

# City of Coral Gables

405 Biltmore Way  
Coral Gables, FL 33134  
[www.coralgables.com](http://www.coralgables.com)



## Meeting Minutes

Wednesday, June 26, 2024

8:00 AM

Public Safety Building, Fifth Floor Conference Room

### Budget/ Audit Advisory Board

*Chairperson Board Frank Paredes*

*Board Member John Holian*

*Board Member Joseph Palmar*

*Board Member Debra Register*

*Board Member Carmen Sabater*

**Virtual Zoom Meeting Available for Public Participation**

<https://us06web.zoom.us/j/84243975634>

**CALL TO ORDER**

The meeting was called to order at 8:09 by Frank Paredes

**ROLL CALL**

The roll was taken, and an in-person quorum was established. The meeting was also available on Zoom for public access. Mrs. Sabater did not attend and her absence was marked as unexcused.

**APPROVAL OF THE MINUTES**

A motion was made by John Holian seconded by Joseph Palmar to approve the March 20, May 1, and May 22, 2024, meeting minutes.

**Present:** 4 - Chairperson Paredes, Board Member Holian, Board Member Palmar and Board Member Register

**Absent:** 1 - Board Member Sabater

**[24-7328](#)**

Budget Audit Advisory Board Meeting of March 20, 2024.

**Attachments:** [Budget Audit Board Minutes - 3.20.24 Pending Board Approval-Legistar Generate](#)

A motion was made that this matter be approved. The motion was passed by the following votes:

**Yeas:** 4 - Chairperson Paredes, Board Member Holian, Board Member Palmar and Board Member Register

**Absent:** 1 - Board Member Sabater

**[24-7533](#)**

Budget Audit Advisory Board Meeting of May 1, 2024.

**Attachments:** [MeetingMinutes10-May-2024-11-52-21 \(Legistar\)](#)

A motion was made that this matter be approved. The motion was passed by the following votes:

**Yeas:** 4 - Chairperson Paredes, Board Member Holian, Board Member Palmar and Board Member Register

**Absent:** 1 - Board Member Sabater

**[24-7599](#)**

Budget Audit Advisory Board Meeting of May 22, 2024.

**Attachments:** [MeetingMinutes28-May-2024-01-20-13 \(Legistar\)](#)

A motion was made that this matter be approved. The motion was passed by the following votes:

**Yeas:** 4 - Chairperson Paredes, Board Member Holian, Board Member Palmar and Board Member Register

**Absent:** 1 - Board Member Sabater

## **NEW BUSINESS**

### **Presentation Re: FY2025 Budget Estimate**

Mrs. Rodriguez presented a draft overview of the FY 2024-2025 Budget Estimate that will be submitted on July 1st and presented at the July 10, 2024, budget workshop. The presentation included an overview of the budget planning timeline and process. On June 1st the city received the estimated property values, which increased by 8.2%. On July 1st the city will receive the final values used for the FY 2024-2025 budget. This increase allowed the city to fund more than anticipated. The City Commission also chose to reduce the solid waste fee which resulted in almost a \$3.6 million reduction in revenue to the general fund. The increase in property values offset the reduction of the solid waste fee. At the July 10 budget workshop the Commission will set the proposed millage rate, the tax rate will be certified to the property appraiser's office, over the summer revenues and expenditures will be slightly adjusted, and finally adopted at the 1st and 2nd Budget Hearings in September.

Mrs. Rodriguez briefly explained how the budget is developed and the types of expenditures that are included in the base budget, new need or new funding requests, and funding towards capital. The base budget include regular increases to operating including merits and negotiated cost of living increases, increases in health insurance which is estimated to be 10% next year, and any increases to the pension plan. She stated that department operating budgets are tight and any increased funding is requested as new need requests, which include mandated items such as increases in utilities or contracts and new or enhanced programming. Budget works with the departments and the City Manager to review and determine which new needs are funded. Remaining available funding is then used to fund capital projects.

The fiscal year 2024-2025 budget estimate is \$283,480,289. Total revenue includes operating revenue of \$265,660,072 plus \$17,820,217 from transfers from reserves. The transfers from general fund reserves includes \$5.2 million to fund capital and \$4.5 million dollars is being transferred from general fund from reserves, to fund \$2 million to budget for compensated absences and \$2.5 million to fund one-time items in the general fund. Prior to Covid, the City budgeted for compensated absences and after COVID the City relied on year-end surplus to fund this item. The proper way to plan for this expense is to include it in the budget.

Mr. Joseph Palmar inquired if the reserves based on the operating revenue of \$265M or the total budget of \$283M. It was explained that the reserve that will be funded at the end of fiscal year 2023-2024 will be based on the operating expenditure budget of \$226 million and debt service expenditure budget of \$11 million.

Mrs. Rodriguez continued to explain the use for each of the transfers from reserves which are used for one-time items and the transfers to reserve in expenditures. Mr. Holian asked what the debt service comes from. There is debt that relates to specific departments and is funded by that fund. As the meeting ran later than usual, Mr. Palmar had to leave. Mrs. Rodriguez continued to review the expenditures and explain the transfers to reserves. Mr. Holian inquired about the status of the mobility hub. It was explained that there has to either be a renovation or new construction of garage and in planning for this the city has been training the parking fund for future debt for this project.

Mrs. Register asked what impact would reducing the millage rate have on the budget, in addition to already lowering the annual solid waste fee. Mrs. Rodriguez explained that the impact would depend on how much the millage is reduced, for example a 3% reduction to the millage rate would reduce the general fund revenue by approximately \$4 million . Mr. Holian asked what is included in the \$17 million transfers from reserve. Mrs. Rodriguez explained that these available funds in each of the fund and are not from the 25% required reserve. Mrs. Rodriguez continued to review the revenue and expenditure slides of the presentation highlighting changes by category. Mrs. Rodriguez mentioned to the board that she would send this draft presentation to the board which would change as the budget is finalized. Mr. Holian asked about water abatement for waterfront properties and Finance Director Mrs. Diana Gomez explained that city continues to fund a sea level rise fund for future needs. Mr. Paredes inquired about the pension plan and Mrs. Gomez explained that we expect to be fully funded by 2032. Mrs. Rodriguez continued to review the revenue and expenditure slides of the presentation highlighting changes by category. Mr. Paredes asked why debt & contingencies category is increasing. Mrs. Rodriguez explained contingency funds are set aside for items under discussion and not yet decided such as contract negotiations and a small operating contingency. A table of personnel/benefits analysis requested by the board in prior years was reviewed. The table shows the personnel cost by department as a percentage of their total budget. For most departments, the largest portion of their operating budget is made up of their salary. Mr. Paredes inquired about the increases to the Commission's salary and a petition to highlight these increases in the budget. A brief discussion was had regarding the inclusion of the commission's salary increase in the FY 2023-2024 budget. In addition, 23 full-time positions and 2 part-time positions have been added to the budget. It has proven difficult to hire for part-time positions, and departments have been requesting to convert part-time positions to full-time. Slides listing the capital projects with new funding by project category were reviewed.

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**Presentation Re: Internal Audit Police Overtime**

Assistant Director over Management, Budget, & Compliance, Paula Rodriguez presented Caitlin Poirier, Managing Director of Crowe, LLC, our Internal Auditors. Mrs. Rodriguez explained that Crowe, LLC's forensic team was chosen not because there was any suspected criminal behavior or activity but because of the City's previous positive experience with other audits performed by this team and their analytical ability. Mrs. Rodriguez also introduced Police Chief Edward Hudak adding that the Chief previously reviewed the findings, and that the department has implemented some changes since the audit was performed. Ms. Poirier began by explaining that the scope of the audit was to review the overtime being incurred by the Police Department Technical Division. Data analysis was performed to determine the root cause of the overtime. The overtime was determined to be primarily from the Communication (911) Center. The analysis included interviewing both current and former technical, management and call center staff to understand their views of what issues or challenges exist. A report of findings was issued with Crowe's recommendations. One finding is related to staffing levels, the data showed that the number of employees available was not enough to fill the shifts at the minimum staffing level requirement . The recommendation is to review the City's minimum staffing level requirement to determine if it is appropriate and if additional staff is needed. A second finding was that the overtime was not always coded correctly. The recommendation is to ensure that the overtime is coded to the correct overtime code for regular overtime or overtime due to a vacancy. Crowe also recommended that the city review its leave policy, for the period reviewed in the audit showed that some employees were taking a large amount of leave. The amount of leave taken directly affects overtime because when a call center employee calls out sick their shift has to be covered by overtime. The report also addressed the operator tier structure staffing levels. The tier structure has certain benefits and drawbacks. The tier structure results in employees having different level of training and results in not every employee being able to cover every roll and many times the necessary role requires scheduling an employee with the appropriate level of training to cover the shift at a higher pay rate or on overtime. The final finding and recommendation was centered around the training program. At the time of the audit the time for a new employee to complete training about nine months, which can prove difficult to be fully staff the call center.

Mrs. Rodriguez presented a table in the report that reflects overtime cost for the three-year period reviewed by Crowe. The table includes the actual overtime as coded, the estimated amount of overtime that should have been coded to vacancy related overtime. It was also explained that the division has had high vacancy and turnover for several years and that

the overtime coding was implemented to track the overtime related to the vacancies with the understanding there is a national difficulty in recruiting these positions. Mr. John Holian asked for some clarity regarding the Estimated Annual Vacancy Overtime in the table and Mrs. Rodriguez explained that the \$734,788 figure was related to overtime associated with an employee that had to work overtime in place of a vacant position. Mr. Holian noted that this overtime is offset by the cost of the vacant position and also stated that the % of the overtime to the total over \$200m budget is very small. Overall, the majority of the overtime is related to the vacancies. Chief Edward Hudak went over the history of the structure of communications center has evolved over the years. He continued to review the staffing and minimum requirements for the center. He stated that with changes that have been made since the audit there has been a reduction in overtime hours, the city is in the process of hiring , and working on obtaining an accreditation for Police & Fire communication operation center. Mr. Frank Paredes inquired if we expect to have approximately the same figures in overtime and Mrs. Rodriguez explained that those figures are expected to be lower, as vacancies are filled and with the change in to the tier structure. Chief Hudak explained that how the tier structured and training have been restructured. Mrs. Debra Register inquired regarding the training time and Mrs. Rodriguez explained that the training time has been reduced to approximately 6-7 months. Overall, there is a nationwide shortage of communications operators, many times new hire take a few calls and determines it is not something they want to continue doing. Mr. Paredes inquired about when the next audit would take place since this audit was through 2022. Mrs. Rodriguez explained that the department would be given some time w to implement the changes and a follow-up audit would take place in 1-2 years. In the meantime, the overtime is continuously monitored. Mr. Holian also inquired about the amount of work that police officers have as well as if there were any opportunities for Artificial Intelligence (AI). Chief Hudak emphasized that is a police officer is bored, then they are not utilizing their time wisely. Regarding AI, the possibility of the use of AI is being evaluated by IT as it would not be able to be used for all aspects of the emergency operations center.

## **BOARD MEMBER DISCUSSION**

It was discussed by Mr. Holian and Mrs. Register that lowering the millage rate would not be beneficial to residents that have been living in the same property for many years, but rather benefit new residents to the City of Coral Gables or residents purchasing much larger homes or commercial properties. Mr. Holian made a motion to send a resolution to the City Commission urging them to maintain the current millage rate of 5.559 as it would be appropriate and responsible for fiscal stability. The motion was seconded by Debra. It passed unanimously with the members present.

This resolution was to be presented at the July 9th Commission meeting. Mr. Holian also made a motion that if chairperson Paredes cannot attend the meeting, Mrs. Gomez and Mrs. Rodriguez can speak on their behalf.

Mrs. Gomez presented the opportunity to have an additional meeting should the Board want to have a meeting. The Finance department will reach out to the board about their availability and if they feel a meeting in August would be beneficial, it will be set.

**Review Triple A Rated Cities Spreadsheet Details**

This item was deferred to the next meeting.

**Review Amazon Transactions Report**

This item was deferred to the next meeting.

**PUBLIC COMMENT**

No public comments were made.

**SCHEDULING**

The next meeting is scheduled for September 4th, 2024-8:00 A.M.

**ADJOURNMENT**

The meeting adjourned at 10:06 A.M.

**NOTE**

Any person who acts as a lobbyist pursuant to the City of Coral Gables Ordinance No. 2006-11, must register with the City Clerk, prior to engaging in lobbying activities before city staff, boards, committees and/or the City Commission. A copy of the Ordinance is available in the Office of the City Clerk, City Hall.

Any person, or persons, wishing to appeal any decision made by the City Commission with respect to any matter considered at this meeting or hearing, will require a verbatim record of the proceeding upon which the appeal is based. Interested persons should, therefore, take the necessary steps to ensure that a verbatim record of the proceedings is made which contains the testimony and evidence upon which the appeal is based.

Any person making impertinent or slanderous remarks or who become boisterous while addressing the Commission, shall be barred from further audience before the Commission by the Chair, unless permission to continue or again address the Commission is granted by the majority vote

of the Commission Members present. Clapping, applauding, heckling or verbal outbursts or any remarks in support or opposition to a speaker shall be prohibited. Signs or placards shall not be permitted in Commission Chambers.

Any person with a disability requiring communication assistance (such as a sign language interpreter or other auxiliary aide or service) in order to attend or participate in the meeting should contact the City's ADA Coordinator Raquel Elejabarrieta, Esq., Director of Labor Relations and Risk Management (E-mail : [relejabarrieta@coralgables.com](mailto:relejabarrieta@coralgables.com), Telephone: 305-722-8686, TTY/TDD: 305-442-1600), at least three (3) business days before the meeting.