

**City of Coral Gables City Commission Meeting  
Second Budget Hearing  
September 20, 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  
Management & Budget Director, Keith Kleiman  
Finance Director, Diana Gomez  
Public Works Director, Hermes Diaz  
Parking Director, Kevin Kinney  
Automotive Division Director, Steven Riley  
Senior Sustainability Analyst, Matt Anderson  
Assistant Public Works Director, Jessica Keller  
Assistant Public Works Director, Al Zamora**

**Public Speaker(s)**

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Agenda Items 1 through 5 [5:01 p.m.]  
Second Budget Hearing 2019-2020 Presentation.

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. (Passed on first reading on September 12, 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. (Passed on first reading on September 12, 2019)

A Resolution adopting the Capital Improvement Program for the five fiscal years from 2020 to 2024.

Mayor Valdes-Fauli: And this is -- I'd like to call the meeting to order, the second budget hearing for the City of Coral Gables. We have four Commissioners present personally, and I understand that Commissioner Keon is appearing by phone.

City Attorney Ramos: That's correct. That's correct, Mayor. Because there's a quorum in the room and there's exceptional circumstances related to her hospitalization, she is able to appear by phone for this hearing and to vote.

Mayor Valdes-Fauli: Wonderful, wonderful. Sir, you can proceed.

Management & Budget Director Kleiman: Okay, thank you. Can we have the presentation from my PC on the computer here? Thank you. Good afternoon, Mayor, Vice Mayor and Commissioners. We're here for the second budget hearing for fiscal year '20. I'm going to take you through the details of the budget, similar to what we did during the first hearing. There are just minor -- there are just minor changes. And there are slight -- the personnel changes that we do just as ongoing during the summer and the major change would be the trolley, and that's included in here for the extra Saturday service. You can see from this date of count -- of dates --

this calendar of dates, September 20 is the final date on the calendar. I just wanted to let you know that for the future, we are going to have one more date on here, and that's the date that the Budget Advisory Board reviewed the budget, which typically is right before the budget workshop, which was held on July 9. We do that every year with them so they can report to you in case they have any concerns. The total annual revenues for FY 20, \$199 million; transfers from reserves, \$31 million, and all of these are planned use of fund balance. We, of course, do not touch the 25 percent. The expenditure budget is \$172 million for operating, a very healthy \$45 million for capital, and \$10.6 million for debt, which stays very level each year.

Mayor Valdes-Fauli: (INAUDIBLE).

Management & Budget Director Kleiman: I'm sorry?

Mayor Valdes-Fauli: Pass the -- no, no. We are at annual revenues, ex...

Management & Budget Director Kleiman: No, no, no. We're still on the same -- I'm reading from here. And transfers to reserves, \$2.5 million. The total balanced budget, revenue and expense, \$230 million. We're going to go through revenue increases and then revenue decreases. The largest revenue increase, property taxes, based on \$16.9 billion of value, that's about 5.7 percent increase for taxable values over the prior year. And Commissioner Mena, you had requested we put the footnote on the slide that lets everybody know that this is the fifth year that we're keeping the 5.559 millage rate, so any adjustment to taxes is based on values going up, not on the rate being increased.

Commissioner Mena: Thank you.

Management & Budget Director Kleiman: Okay. The next increase, the large income -- I'm just going to go over some of the larger ones. The development agreement contributions from the Agave project, and that'll come in, I think, when we have the first C of O, at \$2.7 million, and it's

going to the Public Safety Building. General fund investment earnings, \$1.7 million. It's not like we're having a banner year. We are now choosing to budget the amount that we've been collecting over the last few years now that we have a trend because we have been collecting a certain amount. We've been budgeting way less to be conservative, but the trend has been consistent. So, now, just for transparency's sake, we have to budget everything. Automobile parking fees, the increase -- net increase is \$1.6 million, which you'll see one five seven four. That actually is two components. It's an increase of \$1.8 million that the Parking Director went over with the Commission last week. The decrease of 200 and some odd is from some of the -- the downturn of some of our rental properties. So, I know some of the -- there are four restaurants that went out during the year, Bricktop, which is coming back. I forget the other -- all four of them. They've had an effect on our parking. We expect that to return. But until it does, we budgeted less money. I know Cheesecake Factory's coming into where Bricktop is. Kevin Kinney can give you details on which ones were down. The stormwater utility fee, \$535,000, of which \$445,000 is for the sea level rise program, which, of course, we do not touch. And we should be collecting, in FY 20, about \$2.3 million for that purpose. Fines and forfeitures, almost \$500,000. This is for the pending increase that the County's going to charge for parking fines. We tried -- we went very conservative here and would take -- we took this \$500,000 and put it into capital to treat it as one time because they've delayed that increase a number of times. So, until they actually do implement it, we don't want to put it against recurring revenues. Sanitary sewer fees up by \$360,000; that's just the trend. General government fees. The biggest component of that is our passport office. They're doing very well. And then, some of the other miscellaneous increases.

Vice Mayor Lago: Can you go back for a second?

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: On permit fees. I was looking at -- on page 59 of the budget. When you talk about permit fees, billed new. I saw that there was a -- between '17 and '18, you were talking

around \$3.759 million. And when you look at '19 to '20, and also, '18 to '19, the budget number's \$1.3 million. Why is there -- why are you seeing that type of drop, that pretty significant drop?

Management & Budget Director Kleiman: Okay. Let me just get the numbers.

Vice Mayor Lago: You see -- if you look under...

Management & Budget Director Kleiman: Yes.

Vice Mayor Lago: You have 3.759022, and then your -- that was in 2017. And then you see 1.3 then 1.3.

Management & Budget Director Kleiman: We're just looking at a trend. And if we find that the numbers are not coming in as they were in FY 19, then we just...

Vice Mayor Lago: But what is that line item exactly? When you say -- when you say -- when you say building commercial new, that's just obviously new projects, you know, interiors, new construction.

Management & Budget Director Kleiman: The permits?

Vice Mayor Lago: Page 59 on the permits -- permit fees. Are you seeing -- there's a reason why I'm asking this question. Are you seeing a drop, a slow-down in construction? Are you seeing...

Management & Budget Director Kleiman: No. Actually, construction -- new construction for the city is like over \$300 million to property values, things that have come online.

Vice Mayor Lago: So, that's a pretty...

Management & Budget Director Kleiman: I'm sorry. One more time. What line are you looking at? Because I'm looking at building commercial new, and I'm seeing 1.3...

Vice Mayor Lago: Let me...

Management & Budget Director Kleiman: To 1.3.

Vice Mayor Lago: I'm looking at building commercial new. When you see -- when you look at 27 2018 actual...

Management & Budget Director Kleiman: Oh.

Vice Mayor Lago: You're seeing a 3.759, and then when you go to 2019, you're estimating 1.3.

Management & Budget Director Kleiman: Right, those are actuals. Those aren't budget.

Vice Mayor Lago: So, you're just -- the 1.3 is just being conservative, and then you...

Management & Budget Director Kleiman: Oh.

Vice Mayor Lago: You're just...

Management & Budget Director Kleiman: Yeah. We don't budget for one-time items. And if any large developments came online, then they'll come in as an actual.

Vice Mayor Lago: I want to be clear because when you see that and people are...

Management & Budget Director Kleiman: Oh, yeah.

Vice Mayor Lago: I have a bunch of other questions that deal with just...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Conservative...

Management & Budget Director Kleiman: Yes.

Vice Mayor Lago: Fiscal spending.

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: When you see a number cut in half like that, especially when you...

Management & Budget Director Kleiman: Yeah.

Vice Mayor Lago: Talk about construction...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: That potentially leads into the fact there's people talking about a slowdown.

Management & Budget Director Kleiman: Right. No, we have to budget for the normal trend, and as you know, the City has done well with development, but we don't want to budget on those one-time items because come three or four years down the line, here we are, you know, depending on that and it's not going to be there.

Vice Mayor Lago: And when you have -- let's say when you have -- when you're budgeting 1.3 but 3.759 is coming in, that excess money goes into the general fund and it's used -- how is it used?

Management & Budget Director Kleiman: Actually, it goes into the Building Division.

Vice Mayor Lago: Okay.

Management & Budget Director Kleiman: And that's -- basically, we treat that as a separate fund inside the general fund, and it'll start creating a reserve, and that's strictly for the Building Division.

Vice Mayor Lago: For example, for, you know, electronic permitting, which is going to be a significant cost. My understanding...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: To the tune of possibly a million dollars, am I correct around that? Is that...

Management & Budget Director Kleiman: Yes.

Vice Mayor Lago: The number?

Management & Budget Director Kleiman: And we are accounting for that. We have that in capital. Matter of fact, like for this fiscal year, coming FY 20, some of the Building Division numbers are going toward 427 Biltmore Way.

Vice Mayor Lago: Perfect.



Management & Budget Director Kleiman: Because we're allowed to use that...

Vice Mayor Lago: Good example.

Management & Budget Director Kleiman: Specifically...

Vice Mayor Lago: Good example.

Management & Budget Director Kleiman: For that.

Vice Mayor Lago: Which is long overdue.

Management & Budget Director Kleiman: Yes.

City Manager Iglesias: We're using those numbers to -- for 427 on a percentage of what the Building Department is.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: The Building Department is what is covered under state statute.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: Zoning, Code Enforcement and other things, just Building Department.

Vice Mayor Lago: No, but I -- I know that you understand this and staff does. When you start seeing -- when you look at those numbers and you're budgeting half the number...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: No, more than half.

Management & Budget Director Kleiman: More than half.

Vice Mayor Lago: One third the number...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: You know, it's an indicator -- if construction starts slipping, it's an indicator the economy is softening.

Management & Budget Director Kleiman: Right, right.

Vice Mayor Lago: Yeah, but it's not...

City Manager Iglesias: We're not doing it because of that, Commissioner.

Vice Mayor Lago: Just budgeting.

City Manager Iglesias: Vice Mayor, excuse me.

Vice Mayor Lago: No worries.

City Manager Iglesias: We are doing it because large projects come in at different times and different periods, and we want to look at those as excess revenue and not look at those as a reoccurring issue, Vice Mayor.

Vice Mayor Lago: I just want to make sure it's clear on the record, and I didn't -- I didn't get it.

City Manager Iglesias: Yes.

Vice Mayor Lago: Thank you.

Management & Budget Director Kleiman: Yeah.

Mayor Valdes-Fauli: Go ahead.

Management & Budget Director Kleiman: Okay. Any more questions on -- for revenue increases? Now, revenue decreases. Now, for all of these items, these are one-time items in the budget for FY 19 and...

Vice Mayor Lago: Do you have an extra budget binder there?

Management & Budget Director Kleiman: I'm sorry?

Vice Mayor Lago: No, no, no. I got it. I got it. I'm good.

Management & Budget Director Kleiman: Okay. On this slide, we have revenue decreases. These are all one-time items that were in the budget for FY 19, which may or may not repeat themselves for FY 20. When FY 19 is closed out, we will reappropriate any unfun -- any unfinished grants. And happily, I can tell you that the Building Better Communities bond program, with three components -- it was Miracle Mile, the police building and Kerdyk Park, and they are all but spent. We have some retainage left on the police building. So, the odds are we're not going to reappropriate much into FY 20. So, that third number down, the 1.61, is going to be all but gone. Expenditure changes affecting the budget. Salaries, \$3.7 million. Some of the larger ones, the retirement is going up by 744, and that is to go toward the extra payment and to cover assumption changes for FY 20.

Vice Mayor Lago: I wanted to talk a little bit about the salary issue. Because when you -- which is one of the questions that I asked your team to put together. When you look at the total salaries, and when you look at FY 18, it was \$68,800,000. And when you look at FY 19, it's almost \$71 million. So, on FY 18, it was a 3.15 percent increase. And when you look at FY 19, we're estimating an increase, like you said, of almost \$3.7 million, which is a little over 5 percent.

(COMMENTS MADE OFF THE RECORD)

Vice Mayor Lago: I know. I've seen the details. You gave them to me.

Management & Budget Director Kleiman: (INAUDIBLE) break it down...

Vice Mayor Lago: And I think that's critical that we break it down because when you look at a number like 5 percent, which is outpacing, you know, the cost of living adjustment, it's pretty significant. You know, the cost of living adjustment this year is around 2.8 percent, 2019 to 2020. You're basically doubling that on the salary. So, I want to make sure that we put it on the record, just like Commissioner Mena put it on the record of what is the millage rate...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: So people understand that we're not just increasing salaries by 5 percent.

Management & Budget Director Kleiman: No.

Vice Mayor Lago: Right. But one thing that everyone should be aware is that for FY 20's budget, it was three years of the fire contract that hit all at once.

Vice Mayor Lago: Yes.

Management & Budget Director Kleiman: So, the COLA specifically just for fire was about \$700,000, and it wouldn't have been that much for any one year. So, since it was just settled, it wasn't in FY 19, but it is in FY 20, all three years at the same time, so that's one big jump. I can go into all the details or I can send that to the Commission afterward, if everybody wants.

Mayor Valdes-Fauli: No, send it to us.

Management & Budget Director Kleiman: Send it to you.

Mayor Valdes-Fauli: But I have a question.

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: You answered it before. So, how much of that is catchup for our legacy pension deficit?

Management & Budget Director Kleiman: No, this 744 is actually...

Mayor Valdes-Fauli: No, no. I'm not talking about -- I'm talking about the pension, I mean, the compensation, you know, for the pension.

Management & Budget Director Kleiman: The salary change?

Mayor Valdes-Fauli: What?

Management & Budget Director Kleiman: I'm not sure...

Mayor Valdes-Fauli: Our pension contribution...

Management & Budget Director Kleiman: Right.

Mayor Valdes-Fauli: Has to be higher than it otherwise would be.

Management & Budget Director Kleiman: Right.

Mayor Valdes-Fauli: By how much and what is the extra contribution we have to make to catch up...

Management & Budget Director Kleiman: Yes.

Mayor Valdes-Fauli: For the legacy deficit?

Finance Director Gomez: Yes, I'm sorry.

Management & Budget Director Kleiman: Right.

Finance Director Gomez: I can give you that because, actually, I have the report right here. So, the -- so, the annual pay -- the required payment is 24...

Mayor Valdes-Fauli: Right.

Finance Director Gomez: Point two million dollars this coming October 1. Of that \$24.2 million, \$21.5 million is going to the -- to amortize the legacy payments, to pay off the legacy payments.

Mayor Valdes-Fauli: How much?

Finance Director Gomez: 21.5 of the 24.2. So, you know, a very big portion of it. So, the actual normal cost for the City, just the employer, like if -- our normal cost -- the total normal cost is \$7.2 million. However, member contributions pay for that up to 4.4 million. So, the City's normal cost is \$2.7 million. That means if there was no unfunded liability, the City would only have to pay 2.7 -- \$2.8 million.

Mayor Valdes-Fauli: And we're paying how much?

Finance Director Gomez: The required cost is \$24 million. And then we're paying -- this year coming up, we're going to be paying an extra \$4 million. So, this year, October 1, we're going to be paying around \$28 million.

Mayor Valdes-Fauli: So, were it not for the legacy deficit, how much would we be paying?

Finance Director Gomez: \$2.8 million.

Mayor Valdes-Fauli: I want to make that very, very clear to the -- our citizens, our residents that our legacy deficit from a prior mayor, a prior administration, has cost us \$27 million this year.

Vice Mayor Lago: \$25 million.

Mayor Valdes-Fauli: 25. Thank you.

Vice Mayor Lago: Thank you, Mayor. I just -- so, if I could just continue adding a little bit about that.

Management & Budget Director Kleiman: Yeah, sure.

Vice Mayor Lago: I think it's important and we need to make that distinction, especially to the residents because I get calls -- and I know we all do. I know everybody here on dais -- saying, hey listen, I'm looking at the numbers...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: And the salaries are 5 percent. We need to break that out a little bit.

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Okay. Not only for my edification, but I think just for people to understand maybe next year. Because what they'll do is, for example, we'll talk about property tax revenue increase for 2019 is 5 percent, which is a slowdown from 2017, which was around 6.3 percent. So, you know, we're -- you're seeing that slowdown a little bit on the revenue increase -- on the property tax revenue, excuse me. And you're seeing the increase in the salaries, at least that's the way it's being portrayed from FY 18 at 3.15 to FY 19 to almost 5 percent. And I want to make that clear that that's...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: That's -- there's a lot more inside that number than what meets the eye.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: Let me make something very clear. We look at head count very, very critically. And the only time -- the only reason we're proposing head count increases now is because they're cost effective. If we have something where we're paying large amounts of overtime and that is not a cost-effective issue. So, just to make that clear that we're very, very --



we are very, very critical and examine any headcount issue very well and there has to be some -- there has to be a payoff in that calculation.

Vice Mayor Lago: And like I mentioned to you today, very clearly, you inherited a lot of situations that we're working on, that we're dealing with here as a Commission and as a staff. But I want to see -- if we're going to hire people, I want to see more people at the bottom. I want to see people that can handle day-to-day issues. We have significant management. We have the best management in town, but I want to make sure that we give them the tools so that they can give you orders so that the residents can receive what they deserve.

City Manager Iglesias: We...

Vice Mayor Lago: And I want to be very, very -- and I -- I mean, I want my colleagues to chime in. And you know, I want to make sure that just because we want to be careful with the headcount -- listen, if you need to hire people who are working -- let's say, in Code Enforcement or in recycling or in waste management, whatever it may be, if it's an issue of on the third floor or on the second floor and it's going to resolve day to day issues, I'm more than willing to increase. I just want to be very careful where I think we can save on certain areas. Like I mentioned to you before and I think we'll touch on later, I just want to be careful on how we spend every single dollar, but I don't want to compromise on the services. I know that's our number one objective. I want to give you the necessary tools to get the job done every day.

City Manager Iglesias: And let me say that that we -- the way we look at it is we have a baseline requirement, and sometimes, due to -- we may have peaks in that. So, it would be good to contract for the peaks but keep that baseline because things -- as you know, construction goes up and down and revenue comes up and down. So, we staff for the norm, consult for the peaks, and that's our variable right there. And we've been very consistent in that because we can't -- if we staff for the peaks, then we may have a problem.

Vice Mayor Lago: Listen, next year could be -- next year, we can go back to 6.3 tax revenue, like we did in 2017. I just want to be clear, you know, and be careful. You know, we're trending in the direction that I would not want to see us trending in regards to our property tax revenue.

City Manager Iglesias: But we want to -- again, our -- how we're looking at this is staff for the norm and consult for the actual peaks. And that way, that peak can come down as our requirement comes down. But we don't want to staff for the peak and then be overstaffed when those things happen. So, any staffing that we -- the staffing that we proposed now is all at the lower levels. We've got upper management, a lot of positions that were unfilled are currently filled now.

Vice Mayor Lago: Okay.

City Manager Iglesias: And so, what I'm saying is that we've been very, very diligent in making sure that whatever we do is for the norm and whatever we do is cost effective.

Mayor Valdes-Fauli: But I think you are very diligent.

Vice Mayor Lago: No, very, very diligent.

Mayor Valdes-Fauli: Thank you. Go ahead. Are you through?

Vice Mayor Lago: He's very diligent.

Management & Budget Director Kleiman: So, I will follow up with detail to the Commission.

Vice Mayor Lago: Yeah.

Management & Budget Director Kleiman: After the meeting.

Vice Mayor Lago: Maybe for the future, we can...

Management & Budget Director Kleiman: Yes.

Vice Mayor Lago: For the next presentation next year, we can kind of break it down a little bit more.

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: Okay.

Management & Budget Director Kleiman: Yeah, we can do that. Okay, moving to the next slide, expenditure changes affecting the budget. Professional services is up by \$217,000.

Vice Mayor Lago: And I had a question on that.

Management & Budget Director Kleiman: Yes. Go ahead.

Vice Mayor Lago: When you're talking about professional services, you're talking about obviously outside consulting.

Management & Budget Director Kleiman: Any type, even the -- like the drivers of the trolley.

Vice Mayor Lago: Do me a favor. Send all my colleagues and myself a breakdown. I'd like to see '16, '17, '18 or '18, '19, '20 of how we're trending on professional services, on what we're doing. Everything from...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: City Manager, City Attorney, you know, all the departments. I want to be very clear on...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: That issue.

Management & Budget Director Kleiman: It usually stays fairly level because most of the time we -- if we put new money in, it's a one-time and we take it out. So, we, -- I think we -- believe that we sent you, in August, all the detail. It was about \$15 million of this. We can send that out to everybody. We can do it for several years, if you want.

Vice Mayor Lago: Just because I want to see a trend. And one of the conversations that you see probably at the County and I've seen it -- I was having a few months ago, Commissioner Joe Martinez brings it up. He always harps on it, and I have a lot of respect for him, you know, holding people accountable is the issue that a lot of money is spent on professional service. A lot of money is spent on consulting. And one of the things that we discussed at the Blue Road open space was I don't want to consult anymore about the Blue Road open space. I want to get it done. I want to get it planned. I want to get a public -- I want to get the public involved. I want to start, you know, planning. And then, in a year from now, budget for it and we'll start building it in a year...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: To a year and a half. So, I know that we need consulting. I know that everybody -- you know, sometimes it's better to outsource because we don't have that capability in staff...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: And it saves money on the backend, obviously, in reference to the unfunded liability, like the Mayor mentioned. But I just want to make sure that we're not spending so much money on consulting that, again...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: It could hurt us in the long run.

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: So, just give me a three-year window, if you can.

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: Thank you.

Management & Budget Director Kleiman: Yep, absolutely. Okay, so most of the items on this slide are decreases, and they'll be, again, one-time items that are in the budget, whether grants or reappropriations from the prior year. The second line down, you'll see \$441,000 negative. That's actually a thousand dollars -- a million dollars that was taken out of sanitary sewer and moved over into capital. Public Works has done an excellent job of repairing the lines, so we have surplus on the operating side of the budget. We moved that into capital. And moving it into capital has raised the capital budget to the point where we didn't have to go for a fee increase as we had actually requested of the Commission last fiscal year. So, we've made it to the \$3 million budget that they need on a regular...

Mayor Valdes-Fauli: Very good.

Management & Budget Director Kleiman: Basis. That, in addition to returning the ROI over a five-year period, which again, started last year, it has -- is creating a positive balance in both of the enterprise funds both, storm water and sanitary sewer. Okay. And the largest one here -- so, I just want to make sure that anybody doesn't worry about this fleet management.

Vice Mayor Lago: I was going to ask you.

Management & Budget Director Kleiman: Equipment, 1.8. That's complete reappropriations from a prior year. Their budget is -- actually goes up every year by CPI. So, this is just one time. It was reappropriated from a prior year, this late purchases, and you know, it's not going to get reappropriated again.

Vice Mayor Lago: You mind if I call up the Fleet Director one minute?

Management & Budget Director Kleiman: No, absolutely.

Vice Mayor Lago: You and I had a conversation at the last budget hearing. I asked you to just talk about where we are in regards to the -- our EV fleet, and also, if it's viable to even have a discussion now. I spoke to our ACM Santamaria and our City Manager in reference to electric trolleys, if it was even viable. Is it or not?

Automotive Division Director Riley: Okay. I have...

Vice Mayor Lago: You don't have to get too much into the weeds, you know. I don't want to drive you...

Automotive Division Director Riley: Okay.

Vice Mayor Lago: You know, take too much time.

Automotive Division Director Riley: In reference to our EV fleet of electric cars, we're currently programmed to purchase three this coming year. However, there is a possibility we purchase more, if Nissan goes ahead with their \$7,500 tax rebate and that actually lessens the overall cost. So, we might look at four or five. I won't know that until the actual plan comes out from Nissan. This is actually a spreadsheet of actual fleet. Everything in green -- this is all administrative, the things that we can convert right now. Everything in yellow is what our possibility is. We have a very large EV fleet. I think we're going to get to the 78, but that will probably include the GEM cars that currently are owned by the police, and that will complete the overall plan. There are some additional things coming out in the market. In 2022, Ford's coming out with an electrified F-150, but they don't have the details as far as the range. I think the range is looking at 90 miles. If it stays in that range, it's probably not going to be...

Vice Mayor Lago: And also, you need -- we discussed this. You also need to have kind of a mixed bag if a hurricane does come. Again, it becomes an issue about...

Automotive Division Director Riley: Correct.

Vice Mayor Lago: How do you charge the electric fleet? So, the electric fleet is great, you know, until you have a catastrophe where you're out of power for three weeks. So, you know, we've got to find that balance, that sweet spot.

Automotive Division Director Riley: Correct.

City Manager Iglesias: And Vice Mayor, we're trying to find that that balance of where we need to be as far as being -- we get hit with a Dorian and we're affected.

Vice Mayor Lago: And I don't want to -- and also, one of the things -- we need to highlight the value. How much money are we spending on gas that we're not having to buy? How much money are we spending on maintenance as a result of it not being, you know...

Automotive Division Director Riley: I can tell you for the entire EV fleet, since we started back in 2016, I'm spending less than the value of one car for total maintenance on the entire fleet. I spend about 32 -- less than \$32,000 on maintenance for 54 vehicles so far.

Vice Mayor Lago: So, it's working.

Automotive Division Director Riley: Yeah. It's working fabulously. They're not showing up to Fleet. We see them very, very seldom. And it's really just some minor repairs.

Vice Mayor Lago: Matt, you want to take some credit for all this?

Senior Sustainability Analyst Anderson: No, all credit goes to Steve, but I just wanted to add that we have saved over 15,000 gallons of gasoline by switching over to the EV fleet.

Vice Mayor Lago: That's incredible.

Automotive Division Director Riley: So, getting to the possibility of converting our existing trolleys to EV...

Vice Mayor Lago: And I want to tell you why I'm bringing this up really quickly. Because you told me that we're doing a trolley -- we're buying a new trolley every two years, or is it every year?

Automotive Division Director Riley: Every year.



Vice Mayor Lago: Every year, okay.

Automotive Division Director Riley: Miami-Dade...

Vice Mayor Lago: So...

Automotive Division Director Riley: We have 12 in the fleet. Miami-Dade County requires us to replace it every 15 years, model years. So, every 15 years age, even if it's in the best of condition, it can't stay on the road. It's got to leave the fleet.

Mayor Valdes-Fauli: Okay. Let's go ahead.

Vice Mayor Lago: Is that -- is it still feasible? Is it feasible right now or no?

Automotive Division Director Riley: EVs right now are not feasible. And the reason of this is -- this is our current trolley. It's called the street car. It's the low-floor trolley. That -- this particular -- is still in the R and D phase. Freightliner makes a chassis, so it's low to the ground. You don't have steps going in there. There is no working model. It does not exist. The chassis does not exist. The propulsion system does not exist. They're estimating the cost for this particular trolley at 750 to 25 -- 750 to \$800,000. What's -- there is nothing available right now.

Vice Mayor Lago: What would be the ROI on something like that?

Automotive Division Director Riley: I don't think...

Vice Mayor Lago: Is there even an ROI?

Automotive Division Director Riley: At 15 years, I don't think we'd reach it, honestly.

Vice Mayor Lago: You don't think you'd reach it.

Automotive Division Director Riley: No. Our fuel costs...

City Manager Iglesias: It's over double the cost of...

Automotive Division Director Riley: Our maintenance repair costs for fuel, we use 54,000 gallons of diesel to run the trolleys in a year, which is only about \$146,000. Maintenance and repair will still be -- will be a lot less, but we won't know that until we get the buses online. And I wouldn't -- I personally wouldn't buy anything first-generation.

Vice Mayor Lago: Yeah.

Automotive Division Director Riley: What's coming up available supposedly in the spring -- this is what I was told -- is the Villager, which is a high-floor trolley. It has stairs going into it. Once again, this particular trolley is 450 to \$500,000. We're paying 348. However, this -- according to -- we run an average of 115 to 120 miles per trolley per day. He estimates the range at 90 to 100. Now, that's not taking into account the ambient air -- you know, the heat, the air conditioning...

Vice Mayor Lago: The load.

Automotive Division Director Riley: Running, which he doesn't know what the air conditioning loading will do to the range. When you take all that into account, we'd have to get two electric trolleys for every one diesel trolley to maintain on a route. And the last is GILLIG. They have a working electric bus. The range is about 200 miles. It's used in California right now. They can do a, so-called trolley design, but this bus -- the truck -- to convert it to a trolley would be an additional hundred thousand on top of the overall cost of the bus of 900,000. So, a trolley would run us \$1 million and addition to that, we would basically lose the cupola.

Vice Mayor Lago: Yeah.

Automotive Division Director Riley: So, the whole design, the whole look of the inside of the trolley would be gone because all this would be batteries.

Vice Mayor Lago: So, we'll talk in two years, I guess. Hopefully, innovation keeps moving forward and we'll talk in two years and see if it's actually feasible.

Automotive Division Director Riley: At least two years out. And if one does become available, I would suggest we maybe look for grants or...

Vice Mayor Lago: Okay.

Automotive Division Director Riley: Something like this to purchase as a...

Mayor Valdes-Fauli: You know, why don't we go on with the budget presentation? Please.

Vice Mayor Lago: Kevin, you had -- you have...

Parking Director Kinney: I just wanted to say what we've been working on is to get the first generation of trolley that meets our standards.

Vice Mayor Lago: Yeah.

Parking Director Kinney: Unfortunately, it's not here yet.

Mayor Valdes-Fauli: And I would like -- I think it's a fascinating conversation and a very productive one, but let's put this in the regular City Commission meeting and continue with the budget.

Vice Mayor Lago: Perfect.

Mayor Valdes-Fauli: Because I think -- you know, I applaud your efforts, and I think that your criteria is very, very good.

Vice Mayor Lago: Thank you, sir.

Mayor Valdes-Fauli: Go on.

Vice Mayor Lago: Thank you.

Management & Budget Director Kleiman: The next slide is one that was requested by the Budget Advisory Board. They wanted to know the cost of human capital in the budget. So, we have it down here by each department. And you can see, in total, salaries and benefits take up 63 percent of the City's budget.

Mayor Valdes-Fauli: Can somebody answer that phone, please?

Vice Mayor Lago: I think it's in Commissioner Keon's...

Mayor Valdes-Fauli: What? Oh, oh. Is it?

City Attorney Ramos: It may be.

Mayor Valdes-Fauli: I'm sorry.

Management & Budget Director Kleiman: Okay. Now, moving over to headcount. The FY 20 budget includes a proposed 846 full-time positions. That's six positions up from FY 19. And as

the Manager said, we try to really look at each one individually. We are trying to maintain our head count, and it's only if we feel we have to create another full-time position is when we've requested that of the Commission.

Vice Mayor Lago: Can I ask you to do me a favor?

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: This is more directed towards the Manager. This is what we discussed about car allowances. I did a quick analysis of the breakdown from 2017, 2018 and 2019. In 2017, we had 24 car allowances. In 2019, we're up to 37, which is around \$211,000. Where, in 2017, we were at about \$109,000. Do me a favor. Let's limit -- as we're being very careful about how we spend money, let's be very careful how we spend that car allowance because we've already doubled it in less than two years. And as money gets tighter, I think it's -- and I looked at the numbers on the car allowance side. I want to be very careful on that.

Management & Budget Director Kleiman: Okay.

City Manager Iglesias: We've looked at carefully -- we had a lot of top management positions that were open and that are -- that have to work 24/7.

Vice Mayor Lago: I understand.

City Manager Iglesias: And are -- and so those -- as those positions have been filled, those car allowances have come into play. But that's not something that we would -- and we will look at it, Vice Mayor, but we're not doing that frivolously.

Vice Mayor Lago: Maybe the opportunity is we offer them an electric car. They could use it during the city or they can -- something like that. I just want to be careful and put that on the

record that -- I mean, I love my management team. They're doing a great job, but we need to be careful.

Management & Budget Director Kleiman: Okay.

City Manager Iglesias: We will.

Management & Budget Director Kleiman: Okay, just to corroborate what the Manager just said, I think we didn't realize the report that we sent you was based on actual number of positions getting it at that time, not the budget.

Vice Mayor Lago: Okay.

Management & Budget Director Kleiman: The budget should be somewhat similar. There were a lot of vacancies, as the Manager said, so now we've filled those vacancies, so you're seeing it come up. Yes, there were some adjustments in the car allowance with people who are heavy users of cars, but the number of people should not have changed by very much. We'll redo that report.

Vice Mayor Lago: That's fine.

Management & Budget Director Kleiman: No, no.

Vice Mayor Lago: Maybe those positions weren't filled two years ago. But we should still...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Be careful because that's a hundred...

Management & Budget Director Kleiman: Absolutely.

Vice Mayor Lago: That's an increase over \$100,000 in two years...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: On that line item alone.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: And if you look at the...

Management & Budget Director Kleiman: I just wanted to let you know that.

City Manager Iglesias: Vice Mayor, if you look at our management team, we filled a lot of positions that were not filled before that were really needed, a lot of technical positions in many departments. So, as those came in, those -- that -- those cars were -- those were budgeted at that time, as those positions came in.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: Which may not appear in that prior budget.

Management & Budget Director Kleiman: Right.

City Manager Iglesias: As our...

Management & Budget Director Kleiman: We should have given you budget reports, not actual reports. You would -- and it would have shown what was actually...

Vice Mayor Lago: Just keep an eye on it.

Management & Budget Director Kleiman: Absolutely.

Vice Mayor Lago: I don't want to...

City Manager Iglesias: I don't believe the number changed very...

Management & Budget Director Kleiman: It shouldn't have, no.

City Manager Iglesias: It shouldn't. Or...

Management & Budget Director Kleiman: Not the number of positions getting it.

City Manager Iglesias: Correct. And if it changed...

Management & Budget Director Kleiman: Right.

City Manager Iglesias: It was not very...

Management & Budget Director Kleiman: Right.

City Manager Iglesias: Was not significant.

Management & Budget Director Kleiman: No.

Vice Mayor Lago: Okay.



Management & Budget Director Kleiman: Okay. The details of the six new positions: Electrical Inspector for the Building Division, two Project Managers for Capital Improvement, FOP office position for the FOP president, and two Communications Operators for Police Technical Services.

Mayor Valdes-Fauli: Why is the FOP office a new position? It's always been there.

Management & Budget Director Kleiman: Actually, it wasn't.

Mayor Valdes-Fauli: Oh, it wasn't?

Management & Budget Director Kleiman: We found out during the summer...

Mayor Valdes-Fauli: During my prior administration, it was there.

Management & Budget Director Kleiman: There was something -- the -- actually, going back -- and I -- and the Chief can actually talk -- give details of it. But going back to 1992, there were negotiations that went on that the FOP actually gave up one -- I think it's holiday pay for one day, and it was supposed to cover an additional head count. Well, we went back, and the head count was never put into the budget. And obviously, this is way before our time, but it was never put in the budget.

Mayor Valdes-Fauli: Okay, thank you.

Management & Budget Director Kleiman: So, now -- it's in there now. Moving over to capital, you can see these are the results of the May 14, I think, meeting that -- where each Commission member gave their priorities and their projects that they wanted to see done for the upcoming year and the upcoming capital improvement plan. The next slide shows what we were able to fund. Anything with an asterisk had prior funding on it. Anything with a check means we were able to add funding, or if it was a new project, funded for FY 20.

Vice Mayor Lago: So, one of the items that I called for was the Granada Plaza.

Management & Budget Director Kleiman: Yes, Granada and Columbus Plaza.

Vice Mayor Lago: Sorry, my...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: I can't see it.

Management & Budget Director Kleiman: Yeah. You have Granada...

Vice Mayor Lago: I think that was also -- Commissioner Keon had that on her list. What's the plan in reference to that project? Because that...

Management & Budget Director Kleiman: Okay.

Vice Mayor Lago: Because that's a pretty significant intersection that hasn't been...

Unidentified Speaker: (INAUDIBLE) Director. Are you talking about the fountains?

Vice Mayor Lago: Yeah. Well, there was a design that I was shown that was pretty spectacular, where you had some landscaping. You had a...

Mayor Valdes-Fauli: Granada and Columbus.

Unidentified Speaker: There you go because I thought it was something else.

Assistant Public Works Director Keller: No, that's okay.

Unidentified Speaker: I knew you had the answers.

Assistant Public Works Director Keller: Jessica Keller, Assistant Public Works Director. Can you ask the question one more time?

Vice Mayor Lago: If you look at the item -- my one, two, three, four, five, six -- Granada and Columbus Plaza.

Assistant Public Works Director Keller: Yes.

Vice Mayor Lago: The transportation -- I can't see it from here.

Assistant Public Works Director Keller: Okay, yes. So, we conducted a community meeting, I guess, about six months ago.

Vice Mayor Lago: Okay.

Assistant Public Works Director Keller: Give or take a month. And we got community input as far as what they would like to see. And we have money that is planned for next year's budget.

Management & Budget Director Kleiman: FY 21, two years.

Assistant Public Works Director Keller: Yes, FY 21, to begin the actual design of those projects.

Vice Mayor Lago: Perfect.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Lago: Thank you.

Management & Budget Director Kleiman: So, Vice Mayor, you beat me to it. Anything that is on here that doesn't necessarily have a check or an asterisk doesn't mean that it's not in the five-year capital improvement plan. We are trying our best to put everything in there. Sometimes we just can't get everything in for FY -- for the current fiscal year.

Mayor Valdes-Fauli: Thank you.

Management & Budget Director Kleiman: Okay. So, now we're going to go over -- I'm just going to read out the categories and the dollar amount. If anyone has any questions on a particular project, please let us know. Public Works is here, and they can give you answers on most of these projects. So, capital equipment, \$2.2 million. Facility repairs and improvements, \$1.6 million. Historic facility repairs and restorations, \$2.5 million. Motor pool equipment, \$3.7 million. Parking repairs and improvements, \$12.7 million, and that is obviously Garage 7, which is the big item in that category. Parks and recreation improvements, \$4.8 million. Public safety improvements, \$8 million. Transportation and right-of-way improvements, \$6.4 million. And utilities -- utility repair and improvement projects, \$6.5 million.

Vice Mayor Lago: Just a quick question.

Management & Budget Director Kleiman: Sure.

Vice Mayor Lago: Are any of these monies coming from the Renaissance bond that was issued, the GOB?

Management & Budget Director Kleiman: Not much. I forget how much, maybe \$500,000. There's not much left.

Vice Mayor Lago: That's what I was...

Management & Budget Director Kleiman: (INAUDIBLE) interest...

Vice Mayor Lago: Have we exhausted that? Have we exhausted that?

Management & Budget Director Kleiman: Yes. We have about -- I think it was about \$500,000 or so...

Vice Mayor Lago: When does that sunset?

Management & Budget Director Kleiman: Let me finish. We -- honestly, we're trying to push it. We cleaned up a lot of the balances all over the place, and we put them all into parks. Right now, we're just waiting for some of the -- for the park master plan.

Vice Mayor Lago: That was going to be my point, so...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: If there's any money left over that we have there and maybe some projects are being shuffled around...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Or we found more priorities, I think...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Parks has become -- you know, we have a lot of existing parks that need to be -- get a new facelift. Why don't we take a look at that to see if that money...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: Can be...

Management & Budget Director Kleiman: Again, it sort of has to be more for enhancement. Basically, that's the definition of it. So, yes, we have it in parks, and again, we're just really waiting...

Vice Mayor Lago: We have a vehicle to buy land. I'm not talking about buying. I'm talking about just...

Management & Budget Director Kleiman: Yeah.

Vice Mayor Lago: Enhancing.

Management & Budget Director Kleiman: Oh, yeah, for enhancement, exactly. I think that's -- what's going to help is the master plan. It'll help the Commission give us the direction for funding. Now, going to taxes. As we mentioned before, FY 20 will be the fifth year in a row that we maintained the millage rate of 5.559. The estimated average taxable value of a homesteaded property for FY -- well, it says 2019. That's tax year '19. It's actually for FY 20 -- is \$671,000. If the County actually does the full three percent Save Our Homes increase, the odds are it will be less than that. But for just the City component of the taxes, that average homesteaded house, the increase would be \$108, if it's as high as three percent.

Mayor Valdes-Fauli: If it's as high as three percent.

Management & Budget Director Kleiman: Right. It's always the lesser of the local CPI or three percent. But we put on three percent to be ultra conservative. Now, the next slide, we -- this is a new slide. And this is to show that \$671,000 value for each of the five full city -- full-service cities at their millage rates. And you can see where Coral Gables stands. We didn't have this slide at the first hearing. So, the five cities that are full service, their millage rates, and you can see the difference. The only one that is lower would be Key Biscayne. And it is just a City component of the taxes. Coral Gables properties by type. This the percentage of overall. There's 19.7 thousand properties in the City; 52.9 percent would be homesteaded, 33 percent non-homesteaded residential, and then 8.8 and 5.3 for commercial and all others.

Commissioner Mena: What's the percentage of homesteaded in Key Biscayne?

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

Commissioner Mena: I know you don't have that at the top of your head.

Management & Budget Director Kleiman: We can get it for you.

Commissioner Mena: I'm just curious.

Management & Budget Director Kleiman: We can get it for you.

Commissioner Mena: Because I've always understood that to be the reason why.

Management & Budget Director Kleiman: Yeah. That is one thing. Actually...

Commissioner Mena: Right.

Management & Budget Director Kleiman: The previous City Manager always had mentioned that. We'll get that information for you.

Commissioner Mena: Okay. I'm just curious. Thank you.

City Manager Iglesias: And the Save Your Homes will not affect those houses. They would not be under...

Commissioner Mena: Right.

City Manager Iglesias: Save Your Homes.

Management & Budget Director Kleiman: Right. So, their percentage will be higher than three percent max.

Commissioner Mena: Right. But my understanding was always that they had a smaller percentage of homesteaded homes.

Management & Budget Director Kleiman: Right, right.

City Manager Iglesias: I believe that's the case.

Mayor Valdes-Fauli: And their services are not as intensive as ours. They're a lot of people that don't live there.

Management & Budget Director Kleiman: Now, if you look at our property taxes, the property tax revenue by property type, almost \$40 million for homesteaded homes -- homesteaded residences, and 25.449 homesteaded residences; 70.3 and 7.2 for commercial and all others. Similar information, just in a pie chart. The 10-year municipal millage rates for the full-service



cities. You can see Coral Gables is next to the lowest. We are the gold. Another version of similar information. It shows us where we are compared to all the 35 cities in Miami-Dade County, including UMSA. And you can see where we are. We're number 11 out of 35. Now, one of my favorite slides, for every dollar spent, Coral Gables is 30 cents, and we give the vast majority of the services to our residents. And moving over to the pension -- and for next year, we're going to enhance this slide to put the normal cost in and the legacy cost. It'll broken -- be broken down even more. But you can see that the arc -- or the required payment is \$24.2 million. The extra payment for next year is going to be just over \$4 million. And the 401 and the elected, that's \$514,000. That's the very top piece. The funding ratio. We are now funded 63.6 percent; unfunded would be 36.4 percent. And you can see that's been improving steadily for the last number of years. The general fund reserve analysis. We are -- we, of course, will still try to get to 25 percent. We're at about 17 or 18 percent. The extra -- the percent that is not here is from FEMA. And that is the end of the presentation. If there are any questions.

Mayor Valdes-Fauli: Commissioner Mena, any questions?

Commissioner Mena: No.

Management & Budget Director Kleiman: Okay.

Commissioner Mena: Thank you.

Mayor Valdes-Fauli: Commissioner Fors.

Commissioner Mena: Great job, as always.

Management & Budget Director Kleiman: Thank you.

Commissioner Fors: I have no questions. Thank you.

Management & Budget Director Kleiman: Okay.

Vice Mayor Lago: I have a few questions.

Management & Budget Director Kleiman: Okay.

Mayor Valdes-Fauli: Wait, wait, wait. Is Commissioner Keon -- does she wish to ask a question?

Commissioner Keon: No. I have no questions.

Mayor Valdes-Fauli: Thank you. Vice Mayor, of course.

Vice Mayor Lago: It's a privilege.

Mayor Valdes-Fauli: Yes, sir.

Vice Mayor Lago: Thank you. Thank you, Mayor for allowing me a few moments. So, I mean, it is just a \$200 million budget, right?

Management & Budget Director Kleiman: Two hundred and thirty.

Vice Mayor Lago: We vote on this once a year. So, let me ask you a quick question. If you look at page 60, give me a little bit of background on the physical environmental fees. I see the number. This is all our waste? Recycling, garbage, garbage collection, lawn mower, lawn -- lot mowing and clearing. Does that number -- obviously, it doesn't include the \$2.5 million that we, as a City, have to subsidize for the residents, right?

Management & Budget Director Kleiman: Yes. On the...

Vice Mayor Lago: That includes it?

Management & Budget Director Kleiman: Not on the revenue side. That's on the expense side.

Vice Mayor Lago: Okay.

Management & Budget Director Kleiman: Yeah.

Vice Mayor Lago: So what -- what's the...

Management & Budget Director Kleiman: That's not in here.

Vice Mayor Lago: What's the total expense on that side? Because I want to see where that's trending, how it's trending over the last three years, especially with the County increasing tipping fees, and seeing -- and I'm going to -- I want to monitor this over the next year as a result of our cardboard ordinance, see if that's making an impact or not. So, I want -- I want to make sure that we include that in next year's presentation. I think it's important to really monitor that.

Management & Budget Director Kleiman: Okay. If you go to pages 236 and 237 in your budget, you'll see the actual detail for solid waste collection. And we're just under \$12 million on the expense side.

Vice Mayor Lago: Excuse me, 236. Sorry about that. I went to 336. So, the 2018 budget was around \$12.5 million, and you're budgeting around 11.9 for the 2019-2020? So, give me a reason why you are expecting it to be less, especially since it's my understanding that garbage fees in the County have gone up, correct? I know that we had a -- we passed that on, some of those fees, obviously to the residents, which is not something that I'm happy about, but we had no other choice

but to do it. We're already subsidizing to the tune of \$2.5 million, which you can see, as I pointed out...

Management & Budget Director Kleiman: Right.

Vice Mayor Lago: In the other slide. Do you think it's...

Management & Budget Director Kleiman: No, no.

Vice Mayor Lago: Do you think we're going to be effective in some strategies that we're implementing in regards to reduce the cost? What is it?

Management & Budget Director Kleiman: No. There are reappropriation -- or actually, if you look at FY 19, look on page 237.

Vice Mayor Lago: I'm on it.

Management & Budget Director Kleiman: You see the rows, it says equipment replacement \$430,000. That was a one...

Vice Mayor Lago: What was the number you said before?

Management & Budget Director Kleiman: That was a one-time item that's in the budget for FY 19, and it's not in the budget. It'll be rolled over. It hasn't been spent. But it's not -- as you can see, it's not repeated. What I want to see from our team -- and I'll end it on -- at least on this item in regards to this issue. I want to monitor -- I want to see how much we're picking up on a yearly basis in regards to our trash pits. That's what I want to see. Everything from green matter, everything from, you know, larger items that can't be recycled. I want to see that number, and I want to go, you know -- if we start this year, I want to start monitoring it year over year over year

so I can say, okay, are we being effective with this cardboard ordinance, or is this just a waste of time making it more difficult for the residents?

Management & Budget Director Kleiman: Okay. Do you want some information now? Al Zamora is here.

Vice Mayor Lago: Of course, sure.

Management & Budget Director Kleiman: Okay.

Vice Mayor Lago: But you know, you got what I'm saying?

Management & Budget Director Kleiman: Yeah.

Assistant Public Works Director Zamora: Al Zamora, Assistant Director of Public Works.

Vice Mayor Lago: How are you doing, sir?

Assistant Public Works Director Zamora: Mayor.

Mayor Valdes-Fauli: Hi.

Assistant Public Works Director Zamora: Vice Mayor and Commissioners. I think one of the issues that you're seeing in the area is we're being a little bit more cautious of where we're taking our materials. Disposal is the second-largest cost in what we do. And we've looked for alternative places to send this material, and therefore, there's a savings. Just to give you an example, if we were to take this stuff, like the green waste, let's say, if we were to take it to the County, we're talking \$76 a ton. When you're picking up 30,000 cubic yards of that stuff, it adds up quickly. We found an alternative that we get rid of it for \$33 a ton through Waste Management in one of

their facilities. So, right there, there's a savings of half a million dollars. It's a play of, you know, being efficient and where you're taking this stuff to.

Vice Mayor Lago: My final point, I would like to see what we're...

Assistant Public Works Director Zamora: Okay.

Vice Mayor Lago: Just how much we're collecting.

Assistant Public Works Director Zamora: Sure. And we track that on a daily basis.

Vice Mayor Lago: I want to see it this year. Obviously, cardboard, all that kind of stuff, we're trying to divert it...

Assistant Public Works Director Zamora: Sure.

Vice Mayor Lago: So, we can recycle it. That's the whole point of it, so it doesn't -- we don't have to pay for it.

Assistant Public Works Director Zamora: Correct.

Vice Mayor Lago: I attended the City of Miami Commission meeting last week, and one of the items they were talking about was illegal dumping.

Assistant Public Works Director Zamora: Right.

Vice Mayor Lago: From what I remember, they're looking at around -- I sent the -- I was having a conversation with the City Manager and the ACM about this issue that night. And one of the

topics that they brought up is that they have about \$6 million in illegal dumping in the City of Miami.

Assistant Public Works Director Zamora: I believe it.

Vice Mayor Lago: It's a major chunk of money.

Assistant Public Works Director Zamora: It's a little bit harder to track here because of what -- who we are.

Vice Mayor Lago: Yeah.

Assistant Public Works Director Zamora: As far as having trash piles, you know, and...

Vice Mayor Lago: But we can see it on 57th Avenue. I mean, and 57th...

Assistant Public Works Director Zamora: Right.

Vice Mayor Lago: Avenue's happening with the neighbors across the street...

Assistant Public Works Director Zamora: Correct.

Vice Mayor Lago: Who are not in the City, just basically, their landscapers dump it on our side, and we pick it up.

Assistant Public Works Director Zamora: Correct.

Vice Mayor Lago: And we're doing what we can with Code Enforcement to stop it. But...

Assistant Public Works Director Zamora: Correct.

Vice Mayor Lago: It is what it is. Can you do me a favor? Can you track it for next year? So, I -- to see how effective this ordinance -- the last thing I want to do is I don't -- I don't want to write ordinances that, again, bog the City down that they don't actually work.

Assistant Public Works Director Zamora: Sure. As far as disposal, I'm caught up to date until today. We do a daily report. It's live. That's the way we run business.

Vice Mayor Lago: And let's talk about the -- I want to see how the...

Assistant Public Works Director Zamora: Sure.

Vice Mayor Lago: How effective the cardboard's being.

Assistant Public Works Director Zamora: All right. Thank you.

Vice Mayor Lago: Thank you, sir.

Mayor Valdes-Fauli: And it really has to be effective because...

Vice Mayor Lago: Yeah.

Mayor Valdes-Fauli: If it's not very popular among a certain...

Vice Mayor Lago: It has to be effective.

Mayor Valdes-Fauli: Sector of the population over a certain age.



Vice Mayor Lago: It has to be effective. If it's not -- if it's not effective, then again, it's not worth...

Assistant Public Works Director Zamora: Yeah.

Vice Mayor Lago: Doing it.

Mayor Valdes-Fauli: Yeah.

Assistant Public Works Director Zamora: Right. Thank you.

Vice Mayor Lago: I have just a few more points that I want to make real quick.

Mayor Valdes-Fauli: Go ahead. Let's make it quick.

(COMMENTS MADE OFF THE RECORD)

Vice Mayor Lago: Wow. So, last year was 2.5, and this year is 3.3, or -- why did I -- I don't know why I got that number it was 2.5.

Management & Budget Director Kleiman: And I don't know...

Vice Mayor Lago: So, we're subsidizing \$3.3 million.

Management & Budget Director Kleiman: I can check that for you and get that. But right now, for FY 20, the subsidy is \$3.3 million.

Vice Mayor Lago: That's a lot of money. It's a lot of money.

Mayor Valdes-Fauli: Go ahead.

Vice Mayor Lago: So, this is a question for the Clerk. Talk to me a little bit about passport services. How are we doing? I know you have a ton of money in the bank, and you're looking to give it to the Commission to spend it on some great projects.

Commissioner Mena: And I just -- before he says, I went last Saturday to take my daughters to get their first passport.

Vice Mayor Lago: Easy.

Commissioner Mena: It was amazing.

Vice Mayor Lago: Amazing.

Commissioner Mena: The service was incredible, and really -- and that -- and it was packed. There was plenty of people there and everything ran seamlessly. So, I just wanted to...

Vice Mayor Lago: Because they do a great job.

Commissioner Mena: Congratulate Billy and his team. They really did a fantastic job.

City Clerk Urquia: Thank you for that, sir. Fortunately, Vice Mayor, passport monies can only be used on passport services. We -- for the first time, we generated over a million dollars this year.

Vice Mayor Lago: That's another...

City Clerk Urquia: And...

Vice Mayor Lago: Reason why I wanted to bring it up because he told me that. This is to be commended.

City Clerk Urquia: And we have about 1.25 in reserve.

Vice Mayor Lago: So, we need to find -- we need to -- we need to read that statute very clearly because, obviously, you know, when you're budgeting...

City Clerk Urquia: We can't buy parks.

Vice Mayor Lago: When you're budgeting \$500,000 and you've got \$1.2 million in reserves, you know, you're expecting revenues of \$500,000 -- \$600,000, I think is the number, what I read in the budget. You're doing incredibly well.

City Clerk Urquia: Thank you,

Vice Mayor Lago: The service, like Commissioner Mena, mentioned is, you know -- I get calls and emails constantly of how easy it is. No -- you don't have to go to downtown and deal with it. It's a pleasure. Let's go over that and see because I know that sometimes we can maybe work on projects that benefit the community as a whole.

Management & Budget Director Kleiman: Mr. City Clerk, now you know how I feel.

Vice Mayor Lago: You want the money, right?

Management & Budget Director Kleiman: Yes.

Vice Mayor Lago: Am I correct or no?

Management & Budget Director Kleiman: Actually, the Clerk's Office has been very generous in the past.

Vice Mayor Lago: He is.

Management & Budget Director Kleiman: To fund records management items for the City.

Vice Mayor Lago: My last point is in regards to parking citations. If everybody remembers, I brought up, about a year ago, and I'm not going to give it up because I have a feeling that when they raise the parking costs for tickets in the County, I think it's still a great opportunity for the City to do that in-house. Not only make money but be more efficient for the people who get the citations. And I've been going over this with the City Manager and City Attorney and Kevin to really understand what is our exposure if we were to bring this in-house. I think there is a significant monetary value to bring this in here to the City and getting control of it. And I'm going to, hopefully, bring it back to the Commission in the near future once we get a little bit more clarity from the County. Because I know that Commissioner Heyman released a memo today which said that things are still up in the air and my colleagues got that memo today. How are we doing with parking citation numbers? Are they up? Are they down? What are you seeing?

Parking Director Kinney: Actually, this year, we'll be just over a hundred thousand citations. Our revenue will still not match the expense of parking enforcement. We'll probably be short 200 -- the City will be subsidizing parking enforcement by 2 or \$300,000.

Vice Mayor Lago: And that's why I hoped you would say that. Because I will be bringing to the Commission again -- I'm going to write a memo, and I'm going to send to my colleagues the legislation that I'm proffering. And if we look at the numbers, we weren't too far off, if we take control of this, where we could flip that \$200,000. And I know that you would rather have \$200,000 more in the coffers that we're giving to the County now. And if there is an increase in

the citation number from \$18 to -- I forgot what the number that's being proposed. The number could even be more significant.

Mayor Valdes-Fauli: Thirty-five, I think.

Parking Director Kinney: It's 36 is what...

Mayor Valdes-Fauli: Thirty-six.

Parking Director Kinney: The fine is going to be for a meter. And as of today, we were told that we could pick up the new citation booklets, which we will share with the police on Tuesday. So, the plan right now is the new fines will go into place October 1. And they seem to be ready for that to happen. In fact, I had a meeting today with the Enforcement staff just to prepare them for the changeover.

Vice Mayor Lago: So, I asked you to do me a favor, please. Because we're talking about \$200,000. It's a lot of money every year. You trim a little bit here, you trim a little bit there, you could end up with a few million dollars that we could use for more parks, more public safety, more traffic calming. We need to look for the money, especially if you look at economic forecasts, as they're talking about now. You turn and -- turn the TV on and every media outlet's talking about possible, potential slowdown in the economy. So, I want you to -- if you would be so kind, through the Manager, please sit down with my colleagues and talk to them about what we've been working on for the last year. Give them examples. I want to get their opinions through the Sunshine, obviously, if it's feasible and if it makes sense. I want them to understand a little bit more the financial ramifications and mechanics of going in-house in reference to parking citation. Because right now, we're spending \$200,000. We're not making -- we're losing \$200,000, and we are the ones that, as a City, have to, you know, look at the meters, give the tickets. When -- then we give a portion of that money that we ascertain to the County. Why are we giving the County any money? We're the ones doing all the legwork.

Commissioner Mena: But if we have -- we could talk about this another time.

Vice Mayor Lago: No, no. I'm just saying -- I just want...

Commissioner Mena: We'll have a more robust discussion another day. But if I recall correctly, what I -- was explained to me back then was that if the County, in fact, increased the fines and we followed suit, then that...

Parking Director Kinney: Yes, we will.

Commissioner Mena: Shortage wouldn't exist.

Parking Director Kinney: We will be in the black...

Vice Mayor Lago: In the black.

Parking Director Kinney: Under the new system. Whether we would make more money if we...

Vice Mayor Lago: Yeah.

Parking Director Kinney: Took it in-house is a whole separate question.

Commissioner Mena: Right, okay.

Parking Director Kinney: But with the new fine system that the County is implementing, we should absolutely be in the black a few hundred thousand dollars.

City Manager Iglesias: However...

Mayor Valdes-Fauli: Alright. Go ahead.

Vice Mayor Lago: And you're a hundred percent right.

Commissioner Mena: No, it's a matter of what the delta is.

Vice Mayor Lago: Yeah. I want to make more money.

City Manager Iglesias: There are...

Vice Mayor Lago: I want to bring more money into the City.

Mayor Valdes-Fauli: Let me...

Vice Mayor Lago: We're doing all the legwork already.

Management & Budget Director Kleiman: And we have budgeted...

Mayor Valdes-Fauli: Let me say...

Management & Budget Director Kleiman: The extra -- I'm sorry.

Mayor Valdes-Fauli: Let me -- I'm all for this, and I agree with you that this is something that we should examine, but this is a budget hearing. Let's put this for the October 8, or whatever it is, whenever the next one is, and we'll discuss it at length. But let's get...

Vice Mayor Lago: Okay.

Mayor Valdes-Fauli: The budget and not discuss things that should properly be on Commission agendas. Or maybe we can have a special Commission meeting on this because it's important enough. But let's continue with the budget process. We have Commissioner Keon on the phone. Let's limit this to budget issues, although the other ones are very, very, very important.

Management & Budget Director Kleiman: The presentation is complete.

Mayor Valdes-Fauli: Yes.

Management & Budget Director Kleiman: If there are no other additional questions, then I'm handing it over to the City Attorney.

Mayor Valdes-Fauli: Do you have any other budgetary issues?

Management & Budget Director Kleiman: Is there...

City Attorney Ramos: We should have a public hearing now.

Management & Budget Director Kleiman: Right.

City Attorney Ramos: Yes.

Mayor Valdes-Fauli: This is a public hearing. Commissioner Fors, you have any comments?

Commissioner Fors: No comments, Your Honor.

Mayor Valdes-Fauli: Okay. There's a public hearing. Are there any members of the public that wish to speak? Come on, somebody.



Vice Mayor Lago: Anybody?

Mayor Valdes-Fauli: Okay, the public hearing is closed.

City Attorney Ramos: Very well, sir. With that, the first item is 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 the ordinance shall become effective October 1, 2019. This was passed on first reading September 12, 2019. Be it ordained by the Commission of the City of Coral Gables that there is hereby levied upon all real and personal property within the present corporate limits of the City of Coral Gables, which is assessed for taxation in the year 2019, and which is subject to taxation under the Constitution and laws of the State of Florida as now written, a tax of 5.559 mills, which is a 4.94 percent increase over the rollback rate of 5.2973, all proceeds of the collection of this levy to be recorded into the general fund of the City and shall be reserved therein and distributed and transferred therefrom for the sole and express purpose of paying the necessary operating capital expenditures of the City of Coral Gables, its departments, offices and properties for the fiscal year ending September 30, 2022.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Lago: So moved.

Mayor Valdes-Fauli: Second?

Commissioner Mena: Second.

Mayor Valdes-Fauli: Call the roll, please.

Commissioner Fors: Yes.

Commissioner Keon: Yes.

Vice Mayor Lago: Yes.

Commissioner Mena: 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, 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. This ordinance was passed on first reading September 12, 2019. Whereas, the City Manager prepared on July 1, 2019 and submitted to the Commission a budget estimate of the revenues and expenditures of all City departments, divisions, offices and properties for the fiscal year commencing October 1, 2019 and copies of such estimate 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 revenues and expenditure increases in the amount of \$897,179, bringing the total budget amount to \$229,993,150; 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 official 2019-2020 budget of the City of Coral Gables. That would be total operating revenues of \$198,950,998; total transfers from reserves of \$30,988,152, for a total revenues of \$229,939,150; total operating expenditures of \$171,743,237; capital projects in the amount of \$45,176,776; total debt service appropriation in the amount of \$10,566,137; total transfers to revenues of \$2,453,000, and total expenditures in the amount of \$229,939,150.

Vice Mayor Lago: So moved.

Commissioner Mena: Second.

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)

City Attorney Ramos: And the final item being 5, is a resolution adopting the Capital Improvement Program for the five fiscal years from 2020 to 2024.

Vice Mayor Lago: So moved.

Commissioner Mena: Second.

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

Vice Mayor Lago: Yes.

Commissioner Mena: Yes.

Commissioner Fors: Yes.

Commissioner Keon: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Mayor Valdes-Fauli: Anything else, Madam City Attorney?

City Attorney Ramos: That's it, sir.

Mayor Valdes-Fauli: Thank you very much. The budget hearing is closed.

Management & Budget Director Kleiman: Thank you very much.

Mayor Valdes-Fauli: Thank you. Very good job.

Vice Mayor Lago: Thank you. Great work.