and transfers to reserves of \$2,276,048.

Mayor Cason: Any public input? We will close the public portion.

Commissioner Quesada: I'll make a motion.

Commissioner Lago: I'll second the motion.

Mayor Cason: Commissioner Quesada makes the motion, Commissioner Lago seconds. City Clerk.

Vice Mayor Kerdyk: Yes.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Commissioner Keon: Yes.

Mayor Cason: Yes. Item five.

City Attorney Leen: Mr. Mayor this is a Resolution adopting the Capital Improvement Program for the five fiscal years from 2015 to 2019.

Mayor Cason: Any discussion? Any public input? Do you want to run through it?

Finance Director Gomez: The capital plan was submitted with the agenda packets. The plan reflects the Citywide Capital Investment strategy for the next five years from Fiscal Year 2015 through Fiscal Year 2019 a multi-year capital improvement plan is required by Florida Statute, and it is necessary in order to ensure that sufficient funds are available to repair or replace capital and infrastructure.

Mayor Cason: So it will change over the years.

Finance Director Gomez: It changes every year. We add projects to it throughout the years as well. We presented the new projects that are going to be added and new funding that has been put with this budget and all of the individual projects are listed.

Mayor Cason: The only point I want to make is that something we approved almost four years ago which was the garbage slabs, I sure hope we can move forward on that. The \$250,000 is there. We have the big pits. I think we were waiting for Glenn to get back to be able to get to work, you have hundreds of other things, but can you tell us where that stands, because that is one of the oldest.

Commissioner Lago: Because let me tell you that is one of the main calls that I get from residents and we go out there and we dump some fill and then six months to a year later we have to address the issue again.

Mayor Cason: What can we expect to see, we have had some that have been tested for years now and I guess they have held up right.

Public Works Director Kephart: Mixed results and to be honest with you we have been looking at this and there isn't a week that goes by that Jessica and I don't talk about and talk about the

schedule to get back to the Commission and we have actually gone to other communities and looked at their operations because honestly at this point we are not 100 percent accurate that the black plastic is actually the ultimate solution for this community. It is a solution, it may be in combination with other solutions, we have looked at things from even our methodology from picking up the trash to reduce the amount of times that we fill in those holes. One thing that we have done in a positive direction is that we had a little bit of money left over in one of our funds about \$20,000 and we used our on call contractor to catch up on a lot of the holes, to fill them in, because currently our current process to do that, we do it on an on call basis and as needed, but if you count the number of holes in the City and our rate at filling them we keep falling further behind, and we won't catch up. So it is an important issue that needs to be addressed as we have relooked at this. I think it is certainly the black vinyl, plastic I forget what the material is called it is an option. We had cases where I think one of the cases where one of the spikes was pulled out, which tells us that in that one didn't survive, tells us that we need to look at our anchoring method on that. I am not ready to bring it to you just yet because we are still looking for the ultimate solution and maybe that ultimate solution is a smother's board of different options for the neighborhoods. We have even looked at, instead of, right now we fill in the holes with coral rock sort of white and we have a few that we filled in with recycled asphalt product that is a black and the blends better and actually holds up fairly well. So we need to have a good discussion about this, we need to bring some options to you and get further direction on it is kind of where we are at, at this point.

Mayor Cason: OK. I understand, please do so because I have gotten a lot of complaints about the color the white doesn't look...but there has to be a solution out there somewhere, just keep looking and let us know. The money is there.

Public Works Director Kephart: We will do that, thank you.

Commissioner Keon: Can you also look into the recycling of cardboard so we can try and get them out of the trash piles.

Public Works Director Kephart: We are looking at that and we are doing some minimal recycling, but not to the degree that we should and it certainly is part of the sustainability master plan that is an item that just jumps out there along with the lights as being a big low hanging fruit that we need to address.

Commissioner Lago: Recycling the CBD, which I know that currently we have only one trash option or one firm that offers that type of service for the CBD and obviously that is something that we are going to have to address later also. Let me ask you just a quick question, going of what the Mayor said. What is the life expectancy of the black tarp?

Public Works Director Kephart: I do not recall that as we are standing here, it was a long life expectancy, I know that. When I was here several years ago, I worked with Dan Keys to

evaluate ways to fasten that and the material I think...I would have to research that and get back to you, would that be OK?

Commissioner Lago: And can you do me a favor can you also find out how much we are spending a year in reference to filling those holes, because I probably make a phone call to your staff once every two weeks, requesting someones...

Public Works Director Kephart: We are filling several holes a week, but yes I can easily do that.

Commissioner Lago: I want to know the numbers to see if the product costs \$250,00 and we are spending "X" amount a year, let's see how we can save some money.

Public Works Director Kephart: I appreciate it, yes, we will be back to you. Thank you.

Mayor Cason: Any other discussion?

Commissioner Lago: Thank you.

Mayor Cason: Do we have a motion on the Capital Improvement Program?

Vice Mayor Kerdyk: So moved.

Mayor Cason: Vice Mayor makes the motion. Second?

Commissioner Quesada: Second.

Commissioner Lago: Second.

Mayor Cason: Commissioner Quesada, just beat Commissioner Lago. City Clerk.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Commissioner Keon: Yes.

Vice Mayor Kerdyk: Yes.

Mayor Cason: Yes. OK. That closes the budget hearing.