

**City of Coral Gables City Commission Meeting  
First Budget Hearing  
September 12, 2019  
City Commission Chambers  
405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Raul Valdes-Fauli  
Vice Mayor Vince Lago  
Commissioner Pat Keon  
Commissioner Michael Mena  
Commissioner Jorge Fors**

**City Staff**

**City Manager, Peter Iglesias  
City Attorney, Miriam Ramos  
City Clerk, Billy Urquia  
Parking Director, Kevin Kinney  
Management & Budget Director, Keith Kleiman  
Finance Director, Diana Gomez**

**Public Speaker(s)**

**Jackson “Rip” Holmes  
David Renshaw**

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Agenda Items 1 through 5 [5:01 p.m.]

Presentation of the Fiscal Year 2019-2020 Parking Rate Increase.

Presentation of proposed Fiscal Year 2019-2020 City Budget.

Public Hearing for obtaining comments relative to Budget for Fiscal Year 2019-2020.

An Ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020; 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, 2019.

An Ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020; providing for the separability of the provisions hereof; and providing that this Ordinance shall become effective October 1, 2019.

Mayor Valdes-Fauli: It's 5:03. This is supposed to start at 5, and Commissioners Mena and Lago are here, and Fors. Shall we start?

Vice Mayor Lago: Yes, sir.

Parking Director Kinney: So, obviously, my name is not Keith Kleiman, and I generally do not have a lot of involvement in the budget discussion, but this year is a little different. I am giving information essentially about what is in the budget related to the parking rates for fiscal year 2020. And the reason for that is -- if we could pull up the parking rate. Thank you. The reason for that is over the past several years, we've had several meetings and conversations about proposed projects and approved projects. And in all of those, there's been various pro formas from City staff, from consultants, from developers. All of those pro formas that have any relation to parking have always had regular rate increases baked into them. In fiscal year 2020, generally, has been the first year that we look at a rate increase, so there are rate increases in the proposed budget. I will tell you the last parking rate increase that came to the Commission was in 2016. In 2017, we did allow a surcharge in the Central Business District so we would have a pool of money to deal with custodial maintenance on the Mile and Giralda. But what I'm going to go through today is essentially a summary of what the rate proposals are that are built into the 2020 budget. The first slide I'm showing you is just a comparison to some of the other cities. In Miami Beach, they do have variable on-street parking. If you remember back in 2016, they essentially went to \$4 an

hour with their on-street parking. In Miami, the highest rate that was in Miami for an hour of parking was on Biscayne Bay, at \$7 an hour. When I spoke with the BID and with the Chamber, they asked me to look at something a little closer to us, so I can tell you that in Coconut Grove, the rate for on-street parking is -- there's a \$3 rate in Coconut Grove. Hollywood, the maximum rate they have on-street is also \$4 an hour. And if you look to Fort Lauderdale, their maximum on-street rate is \$3 now. Currently, we -- well, in addition, we surveyed 15 privately-managed parking facilities within the Gables. This is the result of that study. The range for those were from \$2 to \$8 an hour. I will tell you the \$2 an hour rate was at 55 Merrick. And I can also speak fairly confidently that the reason it's \$2 an hour is that's not where people go to park.

Mayor Valdes-Fauli: That's not what?

Parking Director Kinney: Not where people go to park. The average price in one of the privately-run facilities is \$4.37. If you look at the median price, it's \$4 an hour. The City of Coral Gables, our current on-street system -- well, in our parking lots, the range is from \$1.50 an hour to \$3 an hour. The \$3 an hour rate would be, for example, at Lot 3, which is the one right behind Seasons 52. That's the rate you see at our high-demand locations. On-street rates, our base rate is from \$1 to \$2 an hour. Any place we have short-term, high-demand spaces, it's \$2 an hour. Where we have less traffic, less demand, it can be as low as a dollar an hour. Now, as I said before, in the Central Business District, there's this 50 cent surcharge to pay for the block by block service. That means that in the core downtown, the current rate is \$2.50 an hour on-street. Our garage rates, currently, we provide parking for a dollar every 40 minutes. And then when there's events or construction, we charge \$13 per day per space for however long whoever's using the space uses it.

Vice Mayor Lago: Kevin, quick question. You mentioned before that it's about 50 cents out of that parking fee goes to the block by block service. From what I remember, it was around \$300,000 a year, correct?

Parking Director Kinney: We -- the 50-cent surcharge actually generates \$500,000. Now, not all of that goes...

Vice Mayor Lago: Yeah.

Parking Director Kinney: To block by block because, for example, next year we have earmarked about \$50,000 for paver repair and replacement and some other...

Vice Mayor Lago: That's exactly what I was going to mention to you right now.

Parking Director Kinney: Yeah, so...

Vice Mayor Lago: Because one of the points...

Parking Director Kinney: I think about...

Vice Mayor Lago: One of the points that I brought up to Ed -- and I was talking to Peter about it -- is the fact that the pedestrian crosswalks that are beautiful, but they're -- there's constantly an issue there as a result of settling and the subbase -- the compaction of the cars driving over it.

Parking Director Kinney: Yes. We actually spent about \$25,000 on repairing the crosswalks this year, but we've increased that budget for next year.

Vice Mayor Lago: And I...

City Manager Iglesias: And it's a cyclic loading issue on the block. As we had -- we put actually concrete and embedded them to take care of them as much as possible. It's just the material.

Vice Mayor Lago: Yeah. Even -- I mean, if you notice the City of Miami had a meeting with the individuals that are going to potentially do the project on Flagler. They're going to -- they're proposing to do actual -- like pavers.

Commissioner Mena: Pavers.

Vice Mayor Lago: Pavers, Chicago brick style, but they're going to be introducing a -- I'm not sure the actual dimension or thickness of the slab, but they're going to be producing a slab where the paver's going to rest on top of the slab...

City Manager Iglesias: Those are...

Vice Mayor Lago: To minimize...

City Manager Iglesias: Ours are on a...

Unidentified Speaker: Yeah.

City Manager Iglesias: Slab and on mortar.

Vice Mayor Lago: But it's interesting because you're still seeing that settling that's occurring.

City Manager Iglesias: I think it's a cyclic -- it's the pounding of the cars and the trucks going through it that's causing some of those issues, and just the maintenance issue of...

Vice Mayor Lago: I'm not...

City Manager Iglesias: It's a material issue.

Vice Mayor Lago: I'm not saying I want to do that, but I mean, I think that we need to kind of maybe analyze for the future if we continue to spend this money and it's just an aesthetic issue versus just maybe going back to the typical design.

City Manager Iglesias: We changed the design to put the slab and the mortar in.

Vice Mayor Lago: No, but maybe we just get rid of it altogether.

City Manager Iglesias: So, we actually did that to...

Vice Mayor Lago: And go back to asphalt -- and go back to...

City Manager Iglesias: We did that to actually reinforce it, so...

Vice Mayor Lago: I mean, it's beautiful, but just the amount of abuse that it gets on a daily basis is just -- that -- those are areas where maybe we can just potentially find out what it would cost to go back to asphalt and see what the cost is. I understand, but I mean, listen, we're talking about every year spending \$50,000 on having to correct this issue over and over again.

City Manager Iglesias: It's just...

Vice Mayor Lago: I know, I know. I'm just putting it out there.

Parking Director Kinney: Yeah. One of the things that we've discovered, as the Manager mentioned, is where we have the heavy vehicles and faster traffic, which is east and westbound, those seem to have a lot more damage than the ones on the cross streets because it's -- the speed is not as high. And when the heavy vehicles go over it, it's not banging nearly as badly.

City Manager Iglesias: That's even with the concrete slab and the mortar set, so...

Mayor Valdes-Fauli: Yeah. Let's continue focusing on...

Parking Director Kinney: Okay. So, then we go to...

Mayor Valdes-Fauli: Rates.

Parking Director Kinney: Monthly permit rates. In Coral Gables, we surveyed, again, 15 privately-operated facilities. The monthly parking permits range from \$90, \$95, to \$133.75. If I remember correctly, the \$90/\$95 was at 2020 Alhambra, but they only lease to tenants, so that probably is an artificially low number. The average price on the market for a permit is \$113.39. The average reserve space, there are a few facilities that provide reserve spaces. The City does not -- is a \$172.50 charge per month. The median price is \$115.65 in the private facilities. For the City of Coral Gables, our -- we have three tiers of parking. Our most high-demand locations are \$107. That's with sales tax. Seven dollars of that is sales tax. Our median or normal demand locations are \$96.30. And then we have a few locations, and in fact, the new garage at the Public Safety Building will be priced at this rate or at this level. Where we try and encourage permit parkers or we have low demand, we price at \$80.25. That is with sales tax. It's a \$75 permit, with \$5.25 cents sales tax.

Commissioner Mena: The -- sorry, is the idea to keep that lot at a lower rate but increase the rate at the premium lots to push permit parking?

Parking Director Kinney: What's -- there's a lot of moving pieces for the parking division going forward. But basically, the answer is yes. For example, one of the premium lots is the museum garage. When we go under construction on Andalusia, we need to find places for other people -- to move people during construction. So, if we could move some of the people out of the museum garage up to the Public Safety Building, that actually works better for us because there's a higher demand -- there is demand for short-term parking at the museum garage.

Commissioner Mena: Right.

Parking Director Kinney: So, it would be nice to get some of the permit parkers out of the core. So, yes, that's -- the pricing -- we use economics to create the operations that we need. So, those are our three tiers. For -- if we average the 2,200 permits we sell every month, the average price is \$92.50, or with sales tax, it's \$98.97. Let me make sure -- just so I make sure I cover all the facts, I mentioned the 50-cent surcharge. That essentially goes from Alhambra to Andalusia. That's where we get the \$500,000, and that's the area that would -- is currently at \$2.50. And then the -- I would -- do need to mention that the rate was \$13 an hour for renting all day. When I had -- there's a proposal that we're going to look at in a moment for increasing the all-day rate for contractors and other people that lease spaces to move or whatever the legitimate purpose is. When I spoke with the Chamber and -- well, particularly, with the BID, there was a question about whether we could maintain a little bit lower rate than what I'm proposing for community events, not profit events. I don't think it would make a big impact on the budget if that was okay with the Commission, but it was a request from the Business Improvement District. So, then, moving forward to the actual -- what's in the 2020 budget. Essentially, the maximum hourly rate on-street would go to \$2.50. That would still put us below the market of the three locations I -- or four locations I started with. Of course, there would be the 50-cent surcharge for the area from Alhambra to Andalusia. So, downtown, the rate would be \$3 an hour. We are proposing to raise the hourly rate in the garages from \$1 for every 40 minutes to \$1 for every 30 minutes, essentially, \$2 if you're there an hour. And then after four hours, we would like to raise the rate to \$1.50 every 30 minutes. Generally speaking, what we like to encourage in the garage is some turnover. And if people need to be there all day, we would like them to buy into the permit system so that we can get the vehicles in the location and the system where they work best. We would set the daily maximum in the garage at \$18. The current daily maximum is \$16. For City parking lots, we would like to go to \$4 an hour. This is essentially four key parking lots in the core that are currently -- essentially unavailable on a Friday or Saturday night because they're almost always full. Then we would like to set the rates for monthly permits for the premiere or peak locations at \$110; for



the moderately-utilized facilities, at \$100. And then set the rate for where we would like to direct people to \$80. And then you would add sales tax on top of these. Then what we're suggesting for contractors and other people that are trying to -- or need to use on-street spaces long-term is to set in the CBD the daily rate for on-street spaces at \$24; and outside of the CBD, to set the rate at \$18. This is the specific item that -- where the BID asked if we could consider a community activity or nonprofit rate that would allow -- I'm trying to think of a good example. Festivals or other people that would pay -- we don't charge ourselves, so I'm trying to think of one. Carnival on the Mile, whether we would consider giving them a little bit lower rate than we charge a contractor who's shutting down a space for months. This is what the proposal was when I put the project together. As I said, it probably doesn't make much budgetary difference if we do allow the nonprofits to have a little bit less of a cost. And that's kind of -- that's the numbers that are in the budget. Essentially, these funds -- well, I'll let Keith talk about what his plan is. But we're getting ready for all these capital projects, some of them directly related to parking, and this is the revenue by which we're going to make them happen.

Mayor Valdes-Fauli: Thank you, sir. To me, that seems very, very rational. It's very much in line with the communities around us. And I would speak in favor of that, but we have one person in the audience that wishes to speak on the rates. And Mr. Holmes, you want to speak? Please be brief. This is just about parking rates.

Jackson "Rip" Holmes: Thank you, Mayor. If you'll allow me to compliment you, you're so much more gracious, you know, as time has gone on. It's very nice.

Mayor Valdes-Fauli: That's what age does to a person, yes.

Mr. Holmes: Thank you. I'm against a parking rate increase. I apologize to you, but there's something that I find upsetting, which is trying to compare us to South Beach. Now, you all weren't born yesterday. There's no comparison, God forbid, between Coral Gables downtown and South Beach. The reason they have no parking there is they have tourists who don't drive

their cars here, and so, they get around with Uber or taxis or whatever. Let's just not even talk about South Beach as a comparison the Coral Gables. Number two, we've lost parking in the downtown. More than one-third of the on-street parking in the downtown -- thank you -- is gone forever because they moved to parallel parking instead of angled parking. Thirdly, let me just use our own store as an example -- and I'll keep it short, Mayor. But I think you may be a patron at Massage Envy. I'm not sure. The former mayor was.

Mayor Valdes-Fauli: I don't think so.

Mr. Holmes: The former mayor. So, here's the thing. If you go to Massage Envy -- I'm glad I'm making somebody laugh here. If you go to a Massage Envy in many places, you get free parking. Down in Kendall, down on US-1.

Mayor Valdes-Fauli: Do I get it for free if I go?

Mr. Holmes: So, that's what I'm asking you for, free parking, then we got it all set. So -- but and literally, our Massage Envy here on Miracle Mile is in competition with the other ones, be it the other one in Coral Gables, down by Sunset or whatnot. So, any little thing like this loses us business. And ultimately, you know, it actually does come back on the City because the less shopping that goes on downtown, the less those people are making, et cetera, et cetera, et cetera. I urge you not to approve this. Thank you.

Mayor Valdes-Fauli: Thank you, Mr. Holmes.

Vice Mayor Lago: Thank you, sir.

Mayor Valdes-Fauli: Thank you. Okay, presentation. Yes, sir.

Management & Budget Director Kleiman: Good evening, Mayor, Vice Mayor and Commissioners. We're here for the first of two budget hearings to discuss the fiscal year 19-20 budget. The first slide is a calendar of events. You can see in blue we are near the bottom of the pro -- the end of the process. September 12 is today. Next Friday will be the second hearing. Both basically are discussing the budget. The first hearing budget is presented to you, annual revenues of \$199 million. There's transfer from reserves of \$31 million, the vast majority of that going to capital projects. It's planned use of fund balance. Of course, we are not touching our reserves. The total revenue budget is \$230 million. On the expenditure side, the operating budget is \$172 million. The capital budget is a very substantial \$45 million, and our debt service remains the same as last year, for the most part, of \$10.6 million. Transfers to reserves are \$2,453,000, and you'll see over in the Sunshine State debt service fund, a transfer to reserves of \$1,855,000. One point eight million of that is the fee increase for parking. It's going -- it's not going to be used. It's going into reserves for capital projects that are being funded through debt. When the Commission discussed building Garage 1, part of the request to Finance was, okay, how do we pay for it. And the discussion was -- at that time was to say the fee increase in parking would cover the debt service for Garage 1. Okay, so now, what we're looking for at this point is to create a cushion. That's what we're looking for the fee increase to be implemented in FY '20, and we want to create a \$1.8 million cushion in the debt service fund, not only to cover Garage 1, which is the case as anything with the debt service on the Public Safety Building, which has already been implemented. So, that's specifically why the Commission approved, at the time, the use of a rate increase to cover Garage 1, okay. So -- I'm sorry?

(COMMENTS MADE OFF THE RECORD)

Management & Budget Director Kleiman: We're moving the money there. The money is being generated in the parking fund...

Commissioner Keon: Okay.

Management & Budget Director Kleiman: And it's going straight to the debt service fund.

Commissioner Keon: Oh, I'm sorry. Okay, yeah. There was...

Management & Budget Director Kleiman: And it's going to fall right into reserves.

Commissioner Keon: Okay.

Management & Budget Director Kleiman: Yeah, not to be touched unless...

Commissioner Keon: So, the Sunshine State...

Management & Budget Director Kleiman: The City Commission approves it.

Commissioner Keon: Debt service fund is our reserve?

Management & Budget Director Kleiman: No. The debt serviced fund is where the debt service is actually paid out from.

Commissioner Keon: Oh, I see.

Management & Budget Director Kleiman: So, we can -- there's going to be a reserve there.

Commissioner Keon: Okay.

Management & Budget Director Kleiman: With this -- with these funds to cover any unanticipated debt.

Commissioner Keon: Right.

Management & Budget Director Kleiman: Or if our revenues fall short in the parking fund that covers this, we will have a cushion to pay the debt coming up, okay. The total budget is a balanced budget with the revenue budget of \$230 million. On the revenue side, we have revenue increases and revenue decreases. The largest of the revenue increases is property tax. It is based on \$16.9 billion of value, which is the highest the city has seen. That is a 5.7 percent increase over the previous year, and that brings in \$4.9 million. The second largest is \$2.7 million. That's a one-time influx of funds. That's developer fees, which is going toward the Public Safety Building. General fund investment earnings, an increase of 1.7. now, I want you to know that this is not -- we've been actually earning this in the past. We budget very conservatively. In this year, we're choosing to actually show it in the budget. In the past, we've always been very, very conservative and we've been bringing in way more than we've been budgeting. So, for transparency sake now, we are actually showing the budget to be what we anticipate the actual income to be. Okay, it's not like we're having some big windfall coming up in FY 20. Okay, the next is \$1.6 million of automobile parking fees. That is the increase of \$1.8 million for the fee, and it is a slight decrease in collections, and that's due to restaurant vacancies and some parking due to the construction. We anticipate that correcting itself during the year, though we don't budget for it. And we expect that to be corrected in FY 21. The next is -- I'm just going to go through some of the larger ones on the slide. Stormwater utility fee, \$535,000; \$445,000 of that is the fee increase that is going toward the stormwater sea level rise program, not to be touched. It'll go right into fund balance. The other \$90,000 is just due to trend increases in collections. Fines and forfeitures is almost \$500,000. That is directly related to the County increase in the parking violation fee. We're treating it as a one-time only because they really have not implemented it yet. So, we took the money out of the general fund. We'll put it into capital to treat it as one time. If the funds do not come in, we will have to hold back on a capital project to the tune of \$500,000. Just to be -- this is being extra conservative, okay. Sanitary sewer fee's going up. That's trend. Most of the other ones here are trend, except for -- you can see the transportation sales tax, \$150,000. That is the state estimate. That is the increase to the CITT funds, which was funding our trolley. And just a note on that. The discussion that happened on Tuesday with the Saturday route, that is not in

tonight's discussion because our documents had to be put into the Legistar, so it is already balanced in the budget for the second hearing, and we can discuss that next Friday, okay. So, total revenue increases are \$13.8 million.

Commissioner Mena: Can I -- Keith, can I...

Management & Budget Director Kleiman: Yes.

Commissioner Mena: Just on that last slide...

Management & Budget Director Kleiman: Sure.

Commissioner Mena: Just a recommendation, for whatever its worth. It's not a big deal, but in the footnote to the property tax, it might be worth noting that it's based on the same millage rate that...

Management & Budget Director Kleiman: Okay.

Commissioner Mena: You know, because I think we all understand sort of what that means, but if somebody else sees it, I think it would...

Management & Budget Director Kleiman: Okay.

Commissioner Mena: Help them understand.

Mayor Valdes-Fauli: Good suggestion.

Management & Budget Director Kleiman: And that's a very good point. Okay, now revenue decreases, of which there are less. Now, there are some large numbers on this slide, and just as in

past years, the vast majority of these are one-time items in the budget. Intergovernmental revenues are one-time grants, mostly in the capital side, which will not repeat for the next fiscal year as new funds. Whatever is unspent then will be reappropriated in the first quarter of next fiscal year. That applies to the first two. Now, the second -- the third one, Building Better Communities, that's the GOB funds, I'm very happy to say I've been here just over nine years and this number has been here all those years. We spent it. So, coming into FY 20, we'll only be reappropriating about five percent of the funds for the Public Safety Building. When that project is done, that retainage will be paid out and we will make (INAUDIBLE) collection to the GOB. So, you won't be seeing this in the budget for the future. The interfund allocations, this is another program that we started in FY 19. We started returning -- the return on investment to the enterprise funds. So, this is the decrease from the general fund back to the enterprise funds. And after a five-year period, we will no longer be taking return on investment from the enterprise funds, leaving it in utility funds, where we feel it belongs. Okay, expenditure changes affecting the budget, the largest of which, of course, is salaries. These are merits, loyalties, new positions, contractual agreements to the tune of \$3.7 million. We have an increase to the retirement for pension of \$741,000. That has three components in it. That is the indexing that we promised the Commission that we would increase by 1.25 percent the extra payment every single year. There is a -- an amount that's in there to cover the -- an increase to the pension due to the fire -- settlement to the fire contract. And then there's about \$70,000, which are -- is an increase to the use of the 401 plan. Okay, and FICA is basically based on the increase in salaries. Total changes to the personnel budget \$4.8 million. Expenditures affecting the budget on the OTPS side. Now, most of the larger numbers in here are one-time items. They're reappropriations from prior years. But specifically, if you look at the second line, this \$446,000 is negative there. That is actually a one million dollar decrease in the need for funds in sanitary sewer for repairs. We're moving those funds into the capital side. So, it's coming out of the operating budget because of all the repairs that have been done to the system, the inflow and infiltration has been reduced, so our waste disposal fee's need has gone down. So, we're moving that money into capital, which is very good because last year we came to the Commission saying we were going to need additional money. We were going to need a fee increase to sanitary sewer. If you remember this year, we did not come to you for that. We have now said that, okay, one

million is going to come out of operating, go into capital. It brought the capital budget for sanitary sewer up to \$3 million, which is what their need is to replace things on a regular basis. That includes remediation and hardening the system. Okay, then for the largest number here, fleet equipment replacement, that is a one-time amount that was in the budget that was a reappropriation, so it's not -- it's not decreasing the fleet budget. Okay, any questions so far? Now, the next slide is actually a slide that was requested by the Budget and Audit Advisory Board. They wanted to know the cost of human capital. So, here we have a total salaries by department. We have the total benefits by department, and then the total salaries and benefits and the percentage of the department budget. It's just for information purposes, but this is a good slide when you're talking in town hall meetings. You have this information and they can show how each department works with their salaries, as opposed to...

Mayor Valdes-Fauli: I don't understand the last column.

Management & Budget Director Kleiman: That is the percentage of salaries and benefits to the entire budget. So, for instance, if you look at Finance...

Commissioner Mena: The entire budget for that office.

Management & Budget Director Kleiman: The...

Vice Mayor Lago: Yeah, for that line item.

Management & Budget Director Kleiman: I'm sorry?

Vice Mayor Lago: For that line item.

Management & Budget Director Kleiman: Yeah, for that, right.



Vice Mayor Lago: Yeah.

Management & Budget Director Kleiman: Exactly.

Mayor Valdes-Fauli: I'm sorry. I still don't...

Management & Budget Director Kleiman: So, for instance, Finance's budget is purely -- is almost -- is 87 percent staff.

Commissioner Keon: Oh.

Management & Budget Director Kleiman: We have no other -- we don't have money in our budget for any programmatic items.

Vice Mayor Lago: Paperclips.

Mayor Valdes-Fauli: Okay.

Management & Budget Director Kleiman: Right. We have money for the paperclips, pencils and...

Mayor Valdes-Fauli: Okay, so that's total expenses of that item.

Management & Budget Director Kleiman: Right.

Mayor Valdes-Fauli: Okay.

Management & Budget Director Kleiman: Okay. Now, the employee classification ten-year comparison, there are six new full-time positions proposed in this budget. It brings the full-time

head count from 840 to 846. And the next slide will show which positions they are. There's an Electrical Inspector II for Development Services, two Project Managers to help manage the increase in capital that we have, Police Lieutenant, FOP Office. That's an additional position. And then Communications Operators. That is to cover the lack -- the need for additional staff in the Communications Center. Now moving over to capital, you all might recognize this slide. This is the results of the May meeting, when we met with the Commission and the Commission gave us their capital priorities. And it's color-coded to show overlapping between the Commissioners. The next slight shows what we were able to fund, as well as what has additional funding. So, if it has an asterisk, it had available funds from a prior year. If it has a check, it means we either added more funds or it added funds for the first year -- for the first time. Now, if there's no check or an asterisk, it doesn't mean it is not in the capital improvement. And I'll give you a for instance. If you take a look under Vice Mayor Lago's, you'll see Blue Road open space that we just discussed that. That is in the budget, and it's going to be in the budget for FY 21. For FY 20, there'll be -- we're going to make funds available to do the design, and they'll be meeting with the public.

Vice Mayor Lago: Thank you, by the way. I appreciate that.

Management & Budget Director Kleiman: Okay. The next section is...

Commissioner Keon: I'm sorry, what does the star mean?

Management & Budget Director Kleiman: Actually -- I'm sorry?

Commissioner Keon: What does the star mean?

Management & Budget Director Kleiman: The star means there is funds from prior...

Commissioner Keon: Oh, okay.

Management & Budget Director Kleiman: From prior years already there. For instance, if the Commissioners -- you know, those were old -- other -- older priorities, but they still are a high priority. When you -- when Commission picks their choices, they still want us to know that this is their priority. So, for the next set of slides, we have the categories of capital improvement. I'm just going to read off the total for each category. If you see a project you'd like to discuss, we have our -- most of our directors here, if not all of them, to talk about those. So, capital equipment is \$2.2 million. Facility repairs and improvements, \$1.6 million. Historic facility repairs and improvements, \$2.5 million. Motor vehicle improvements, \$3.7 million. Parking repairs and improvements, \$12.7 million. Park and recreation repairs and improvements, \$4.8 million. Public safety improvements, \$7.9 million, almost \$8 million. And transportation of right-of-way improvements, \$6.4 million. And the last category is utility repairs and improvements, and that is \$6.5 million, for a total capital budget of \$48 million -- I mean, \$48 million.

Vice Mayor Lago: Which is a pretty significant reduction from the previous year, correct?

Management & Budget Director Kleiman: Correct. No, that's actually...

Vice Mayor Lago: Had it at 82...

Management & Budget Director Kleiman: Well, no -- yeah, but that includes reappropriations from...

Vice Mayor Lago: Yeah.

Management & Budget Director Kleiman: Prior years. This is actually fairly...

Vice Mayor Lago: Yeah.

Management & Budget Director Kleiman: Close. Each year, it's been going up slightly. And just for the public, you'll see this \$48 million. If you look at a previous slide, it shows \$45 million. The difference is motor pool because that is an internal service fund, which is distributed to each of the other operating funds. We put it on here just to show people that it's still a capital improvement. Okay, now we get to taxes. So, our ten-year property tax millage rate schedule is the -- the millage is proposed at 5.559, and this will be the -- I think the fifth or sixth year that we are maintaining the -- no, it's the fifth year that we're maintaining the same millage rate.

Vice Mayor Lago: Keith, if you can go back to that previous slide.

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: I just want to bring something up very quickly. I've gotten a few emails from residents who, for some reason or another, said that we raised the millage rate.

Mayor Valdes-Fauli: That's County and School.

Vice Mayor Lago: So, I met with the property appraiser to go over a few of those issues, and it was incredible. They're getting thousands of phone calls. It's all dealing with the issue of the School Board, the referendum of the School Board. Like me personally, if you look at my taxes, I'm spending almost \$400 more a year in tax just based on that one line item that is heading towards the School Board. So, it's very confusing when you read it online.

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: So, I -- I think we need to go back to what Commissioner Mena -- just continue to harp as much as we can that the millage rate has stayed consistent over the last few years and we haven't raised the military rate in over -- you know, almost ten years, I think.

Management & Budget Director Kleiman: Right. I did go through -- have some of those calls, and I went through it with some of our residents. And after a while, they can understand. And you know, a policy that we don't do here but other cities do and other -- the County can do it and the School Board can do it. When they set their initial tax rate, like we do back in July, some entities will raise it to give them a cushion because during the hearings, you can only lower; you can't go up, and that's a state law.

Vice Mayor Lago: I just mentioned that.

Management & Budget Director Kleiman: So...

Vice Mayor Lago: I think people are getting caught off guard...

Management & Budget Director Kleiman: Oh, they are. There's no doubt about it. We narrowed...

Vice Mayor Lago: When they're opening their taxes this year.

Management & Budget Director Kleiman: It down to the School Board and you're absolutely right. And this one lady, in her...

Vice Mayor Lago: It's a...

Management & Budget Director Kleiman: It's about the same as yours.

Vice Mayor Lago: It's a significant amount of money.

Management & Budget Director Kleiman: Yeah. It was -- her taxes went up by \$400.

Vice Mayor Lago: Yeah.

Management & Budget Director Kleiman: Yeah. Okay, now for the estimated average taxable value of a homesteaded property, this is the maximum amount, the three percent based on Save Our Homes. We anticipated that it's going to be lower. But at the worst case, at a three percent increase, the Coral Gables portion of the tax for an average homesteaded home is \$108. Now, these are just data slides. Basically, we have the property count, which is 19,723, by the latest information from the property appraiser. And we have homesteaded residential at 52.9 percent, just -- in a count. It's not values. It's just a count. And the non-homesteaded at 33 percent; commercial at 8.8 percent, and all others at 5.3 percent. Now, in the same breakdown of categories, we have the value -- basically, the dollar value of the property tax that's generated by those properties, having nothing to do with the number of properties because there is -- you could have the same number of properties in two different cities and one is worth well more than the other. So, basically, we have the homesteaded residential at 39.5; nonresidential at -- I mean, the non-homesteaded at 25.4; commercial at 17.3, and all others at 7.2. The next line is basically another visual of the same information, just in a pie to make it a little more visually interesting. Now, as we've discussed on many occasions, there are five full-service cities in Miami-Dade County. Coral Gables has the second lowest millage rate of them all. This is the similar information, but it now shows where we are in relation to all the other cities in Miami-Dade County. You can see Key Biscayne is all the way on the left. And out of all of the five full-service cities, we are next lowest with the orange. Our favorite slide shows that we give -- know -- we know that we give almost every service to our residents, and it's cost them 30 cents on the dollar. The rest of it is going to the School Board, the County and to regional. The annual pension contributions. You can see we're doing well, we're improving. The blue section is going down in proportion to the green section. The green section is the extra payment. The top section is the 401 plan, and that is also going up, which is the sign you want to see because there's less risk in going -- in people joining the 401 plan than joining into the pension system.

Mayor Valdes-Fauli: How much are we paying for our legacy debt -- the legacy unfunded liability?

Management & Budget Director Kleiman: Okay, well, I -- it's hard to tell from here, but on this slide, you see the arc is 24.5. That's the annual required payment.

Mayor Valdes-Fauli: Right.

Management & Budget Director Kleiman: So, the annual -- the additional payment we're making is \$3.7 million. Now, in those...

Mayor Valdes-Fauli: That's (INAUDIBLE)...

Management & Budget Director Kleiman: Two numbers, there actually is a misunderstanding that we had with the actuary's report that you'll see on next Friday. It's about three or four hundred thousand, which is going to come out of the arc and go into the extra payment. The extra payment is going to show at four point -- \$4 million, not...

Mayor Valdes-Fauli: The extra payment for our legacy debt from a prior...

Management & Budget Director Kleiman: Yeah, we're going to be...

Mayor Valdes-Fauli: Administration.

Management & Budget Director Kleiman: Buying down additional amounts.

Commissioner Keon: What is our unfunded liability now?

Finance Director Gomez: So, the unfunded liability is...

Management & Budget Director Kleiman: The next slide.

Finance Director Gomez: Oh, it's -- you have it there?

Management & Budget Director Kleiman: Yeah.

Finance Director Gomez: Okay, go ahead.

Vice Mayor Lago: I think what the Mayor was...

Commissioner Keon: I asked you.

Vice Mayor Lago: His question was what is our current obligation and what are we having to pay as a result of the unfunded liability.

Mayor Valdes-Fauli: Right.

Vice Mayor Lago: I think that's what we're looking for.

Mayor Valdes-Fauli: That's what I said.

Vice Mayor Lago: Yeah.

Finance Director Gomez: Right. So, the normal cost, which would be the every year normal cost is about four to five million dollars. So, the about \$20 million of that \$24 million annual payment goes towards the legacy costs, right. So, a significant portion goes to the amortization of the un -  
- of the legacy costs. Go ahead.



Management & Budget Director Kleiman: So, the unfunded is now at 63 -- I'm sorry. The funded is at 63.6. And you can see from the slide that we're improving our -- the ratio between the two. And the unfunded is sitting at 36.4 percent.

Mayor Valdes-Fauli: And what's that number?

Finance Director Gomez: \$219 million.

Mayor Valdes-Fauli: Thank you.

Commissioner Keon: Thank you.

Management & Budget Director Kleiman: The general fund reserve analysis. As you can see, we know that we have a requirement to maintain 25 percent. We are at about 17 percent to 18 percent. The difference is the \$13 million that FEMA will be reimbursing us for Irma. We have...

Mayor Valdes-Fauli: Is it going to be...

Management & Budget Director Kleiman: Already...

Mayor Valdes-Fauli: Before the...

Management & Budget Director Kleiman: I'm sorry?

Mayor Valdes-Fauli: Will that be before the next millennial or...

Finance Director Gomez: Next few years, yes. But we've pretty much gotten -- have -- we -- almost every project has been obligated. There's a handful of them that have not been obligated, so everything is looking pretty good. And the number of what we've received in total is about

\$1,046,000, so it's higher than -- we're going in the right direction. We're getting more money. It's coming in, just very slowly.

Management & Budget Director Kleiman: And just so the Commission knows, we already absorbed into the city our portion of any amount from the hurricane, so we did not take it out of reserves. It's been already accounted for. When the yearend closes, that's when we take care of it then. And that's the end of the presentation. Are there any questions?

Mayor Valdes-Fauli: Thank you very much. It's very thorough, like always. Very good presentation.

Management & Budget Director Kleiman: Thank you. I'd just like to thank all the staff. I mean, honestly, everyone has taken part in this, the City Commission, for your direction.

Mayor Valdes-Fauli: Will you all get up so we can recognize you?

(APPLAUSE)

Management & Budget Director Kleiman: And also, my staff.

(APPLAUSE)

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

Management & Budget Director Kleiman: Okay, thank you.

Mayor Valdes-Fauli: Good job.

Management & Budget Director Kleiman: My staff just are incredible.

Commissioner Keon: I was going to say...

Management & Budget Director Kleiman: I have to say.

Commissioner Keon: Yeah. Just show us the Budget staff, the Finance staff.

Management & Budget Director Kleiman: Yes. Budget staff, please.

Commissioner Keon: The Finance staff...

(APPLAUSE)

Commissioner Keon: For the amount of work they do.

(APPLAUSE)

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

Management & Budget Director Kleiman: Thank you very much.

Mayor Valdes-Fauli: We have somebody who wishes to speak, David Renshaw, Teamsters Local 769. Yes, sir.

David Renshaw: Yes, good evening. Thank you. Hello, Mayor, Vice Mayor, Commissioner, General Manager. My name is David Renshaw. I'm the business agent who proudly represents the municipality workers here in City of Coral Gables. I'm here to merely listen and learn and observe the process of your first budget hearing. I'll be here for the next one as well so I can be involved as the community as much as I can. And with that, we represent a multitude of crafts and

industries within the city, from sanitation to bulk pickup, to Finance Department, to landscaping, to Code Enforcement, to 911 commissioners -- to 911 telecommunicators. All of those unique positions are the thread of this community that make it to where it is today. And when I say I proudly represent them, I do because they all do a wonderful job, and that's why I'm here, as some of them are here in this audience today so they can observe, they can learn as they will be a part of the process, as next year, we are looking forward to a productive session in our next opening of our bargaining agreement. And with that, what better way to be prepared than to observe and learn the process. I just wanted to say hello to everybody and thank you for the process. And the budget that has just been presented is something that is -- we're going to definitely take a look at it even further. And with that, thank you for the opportunity, and I look forward to continue to learn to represent these folks to the best of my ability.

Mayor Valdes-Fauli: Thank you, sir.

Mr. Renshaw: Thank you for your time.

Mayor Valdes-Fauli: Thank you very much. Any comments from the Commission as to the budget and the presentation?

Commissioner Keon: It's good, as always.

Mayor Valdes-Fauli: Madam City Attorney?

City Attorney Ramos: Mr. Clerk, can you confirm that there's no other cards as part of the public hearing?

City Clerk Urquia: Not at this time.

City Attorney Ramos: Very well. Then I will read the first item, Mr. Mayor.

Mayor Valdes-Fauli: Yes, ma'am.

City Attorney Ramos: An ordinance providing for the levy of taxes for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020; 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 thereof; and providing that this Ordinance shall become effective October 1, 2019. Be it ordained by the City Commission of the City of Coral Gables that there is hereby levied upon all real and personal property within present corporate limits of City of Coral Gables, which is accessed for taxation for the year 2019 and which is subject to taxation under the Constitution and laws of the State of Florida as is now written, a tax of 5.559 mills, which is a 4.94 percent increase over the rollback rate, all proceeds of the collection of this levy to be recorded under the general fund of the City and shall be reserved therein and distributed to transfer therefrom for the sole and express purpose of paying the necessary operating and capital expenditures of the City of Coral Gables, its departments, offices and properties for the fiscal year ending in September 30, 2020.

Commissioner Keon: So moved.

Mayor Valdes-Fauli: Is there a motion?

Commissioner Keon: Move it.

Vice Mayor Lago: Second.

Mayor Valdes-Fauli: Will you call the roll, Mr. City Clerk?

Commissioner Fors: Yes.

Commissioner Keon: Yes.

Vice Mayor Lago: Yes.

Commissioner Mena: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

City Attorney Ramos: Number five, and the last item on the agenda is as follows: An Ordinance adopting the Annual Budget of Estimated Revenues and Expenditures for the Fiscal Year beginning October 1, 2019 and ending September 30, 2020; providing for the separability of the provisions thereof; and providing that this Ordinance shall become effective October 1, 2019. Whereas the City Manager prepared on July 1, 2019 and submitted to the Commission, a budget estimate for the revenues and expenditures of all city departments, divisions, offices and properties for the fiscal year commencing October 1, 2019 and copies of such estimates have been made available for public viewing at the Coral Gables Library and the Office of the City Clerk. And whereas the budget estimate submitted to the Commission on July 1, 2019, in the amount of \$229,041,971 has been revised by the City Manager to include revenue and expenditure increases in the amount of \$912,754, bringing the total budget amount to \$229,954,725. That the following summary of estimated revenues and expenditures for the fiscal year commencing October 1, 2019 and ending September 30, 2020 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 2019-2020 budget of the City of Coral Gables. Total operating revenues, \$198,950 -- \$198,950,998, total transfers from revenues, thirty-one thousand three -- \$31,003,727, total revenues, \$229,954,725, total operating expenditures, \$171,825,259, total capital projects, \$45,110,329. The total debt service appropriation is \$10,566,137. Total transfers to reserves is \$2,453,000. And total expenditures are \$229,954,725.

Vice Mayor Lago: So moved.

Commissioner Keon: Second it.

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

Commissioner Keon: Yes.

Vice Mayor Lago: Yes.

Commissioner Mena: Yes.

Commissioner Fors: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Mayor Valdes-Fauli: Madam City Attorney, that's it?

City Attorney Ramos: That is it, sir. You may adjourn.

Mayor Valdes-Fauli: Huh?

City Attorney Ramos: You may adjourn, if you wish.

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