

**City of Coral Gables City Commission Meeting
Second Budget Hearing
Agenda Items 1 through 5
September 25, 2018
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Raul Valdes-Fauli
Vice Mayor Frank Quesada
Commissioner Pat Keon
Commissioner Vince Lago
Commissioner Michael Mena**

City Staff

**Interim City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Assistant Management & Budget Director, Keith Kleiman
Parking Director, Kevin Kinney
Public Works Director, Ed Santamaria**

Public Speaker(s)

Agenda Items 1 through 5 are related [0:00:00 p.m.]
Presentation of proposed Fiscal Year 2018-2019 City Budget.

Public Hearing for obtaining comments relative to Budget for Fiscal Year 2018-2019.

An Ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019; fixing the rate of such levy; providing for the segregation and the application of the proceeds of such levy; providing for the

City Commission Meeting
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Agenda Items 1 through 5 are related - Presentation of proposed Fiscal Year 2018-2019 City Budget, public hearing for obtaining comments relative to Budget, Ordinances providing for the levy of taxes and adopting the Annual Budget of Estimated Revenues and Expenditures beginning October 1, 2018 and ending September 30, 2019 and a Resolution adopting the Capital Improvement Program for 2019 to 2023.

separability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2018. (Passed on First Reading on September 13, 2018)

An Ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019; providing for the separability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2018. (Passed on First Reading on September 13, 2018)

A Resolution adopting the Capital Improvement Program for the five fiscal years from 2019 to 2023.

Mayor Valdes-Fauli: We have to start the budget hearing at 5:01.

City Attorney Ramos: Yes, sir. There is going to be a presentation, and then we're going to be entertaining two ordinances and a resolution. I will read them, all three, into the record. We will consolidate the public hearing after the presentation. The first -- number 3 is an ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019; 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, 2018. This was passed on First Reading at the September 13, 2018 budget hearing. Number 4 is an ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019; providing for the separability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2018. This was passed on First Reading at the budget hearing on September 13, 2018. And a resolution adopting the Capital Improvement Program for the five fiscal years from 2019 to 2023. With that, I turn it over to the Budget Director.

Mayor Valdes-Fauli: Yes.

Assistant Management & Budget Director Kleiman: Just waiting. My computer is actually updating as we speak.

Mayor Valdes-Fauli: Oh.

Assistant Management & Budget Director Kleiman: Good evening, Commission, City Manager, City Attorney. Welcome to the final budget hearing for fiscal year '19. I'm going to say right off the bat there are no changes between the -- both hearings. The numbers we're going to talk -- discuss tonight are the same as they were for the first hearing. The first slide is just dates. These are the major dates that we look at during the budget process. Though, for us, our budget process starts in February. But for the sake of most of the readers and the listeners, the most important date is June 1. And as you can see right now by blue, we are at the last date, the final budget hearing for fiscal year '19. As is proper in our budgeting world, we have to present a balanced budget. The budget this year is \$200.2 million, of which annual revenues come to \$187.2 million, and transfer from reserves of \$13.1 million. All of those transfers are from planned use of fund balance. On the expenditure side, the operating budget is \$167.4 million, the capital budget is 21.8 and debt service is 10.5. The major change for the debt service is \$2.2 million, and that represents the debt service for the public safety building. Transfers to reserves, \$528,000, for a balanced budget of \$200.2 million. On the revenue side, the increases -- the biggest increase we have is property tax, \$4.5 million. That is based on \$16 billion of property values. That's up \$96 million from the June 1 estimates. That brought in an additional \$507,000 to the City's budget, between the budget estimate and the first hearing. Intergovernmental Revenues, up \$1.5 million, and that is actually one number. It's the grant that the City got awarded and we're going to use that -- those funds toward the purchase of Fire Station 4 when that decision is made. Automobile Parking Fees, \$748,000. This is the final activation of the parking fee increase that was started in FY '17. It was done in phases to allow for the construction of Miracle Mile. Storm Water Utility Fees, \$445,000 of this are the funds that we are putting aside -- the additional funds we're putting aside for sea level rise. Investment Earnings, \$386,000. Additional permitting fees, just a trend, \$350,000. And the Sanitary Sewer Fees, \$341,000 -- \$300,000 of that is due to the fee increase; some of that

going to capital and some of that going to operating. The total increases we have \$9.4 million. Revenue decreases. All of these items represent one-time items in the budget, the biggest being the \$49.5 million, which are the bonds for the public safety building. They're being taken out of the budget for FY '19. They'll be re-appropriated in October. Expenditure changes affecting the budget. Salary changes, \$1.7 million. Overtime, \$360,000 -- the majority of that going to the Fire Department to allow for the 32 minimum staffing level per shift. Employee Benefits, retirement is going up by \$1.2 million, and that's to aid in the extra payment that the City has made -- going to be making toward the pension unfunded liability. FICA is going up \$228,000. Workers comp is going down by \$475,000 and that's due to our good experience. We were budgeted \$2.5 million and now we're budgeted at \$2 million and we've been doing very, very well over the last number of years. The health is going up by \$36,000, and that represents the health benefits for the three new full-time positions. Total increase of \$3.1 million on the personnel side. Expenditure changes affecting the budget. Once again, the vast majority of these are one-time items that are in the budget from previous years that are re-appropriated or just they were one-time in FY '18. They won't be repeated in FY '19. The nice thing -- if you take a look in repairs and maintenance, we're putting extra money in the budget to help maintain the City's parks, which is much needed because we want to raise the level of the maintenance that's going on there.

Commissioner Lago: Quick question. Do you also have anything there in regards to Miracle Mile and Giralda in reference to maintenance? Because I know we're spending, what, around \$300,000 a year for that contract?

Assistant Management & Budget Director Kleiman: I believe we're budgeting about \$500,000 a year.

Commissioner Lago: Five hundred.

Assistant Management & Budget Director Kleiman: And that was put in in FY '18, so you won't see it here as a change because it's going to be -- it's just a wash. It's going to be -- it's the same budget for each year.

Commissioner Lago: But the budget is -- it's sufficient funds to take care of, you know, the current standards...

Assistant Management & Budget Director Kleiman: Well, let me bring up the Parking Director who can answer that question.

Commissioner Lago: Okay.

Parking Director Kinney: In FY '18, we did spend approximately \$350,000. We do have budgeted for this coming year half a million dollars, and in the next month or so, we will be negotiating the 12 months -- hours of operations. There are some increases we're going to do to hit more of the nighttime hours, but \$500,000 should be adequate to...

Commissioner Lago: Those increases are based on just better quality service or we're talking about more trash pickup? Are we talking about maybe some new products that are going to be used to clean the streets or what is it exactly?

Parking Director Kinney: We are looking at additional equipment to help be more efficient. But primarily, it's to have bodies in the evening. Currently, the evenings, we do Friday, Saturday, Sunday. Thursday seems to be an evening we probably want to put staff out on the street also. So, part of it's more hours and part of it is additional equipment that we're looking at.

Commissioner Lago: Okay. And how is the maintenance coming along in regards to the gum and other issues that we've been having with the tile...

Parking Director Kinney: We do...

Commissioner Lago: Not tile, excuse me, with the limestone.

Parking Director Kinney: It does get into the pavers, so you know, when they're -- we scrape it, it usually needs to be hit with a pressure washer afterwards, although we try and do that when nobody sees it because we don't want people pressure washing our tiles. But that's one of the issues we're looking at dealing with better, although they do remove gum every day. But sometimes, you can see it, so...

Commissioner Lago: Okay.

Assistant Management & Budget Director Kleiman: The next slide represents the Commission's priorities for capital projects. As you can see, they're color coded, and there are quite a number of duplications in each of the Commissioners listings. The next slide shows what we were able to fund. Anything with a check means it is now in the budget. So, it either represents a new project or additional money for an existing project. If there's any questions, just feel free to stop me. We now have the capital categories that are in the capital improvement plan. You know, that is there for your approval this evening as well. These slides indicate the FY '19 amounts. The five-year plan goes through FY '23. FY '19 is the only committed dollars. The rest of the dollars in the plan are not committed. It's just a plan, and that'll be up to the Commission to approve it in the year that we actually put that into the budget. So, the capital equipment, \$2.1 million for FY '19. Facility Repairs, \$1.3 million. Historic Facility Repairs and Restorations, \$1.5 million. Motor Pool Equipment Replacement, \$3.6 million. Parking Repairs, \$600,000. Parks & Recreation Repairs, \$2.4 million. Public Safety Improvements, \$5.7 million. Transportation and Right-of-Way, \$3.1 million.

Commissioner Lago: Can you go back one second?

Assistant Management & Budget Director Kleiman: Sure.

Commissioner Lago: Thank you. Can we see if maybe Mr. Santamaria can come up and talk a little about LED streetlight conversion? I want to make sure that we have whatever necessary funds so that that project can actually come to fruition this year. Jessica or Ed, one of the two. LED lighting.

Public Works Director Santamaria: Yes, sir.

Commissioner Lago: We've been talking about it for a few years. How are we looking?

Public Works Director Santamaria: We could use more, but that would be a good start.

Commissioner Lago: When you say you could use more, I'm -- what do you think? Again, how far will \$150,000 get us?

Assistant Management & Budget Director Kleiman: That's an additional, though.

Commissioner Lago: Yeah.

Public Works Director Santamaria: In addition to what's already in...

Assistant Management & Budget Director Kleiman: Yes.

Public Works Director Santamaria: Okay. What's the number that's in?

Assistant Management & Budget Director Kleiman: We have \$300,000 from prior years...

Commissioner Lago: Yeah.

Assistant Management & Budget Director Kleiman: And we're adding now another 150, so 450 that'll be available.

Public Works Director Santamaria: Four fifty gets us a significant way.

Commissioner Lago: And I know the technology's advancing at a rapid...

Public Works Director Santamaria: Yes.

Commissioner Lago: Pace and I'm happy, to a certain extent, that we actually waited a little bit. And I know that Jessica and your staff has done an exceptional job in really gathering all that information. But I really want to see this -- us do something if it's a smaller portion of the project in downtown. I know that we're planning on it, but I'm also concerned about if we spend that money in the downtown and we could wait another year and potentially even have more money to do...

Public Works Director Santamaria: Right.

Commissioner Lago: Something...

Public Works Director Santamaria: So, remember that this is two tracks.

Commissioner Lago: I know.

Public Works Director Santamaria: One track is our own -- City-owned streetlights.

Commissioner Lago: And FP&L.

Public Works Director Santamaria: And FPL. The FPL lights, they're moving forward because that's really -- if we do it judiciously, then we can roll that out at no cost to the City. We'll come to a point where there are going to be types of lighting that will be an additional cost to the City. We can cross that bridge when we get to it. In terms of the City-owned streetlights, with the amount that we have, we can make significant progress on it this year.

Mayor Valdes-Fauli: Ed -- I'm sorry.

Commissioner Lago: No, go ahead, Mayor, please.

Mayor Valdes-Fauli: Ed, North Greenway, west of Granada had these horrible, so bright they look like sunshine lights for the first block -- two blocks, and then, they're yellow lights. Can you fix that? It's horrible.

Public Works Director Santamaria: Can definitely look at the temperature of the lighting. I can tell you that...

Mayor Valdes-Fauli: The south side of North Greenway, west -- not east, but west of Granada, first two blocks. They are horrible, and they're unacceptable, frankly.

Assistant Public Works Director Keller: Those are a pilot, and we can have those switched back out.

Mayor Valdes-Fauli: What?

Assistant Public Works Director Keller: Those were a pilot project so that we could take a look at the lighting and see...

Mayor Valdes-Fauli: They're terrible.

Assistant Public Works Director Keller: What kind of complaints we got. We can have those switched back out.

Mayor Valdes-Fauli: Okay, because west of that -- the first two blocks are terrible. West of that, they're very nice, yellow lights that do light and, you know, they're very nice. And east of that is very nice, but those two blocks are horrible.

Assistant Public Works Director Keller: Yes, we can have them switched.

Public Works Director Santamaria: So, Mr. Mayor, in regards to that, we're looking at lower temperature lighting for the residential areas, which gives you a kind of an incandescent glow...

Mayor Valdes-Fauli: Okay.

Public Works Director Santamaria: That warm, yellow glow that folks like. But when it comes to street level lighting roadways, because of safety, public safety, we'll go for something that's warm -- I'm sorry, colder, which means it's -- the temperature number is higher.

Commissioner Lago: Ed, and one last question in regards to Biltmore Way. I brought this up at the last meeting. What we're going to be doing right now is just more of a community outreach and start the planning phase? Is that what we have budgeted right now?

Public Works Director Santamaria: Again, what was your...

Commissioner Lago: Biltmore Way.

Public Works Director Santamaria: Biltmore Way?

Commissioner Lago: Biltmore Way.

Public Works Director Santamaria: For traffic calming?

Commissioner Keon: For the (INAUDIBLE).

Commissioner Lago: Yeah. I mean, traffic calming, beautification, canopy. There's a litany of requests from the residents.

Assistant Public Works Director Keller: So, the initial numbers that were put into the budget a number of years ago will likely not get us as far as we'd like to, but we're going to go through that project development process with the community so that we can develop a better budget the following year to see -- will actually define everything that the community may want.

Commissioner Lago: The monies that we have right now allocated are just for precon -- like preconstruction, predesign...

Assistant Public Works Director Keller: No. Initially when this budget was developed a number of years ago -- how many years has this been...

Assistant Management & Budget Director Kleiman: Well, that was when Pat Salerno was still here.

Commissioner Lago: Yeah.

Assistant Public Works Director Keller: We have enough money to go through the project development process and we will still have significant money left over. But back when Pat Salerno was the Manager, there was a different vision for what the street would look like versus what we've heard from the community. When Pat Salerno was Manager, the idea was that there would be a

median down the center of the roadway. What we're hearing from the community now is that they are looking for more green space on the side of the road and a two-way street that's not divided.

Commissioner Lago: Similar to what was just installed at the town home project, right on Biltmore Way at the end on the bend.

Commissioner Mena: Beatrice Row?

Commissioner Lago: Beatrice Row.

Commissioner Keon: Beatrice Row.

Commissioner Lago: Yeah, where they actually extended the median and they actually have a swale.

Commissioner Keon: Yeah.

Commissioner Lago: A swale with some grass. I think it's really nice.

Assistant Public Works Director Keller: So, it is...

Commissioner Lago: Right?

Assistant Public Works Director Keller: It's possible that we will request additional funding next year, but then again, we may not. We want to work with the community to see what it is exactly that they want.

Commissioner Lago: Do -- when do you expect -- and I just -- one last question. When do you expect to actually start doing the community outreach on this project?

Assistant Public Works Director Keller: We were looking at the end of this calendar year.

Commissioner Lago: Because I would like to see that project -- if my colleagues agree -- I think that should be a focal point for next year for funding. Maybe it may take two years, I don't know because this is going to be a pretty significant project. But that's a main thoroughfare here in the City and I think it would be something that would -- again, right now, it's kind of barren. There's a lot of...

Commissioner Keon: Concrete.

Commissioner Lago: Asphalt and concrete and, you know...

Assistant Public Works Director Keller: You know, absolutely agree.

Commissioner Lago: Tree shade...

Assistant Public Works Director Keller: And I think...

Commissioner Lago: I think would be a nice added touch to that area.

Assistant Public Works Director Keller: I think we have to be very thoughtful about the community engagement...

Commissioner Lago: Yeah.

Assistant Public Works Director Keller: Process and make sure that everyone is very well informed. It may take a little bit longer to get through the project development phase, but we want to make sure that we have a project that reflects the community because, you know, we had -- at

one end of the community, it's more residential and then we have the gateway into the downtown. The two areas may look different. And again -- and we have different types of stakeholders in the two segments.

Commissioner Lago: No, that's a great point.

Assistant Public Works Director Keller: We would be very careful and thoughtful about that process.

Commissioner Lago: That's a good point.

Mayor Valdes-Fauli: Okay, thank you.

Commissioner Lago: Commissioner, you wanted to say something?

Commissioner Keon: No, no.

Commissioner Lago: Okay.

Assistant Management & Budget Director Kleiman: And the final...

Commissioner Lago: Sorry, go back one more. I apologize.

Assistant Management & Budget Director Kleiman: That's okay.

Commissioner Lago: I want to just clarify. Street Ends Beautification, that's the Monegro residents? Is that what you're talking about or no?

Assistant Management & Budget Director Kleiman: This is actually additional funds.

Commissioner Lago: For that -- for that...

Assistant Management & Budget Director Kleiman: For that whole process of doing street ends.

Commissioner Lago: Okay.

Assistant Management & Budget Director Kleiman: For cleaning things up.

Commissioner Lago: I just wanted to make...

Commissioner Keon: We're taking that back into -- I mean, I know...

Commissioner Lago: That's citywide, but go ahead.

Commissioner Keon: Well, I know when we -- they were first done, they were supposed to go to the residents. They -- we can't depend on the residents to do that. So, have we taken that back into the City to maintain those parcels at the end of the streets that are closed or...

(COMMENTS MADE OFF THE RECORD)

Commissioner Keon: All of them. Okay, thanks.

Commissioner Lago: And have we -- we also -- we're in the design phase, correct, in regards to Monegro and those five...

Public Works Director Santamaria: Yes.

Commissioner Lago: Those five dead-ends.

Public Works Director Santamaria: We are. We are in the design phase.

Commissioner Lago: And we have all the funding necessary for that project?

Public Works Director Santamaria: The budget should be sufficient for that project. It depends on the final scope, but we have preliminary designs, conceptual designs, and we're working through that with the County on that.

Commissioner Lago: And you're looking at potentially, you know, an RFP for a contractor maybe mid-year, next year, early in the...

Public Works Director Santamaria: I hope to...

Commissioner Lago: First quarter?

Public Works Director Santamaria: If not sooner than that.

Commissioner Lago: Okay. Okay, thank you.

Mayor Valdes-Fauli: Alright, go ahead.

Commissioner Lago: Okay.

Assistant Management & Budget Director Kleiman: The capital amount for Utility Repairs and Improvements, \$4.5 million. Total capital is \$24.8 million for FY '19. Employee classification. The only addition to the budget are three positions. One of them is for the City Clerk and is being paid for from the City Clerk's special revenue accounts, and the other two are in Public Safety --

I'm sorry. The other two are in IT. One of them is public safety-related, to review the CCTV, and then one is for administrative help for IT considering the growth of that department.

Commissioner Lago: Keith, do you want to take an opportunity and maybe go over what we discussed this past week in reference to the vacancy report?

Assistant Management & Budget Director Kleiman: Sure.

Commissioner Lago: Or do you want to maybe -- or you want to address it maybe at the end? What do you prefer?

Assistant Management & Budget Director Kleiman: Well, if we can do it at the end, we'll go over it...

Commissioner Lago: Yeah. I just think it's important.

Assistant Management & Budget Director Kleiman: Oh, sure, absolutely.

Commissioner Lago: Just for clarifying. I think it was well worth the exercise.

Mayor Valdes-Fauli: Let's finish this part and then we'll take it up.

Commissioner Lago: The reason why I brought it up is because it deals with employees, so that's why.

Mayor Valdes-Fauli: We'll take it up.

Assistant Management & Budget Director Kleiman: Ten-year property tax. The property tax has stayed the same now for four years. If this budget is passed, at 5.559, it would maintain the same

millage rate, 5.559. The estimated average taxable value of a homesteaded property. Now, this is just the Coral Gables piece. So, with the average value at \$650,000, the average Coral Gablean will pay an additional 169 in their tax bill. That's just the Coral Gables piece. Coral Gables properties by type; 42 percent are homesteaded, 30.5 percent or non-homesteaded residential; commercial is 20 percent, and then all others, 6.9 percent. Now, we're moving into the ranking slides for millage rates.

Mayor Valdes-Fauli: Let me ask you something.

Assistant Management & Budget Director Kleiman: Yeah.

Mayor Valdes-Fauli: You have it divided by homestead, commercial, etcetera.

Assistant Management & Budget Director Kleiman: Um-hum.

Mayor Valdes-Fauli: Can you divide the income by geographic area? Downtown versus...

Assistant Management & Budget Director Kleiman: I don't...

Mayor Valdes-Fauli: Non-downtown?

Assistant Management & Budget Director Kleiman: I don't have that information. We could see...

Mayor Valdes-Fauli: But can we...

Assistant Management & Budget Director Kleiman: If we can get it.

Mayor Valdes-Fauli: Do it?

Assistant Management & Budget Director Kleiman: We'll see if we can get it.

Mayor Valdes-Fauli: Yeah.

Assistant Management & Budget Director Kleiman: I don't know who would have that information, maybe census information. We'd have to see if we can possibly get that.

Mayor Valdes-Fauli: Okay.

Assistant Management & Budget Director Kleiman: Okay.

Mayor Valdes-Fauli: Thank you.

Assistant Management & Budget Director Kleiman: So, if we can -- we'll follow up with that.

Mayor Valdes-Fauli: Thank you.

Commissioner Keon: Could we just do it by -- can you do it by the value by commercial? What is the value of commercial property?

Mayor Valdes-Fauli: Because you have commercial on there.

Commissioner Keon: (INAUDIBLE) that...

Assistant Management & Budget Director Kleiman: Yes. We can find out what value -- we can break down the \$16 billion by value. Yes, we -- that we can do.

Commissioner Keon: Can you do that by homesteaded, commercial, non-homesteaded...

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Keon: And then the all other. Just...

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Keon: What the values -- to get \$16 billion. Is that what our property...

Assistant Management & Budget Director Kleiman: It's six...

Commissioner Keon: Value is?

Assistant Management & Budget Director Kleiman: The estimated values at July 1 were \$16 billion.

Commissioner Keon: Okay, yeah, if you could break it down by -- in those...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Keon: Those things that would be great. Thank you.

Mayor Valdes-Fauli: Good.

Assistant Management & Budget Director Kleiman: As you know, we are one of five full-service cities out of thirty-five municipalities in Miami-Dade County. If you look at the slide, we are second to lowest in our millage rate. And for a full-service city, that is just an excellent place to be. The only one that's lower than us is Key Biscayne, and the vast majority of their properties are non-homesteaded. And plus, they don't have the pension legacy systems we have. This is

similar information, but in relation to all the municipalities in Miami-Dade County. You can see Coral Gables is number -- stands at number 11. Key Biscayne is number one, and you see how many cities are higher than us and they're not full-service cities. And our favorite slide is per tax dollars, Coral Gables gets 30 cents. We give the vast majority of services to the City's residents and 30 cents of their tax dollars is going to the City. So, now, as the Commission priority that started two or three years ago, we've been doing our best to make extra payments above the annual required payment. As you can see from this slide, the annual required payment went up by approximately \$2 million. Our additional payment went down to some degree. However, this year, unlike last year, we actually added about \$300,000 to that, which is the indexing. This year, we're adding \$1.2 million to try to make up for that difference. And then you can see the 401(k) piece is on top, and that is growing slowly.

Commissioner Keon: Okay.

Assistant Management & Budget Director Kleiman: So, those people are selecting the 401 option, as opposed to going in the pension, which reduces risk to the City.

Commissioner Lago: Can I ask you a quick question, Keith?

Assistant Management & Budget Director Kleiman: Sure.

Commissioner Lago: In reference to the 401(k) option, are you seeing more and more cities trying to do everything they possibly can to make it as attractive for their employees to go -- their new employees or their existing employees to head in that direction?

Assistant Management & Budget Director Kleiman: Oh, yes. That's the trend. The trend is to either stop new employees from going into the pension altogether...

Commissioner Lago: Are you aware of any cities that are doing that exactly?

Assistant Management & Budget Director Kleiman: Yes. I know one because one of my friends happens to be retiring from there, Pompano Beach. So, they closed it out -- I believe they opened it up for a short time, and then they closed it out again. But they have a 401(k) now for general employees, not for sworn.

Commissioner Lago: Has that been detrimental in reference to hiring new employees?

Assistant Management & Budget Director Kleiman: I am not sure. I can...

Commissioner Lago: Can you -- can you...

Assistant Management & Budget Director Kleiman: Find out.

Commissioner Lago: Can you write just a simple memo or just find -- just send me that information?

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Lago: Send the Commission that.

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Lago: I'd like to...

Assistant Management & Budget Director Kleiman: We can do a survey.

Commissioner Lago: I'd like to see...

Assistant Management & Budget Director Kleiman: Sure.

Commissioner Lago: If maybe -- again, I'd like to see what the ramifications of that are, see if there's any potential appetite for that.

Assistant Management & Budget Director Kleiman: Um-hum.

Commissioner Lago: Okay.

Assistant Management & Budget Director Kleiman: Now, you can see here the funding ratio. It's still, as of 2017, inching its way up. The next screenshot that we get will come next year for the 2018. And we do expect the percentages to falter a little bit and that will be because of the COLA, the retiree COLA. The unfunded liability will be in the system at that point. And then, after that, hopefully, we will see it start edging up again. And our reserves. As you know, the Commission has mandated a 25 percent reserve in the general fund. This year, it is at 22 percent or so and that is because we are expecting funds in from FEMA for reimbursement for FY '17. FY '18 hasn't been closed out yet. Finance is working on that, and we'll have those numbers as we move forward into the next number of months.

Mayor Valdes-Fauli: And we'll probably get FEMA in 2022 or something like that, no?

Assistant Management & Budget Director Kleiman: It's going to take some time to get the money, yeah. Okay, and that is the end of this presentation. Now, I think it was on Friday, Diana sent out an email to the Commission. We've met with Commissioner Lago, I believe, last Thursday, and we talked about -- we went over in -- very clearly, the vacancy report. Now, the dates on there have been fixed in the system itself now. And I was off. I had said four or five positions on a long-term. There are actually six. They're all being looked at at this point. But the most important thing to realize is that the salary information that was on that report was the annualized salary of the position, not the surplus created during the time the position was vacant. So, the new one that

Diana sent to everybody shows the number as being almost half. So, if you see, it was like \$3.6 million was the -- if you added up all the salaries, but for the time that the vacancies are on that report, that surplus shows about 1.8.

Commissioner Lago: Yeah, 1.858.

Assistant Management & Budget Director Kleiman: Right. So, now, the -- that amount of money will fall into fund balance. And I think one of the clear things we want to make sure everyone understands is that we don't touch that surplus of the FY '19 budget. The FY '18 surpluses will all fall into fund balance. All the documents will be created, all the financials created and then audited. Any surpluses in there will be used toward the 2020 budget. Like, for instance, for FY '19, any surpluses that came from FY '17, we brought into the budget for FY '18 as new needs and capital.

Unidentified Speaker: For FY '19.

Assistant Management & Budget Director Kleiman: Sorry, I said '19.

Commissioner Keon: For '19.

Commissioner Lago: So, the interesting thing about it, like Keith was saying, this was very -- it was a very informative meeting. I think we probably spent two hours...

Assistant Management & Budget Director Kleiman: Talking about that.

Commissioner Lago: Talking about it. And I wasn't aware, you know, how this transpired in reference to the additional funds that were left over from the vacant positions that weren't filled for that one year.

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: So, I think what I requested was that every single year, with our budget, that we have a simple memo that talks about how much monies were left over from the year before...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: That have now been freed up to be used for capital projects as deem...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: As deemed appropriate. And I think that will give us a little bit more of an insight to, okay, so this money's going to be used in 2017, now we can allocate those funds, depending on what the Manager and staff, you know, deem as critical or necessary for this year's budget. And I think it's a good opportunity to even offer more transparency, like these positions aren't being held open...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: You know, just because it's some sort of, you know...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Piggybank for the City. And like I said -- and I think Commissioner Mena was clear about it. If these positions have been open for a year, or two years, three years, we have to find a way to either eliminate those -- sunset those positions because there may not be even a...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Need for that.

Assistant Management & Budget Director Kleiman: Right. I know that the City Manager is working with staff right now to redistribute those positions -- to reclassify them to what those departments need them to be. And that's where there would be -- it's called a warehouse. It wasn't to create a surplus, by no means. It was until we know -- knew what the need for those positions were, they're going to be restructured right now.

Commissioner Keon: But sometimes as you're restructuring departments, you may leave a position open so that you have the budgeted salary to go -- to move forward with, you know, restructuring that particular department or...

Assistant Management & Budget Director Kleiman: Yes. Oh, absolutely, during the restructure.

Commissioner Keon: So, you know -- there will likely always be some vacancies...

Assistant Management & Budget Director Kleiman: Yes, all the time.

Commissioner Keon: In the -- always.

Assistant Management & Budget Director Kleiman: Right.

Commissioner Keon: There will always be vacancies in the budget.

Assistant Management & Budget Director Kleiman: Yeah, you can count on 5 to 10 percent of the City's staff always constantly rotating in and out.

Commissioner Keon: Right.

Assistant Management & Budget Director Kleiman: It's always going to be there.

Commissioner Keon: Right.

Assistant Management & Budget Director Kleiman: Right now, we have about -- I think, in the last vacancy report, it was 59 vacancies. Now, a lot of those, as you can see by the dates that are on them, are fairly new, so there's not a lot of surplus being generated.

Commissioner Keon: Right.

Assistant Management & Budget Director Kleiman: But just so you know, budget policy, we don't purposely create salary surplus unless we're in dire straits. If during the year we see that revenues are not coming in, we're expecting an economic downfall, we freeze positions. We absolutely freeze positions and all that money will go into fund balance. And we don't want to fill additional positions because, in a following year, we may have to start cutting. We don't want to start laying off...

Commissioner Keon: Right.

Assistant Management & Budget Director Kleiman: Staff. So, that's the only time we freeze it on purpose.

Commissioner Lago: And another piece of -- another opportunity or a tool that I think you should include was when you showed me...

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Lago: In reference to the...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Expenditure classified by function.

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: And I think that that's something that when you take in the -- take a look at whatever position it would be, a development services, finance, in whatever department, excuse me, not position, you can really see why there's been either an increase or a decrease in that department, and it's broken down. And I think this is the first time where you've put it together like this, correct, in this much detail?

Assistant Management & Budget Director Kleiman: Well, this is the first time...

Commissioner Lago: And I know it took a lot of work...

Assistant Management & Budget Director Kleiman: (INAUDIBLE). Because we -- I always have it ready...

Commissioner Keon: Yeah.

Assistant Management & Budget Director Kleiman: With me in case there's a question because I know Commissioner Quesada -- Vice Mayor Quesada, you've always asked that, going back years. So, we've always had it, but now -- honestly, it's a document already in the budget book without the last two columns.

Commissioner Lago: So, this is something...

Assistant Management & Budget Director Kleiman: This -- first -- yes.

Commissioner Lago: That you should show. I mean, you should take pride in this because this gives you a detailed breakdown...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Of what each department is doing and how they're spending money or...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Why there's an increase or why there's a decrease.

Assistant Management & Budget Director Kleiman: Right. Well, your positive reaction to it is what's going to inspire us. We're actually going to put it in the book.

Commissioner Lago: You should.

Assistant Management & Budget Director Kleiman: So, the July 1 book, instead of the expense by function document the way it's shown there now, just two columns comparing, you'll have the difference and the explanation as to what happened.

Commissioner Lago: And I think it should even be put online.

Assistant Management & Budget Director Kleiman: Oh, yeah.

Commissioner Lago: It should be put online.

Assistant Management & Budget Director Kleiman: We can actually -- we can. We can actually pull the document now to make it online. We can do that.

Commissioner Lago: And another item that we discussed, you and I, was the issue of the Commission expenditure detail under certain items.

Assistant Management & Budget Director Kleiman: Yes.

Commissioner Lago: I'd like to see if we can break it down -- because there are certain expenditures that I've seen that don't fall under the -- don't fall correctly under their classification. For example, we have ceremonial gifts that I've mentioned to you before. Some of the items that are there, it has to be a little bit more kind of broken down into the correct category.

Assistant Management & Budget Director Kleiman: Right. So, we can break that out. We can -- as of October 1, we can change it. We can bring back the miscellaneous expense account and then have ceremonial gifts as a separate account, if that's okay.

Commissioner Lago: Yeah, because when we were talking about it, you saw certain items that were purchased that are not going to have to be purchased again for ten years.

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: So, for example, when you have -- ceremonial gifts have an actual expenditure of 2016 of \$8,000...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: Then from one year to the next, they go to \$17,000, people are going to say, what was...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: You know, why is it so much. And then the budget has it for even more money this year.

Assistant Management & Budget Director Kleiman: They have it at 17 again.

Commissioner Lago: Yeah.

Assistant Management & Budget Director Kleiman: Yeah.

Commissioner Lago: So, I don't think we're going to have...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: To be buying brass...

Assistant Management & Budget Director Kleiman: Probably not.

Commissioner Lago: Coins or City keys ever again...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: For the next five years with the amount that we bought.

Commissioner Keon: It depends on how many ribbons the Mayor cuts.

Commissioner Lago: I don't think he can hand out that many keys. I think we bought it in...

Mayor Valdes-Fauli: (INAUDIBLE).

Commissioner Lago: Bulk this year. I think we bought it in bulk. So, I think that I'd like to see that, just give it a little bit more clarity...

Assistant Management & Budget Director Kleiman: Okay.

Commissioner Lago: To what the actual line item is so people really understand...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: What was purchased.

Assistant Management & Budget Director Kleiman: Okay.

Mayor Valdes-Fauli: Okay. Anything else?

Assistant Management & Budget Director Kleiman: No.

Mayor Valdes-Fauli: Thank you. Thank you very much.

Assistant Management & Budget Director Kleiman: Thank you.

Commissioner Keon: When is the County's final budget hearing?

Assistant Management & Budget Director Kleiman: It happened already.

Commissioner Mena: It just happened, didn't it?

Commissioner Keon: They already had it -- yesterday?

Unidentified Speaker: Yeah.

Commissioner Lago: They had it last week.

Commissioner Keon: Oh, last week?

Commissioner Lago: Thursday, I think it was.

Assistant Management & Budget Director Kleiman: Yeah. We can't have ours on either the School Board or the County. The County is usually...

Commissioner Keon: They already did theirs.

Assistant Management & Budget Director Kleiman: Yeah.

Mayor Valdes-Fauli: Alright, any other comments, questions?

City Attorney Ramos: We should have the public hearing, sir.

Mayor Valdes-Fauli: Yes. Any comments from the public? I don't have any cards. Okay, we'll...

Commissioner Keon: I'll make a motion.

City Attorney Ramos: With that, I need to read the ordinances in again. I'm sorry. Number three...

Mayor Valdes-Fauli: Do it fast.

City Attorney Ramos: Is an ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2018 and ending September 30, 2019; 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, 2018. Be it ordained by the City Commission of the City of Coral Gables that they are hereby levied upon all real and personal property within the present corporate limits of the City of Coral Gables, which is assessed for taxation for the year 2018 and, which is subject to taxation under the Constitution and the laws of the State of Florida as now written: A tax of 5.559 mills which is a 5.63 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/transferred therefrom for the sole and express purpose of paying the necessary operating and capital expenditures of the City of Coral Gables, its department, offices, properties, and for the fiscal year ending in September 30, 2019. This needs to pass by a four-fifths vote.

Commissioner Keon: I move it.

Commissioner Lago: Second.

Mayor Valdes-Fauli: Call the roll, please.

Commissioner Keon: Yes.

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

City Attorney Ramos: Number 4 is an ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2018 and ending September

30, 2019; providing for the separability of the provisions hereof; and providing that this ordinance shall become effective upon -- effective October 1, 2018. Whereas, the City Manager prepared and on July 1, 2018 submitted to the Commission a Budget Estimate of the expenditures and revenues of all City departments, divisions, offices and properties for the fiscal year commencing October 1, 2018 and copies of such estimates have been furnished to the newspaper and library in Coral Gables, and posted at the front door of City Hall; and whereas, the Budget Estimate submitted to the Commission on July 1, 2018 in the amount of \$197,206,008 has been revised by the City Manager to include revenue and expenditures increased -- increases in the amount of \$3,035,689, bringing the total budget amount to \$200,241,697. That the following summary of estimated revenues and expenditures for the fiscal year commencing October 1, 2018 and ending September 30, 2019 is hereby agreed upon and adopted, along with the supporting data relating thereto on file with the Finance Department of the City of Coral Gables as the official 2018-2019 Budget of the City of Coral Gables. The total operating revenues being \$187,152,596, with total transfers from revenues (sic) in the amount of \$13,089,101, for the total revenues of \$200,241,697, with total operating expenditures in the amount of \$167,444,013; capital projects in the amount of \$21,750,461; total debt service appropriations in the amount of \$10,519,207; total transfers to reserves in the amount of \$528,016, for total expenditures in the amount of \$200,241,697.

Mayor Valdes-Fauli: We need a motion.

Commissioner Keon: I'll move it. I move.

Commissioner Lago: Second.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Commissioner Keon: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

City Attorney Ramos: And lastly, number 5 is a resolution adopting the Capital Improvement Program for the fiscal years from 2019 to 2023.

Commissioner Keon: I move it.

Mayor Valdes-Fauli: Do I hear a motion? Second?

Vice Mayor Quesada: Second.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Commissioner Keon: Yes.

Commissioner Lago: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Mayor Valdes-Fauli: Budget meeting is concluded.

City Attorney Ramos: That is correct, sir.

Mayor Valdes-Fauli: Thank you very much, everybody.

City Attorney Ramos: And we have one item that is unrelated to the budget meeting, which the Commission may take up at this time.

Mayor Valdes-Fauli: Okay, let's take a two-minute break.

City Attorney Ramos: Sure.

Commissioner Keon: I'd like to thank you again and the Finance Department.

Assistant Management & Budget Director Kleiman: Thank you so much.

Commissioner Keon: You are always so available...

Assistant Management & Budget Director Kleiman: Thank you, everybody.

Commissioner Keon: And ready with an explanation and have served us so well.

Assistant Management & Budget Director Kleiman: Thank you.

Commissioner Lago: I want to dovetail off Commissioner Keon's comments. We had a great meeting.

Assistant Management & Budget Director Kleiman: We did.

Commissioner Lago: You guys had all the answers. You guys did a good job.

Assistant Management & Budget Director Kleiman: We appreciate it.

Commissioner Lago: Let me just tell you, like I told you in the meeting, take advantage of the fact that you've already done all the legwork. Show off the work that you do...

Assistant Management & Budget Director Kleiman: Right.

Commissioner Lago: So that you don't leave anything to question.

Mayor Valdes-Fauli: Okay.

(BREAK IN AUDIO)

City Attorney Ramos: I can read it in, if you'd like, sir.

Mayor Valdes-Fauli: Yeah, read it.

City Attorney Ramos: It's a resolution appointing Peter J. Iglesias as City Manager of the City of Coral Gables and approving a salary and benefits package as set forth herein. There was already a 5-0 vote taken earlier today to appoint Peter J. Iglesias as the City Manager. This is the resolution that provides for his benefits package and his salary.

Mayor Valdes-Fauli: (INAUDIBLE).

Commissioner Keon: I'd like to move it.

Mayor Valdes-Fauli: Is there a motion?

Commissioner Keon: No -- yes. I'll move it.

Mayor Valdes-Fauli: Second?

Vice Mayor Quesada: Second.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Lago: No comments? God, this is so uncomfortable.

Mayor Valdes-Fauli: Will you call the roll?

Commissioner Lago: I'm just kidding. I know (INAUDIBLE). I'm sorry.

Mayor Valdes-Fauli: Wait, wait, wait.

City Clerk Foeman: Commissioner Keon?

Commissioner Keon: We'll wait for year-end.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Keon: Yes.

Commissioner Lago: Yes.

Commissioner Mena: Yes.

Vice Mayor Quesada: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Unidentified Speaker: Welcome.

Commissioner Lago: This is embarrassing for him.

(APPLAUSE)

Mayor Valdes-Fauli: Alright.

DRAFT