

**CITY OF CORAL GABLES  
BUDGET/AUDIT ADVISORY BOARD  
Meeting Minutes: Thursday July 7, 2016**

Conference Room First Floor , City Hall, 405 Biltmore Way, Coral Gables, Florida

<b>MEMBERS</b>	<b>J</b>	<b>A</b>	<b>S</b>	<b>O</b>	<b>N</b>	<b>D</b>	<b>J</b>	<b>F</b>	<b>M</b>	<b>A</b>	<b>M</b>	<b>J</b>	<b>APPOINTED BY:</b>
	16	15	15	15	15	15	16	16	16	16	16	16	
Jose E. Smith	P	P	P	E	-	P	P	P	E	-	P	-	Mayor Jim Cason
Erin Knight	E	P	P	P	-	P	P	P	P	-	P	-	Commissioner Jeanette Slesnick
Alex Menendez	P	P	P	P	-	E	P	E	P	-	A	-	Commissioner Vince Lago
John Holian	P	P	P	P	-	E	P	P	P	-	P	-	Commissioner Frank C. Quesada
Cheryl Goldstein	E	P	P	P	-	P	P	P	P	-	E	-	Commissioner Pat Keon

(Dash indicates no meeting; blank space indicate member not yet serving.)

^ - New Member

# - Special meeting

\*\* - Resigned Member

**Staff:**

Diana Gomez, Finance Director

Keith Kleiman, Budget Director

Minutes preparation and Recording Secretary: Nieves Sanchez, Bailey and Sanchez Court Reporting, Inc.

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CITY OF CORAL GABLES  
BUDGET/AUDIT ADVISORY BOARD  
MEETING: THURSDAY, JULY 7, 2016, 8:10 A.M.  
FIRST FLOOR, CITY HALL  
405 BILTMORE WAY, CORAL GABLES, FLORIDA

**COPY**

MEMBERS PRESENT:

ALEX MENENDEZ, CHAIRMAN  
JOHN HOLIAN  
JOSE E. SMITH

CITY STAFF PRESENT:

DIANA M. GOMEZ, FINANCE DIRECTOR  
KEITH KLEIMAN, BUDGET DIRECTOR

1 THEREUPON:

2 (The following proceedings were held.)

3 MR. MENENDEZ: We're going to bring the  
4 meeting to order.

5 Let's first do a Roll Call. I'm here.

6 MR. HOLIAN: John Holian.

7 MR. SMITH: Jose Smith.

8 MR. MENENDEZ: So there's three members  
9 here.

10 Have you guys had a chance to look at the  
11 meetings --

12 (Discussion off the record.)

13 MR. MENENDEZ: I'm sorry about that. A  
14 little of a mess today. Put that in the  
15 minutes.

16 And let's start with approving the last --  
17 the May 26th meeting minutes. Did anyone get a  
18 chance to read them and wants to make a motion  
19 to approve?

20 MR. SMITH: Motion to approve.

21 MR. HOLIAN: Second.

22 MR. MENENDEZ: Second? Okay. All in  
23 favor? Aye.

24 MR. HOLIAN: Aye.

25 MR. SMITH: Aye.

1 MR. MENENDEZ: All right. So we've  
2 approved the minutes.

3 And now we're here to talk about the  
4 2016-2017 budget.

5 MS. GOMEZ: Correct.

6 MR. MENENDEZ: Yes.

7 MS. GOMEZ: Let's give Keith a minute to  
8 come back.

9 MR. MENENDEZ: Okay.

10 MR. HOLIAN: Alex and I sat in a meeting  
11 for the external auditor yesterday, which you  
12 know. Can someone send us an e-mail when the  
13 package gets to the Commissioners, because  
14 that's when the cone of silence ends?

15 MS. GOMEZ: Right. Yes, no problem.

16 I mean, they will get it on the --

17 MR. HOLIAN: I mean, if you know, that's  
18 good enough.

19 MS. GOMEZ: Yes. Well, no, I know when  
20 they're going to get it. Yes, I know. They  
21 will get it on the 21st, in the evening.

22 MR. HOLIAN: The 21st? Okay. Not that  
23 there's anything really exciting, it would be  
24 just nice to know.

25 MS. GOMEZ: Sure. Sure. Yeah. And so the

1 cone of silence just doesn't allow you to talk  
2 to vendors about it and things like that. So,  
3 I mean --

4 MR. HOLIAN: What do you mean, you can talk  
5 to other people about it?

6 MR. MENENDEZ: Your Commissioner, but not  
7 us.

8 MS. GOMEZ: Right. Like you shouldn't talk  
9 -- you know, my understanding is you shouldn't  
10 talk to the vendor about the RFP or anything  
11 like that.

12 MR. HOLIAN: Okay. But can we talk -- we  
13 were told yesterday, I think, Alex, that we  
14 can't even talk to the Commissioner, right?

15 MR. MENENDEZ: Yeah. It didn't sound very  
16 accurate, but --

17 MR. HOLIAN: They told us we couldn't talk  
18 to the Commissioner until the package was  
19 delivered to the City Manager.

20 MS. GOMEZ: Because they're not -- yeah,  
21 they're not aware of it yet, I guess.

22 MR. MENENDEZ: Not Procurement --

23 MS. GOMEZ: Right. It hasn't been given to  
24 the Commissioners yet. So I will need to  
25 verify that.

1 MR. HOLIAN: See, that's where the grayness  
2 is, because it's like it would be nice to know.

3 MS. GOMEZ: Yeah. Yeah. Yeah. Okay.  
4 I'll clarify that, if I can.

5 MR. HOLIAN: Not that there's anything  
6 really exciting, but it's like, you know, oh, I  
7 was at lunch and all of sudden I was having a  
8 conversation, and, you know, blah, blah, blah,  
9 blah.

10 MS. GOMEZ: Right. Right. Right.

11 Okay. I'll try to find out while we're  
12 meeting.

13 MR. HOLIAN: Oh, that's not necessary.

14 MS. GOMEZ: We're on this item.

15 MR. KLEIMAN: Okay. Thank you. I was out  
16 of the room.

17 All right. Okay. So last year we did hand  
18 out the presentation. This is just a draft.  
19 The last couple of slides are not up-to-date.  
20 This is still last year's.

21 Do you need a copy of this, because I can  
22 leave it with you?

23 THE REPORTER: Okay.

24 MR. KLEIMAN: Okay. So I don't know if you  
25 want to go over the whole presentation. We can

1 hit on just some of the highlights of it, okay.

2 So, overall, we're doing well. Again,  
3 we're still riding the wave. We budget very  
4 conservatively. We still are underbudgeting  
5 the revenue, because you just never, never  
6 know, because, at this point -- you know,  
7 basically a recovery is the sign of a curve,  
8 and so we're still up there, and it's slowing  
9 down a little bit, but we're still doing very,  
10 very well.

11 Okay. This City, thank God, our values  
12 never dropped to the point of other cities. So  
13 if you look at Miami-Dade -- if you go online,  
14 our tax -- the values went up 5.09 as of July  
15 1st. Other cities went up 13 percent. But  
16 those cities tanked.

17 MR. HOLIAN: Right. They were down 20  
18 percent.

19 MR. KLEIMAN: We never really tanked.

20 MR. HOLIAN: Correct.

21 MR. KLEIMAN: This City had a problem six  
22 years ago because of financial mismanagement.  
23 That's where things were going. And we were  
24 overbudgeted on the expense side.

25 So since that came down, and the revenues

1 now, we're budgeting very conservatively, knock  
2 on wood, we're doing well.

3 MR. HOLIAN: And, theoretically, that trend  
4 should continue, if everything keeps going?

5 MR. KLEIMAN: If everything keeps going,  
6 and, also, you know, we have budget policies in  
7 place now. So, you know, again, a lot of our  
8 things now, we're trying to budget everything  
9 from recurring revenues. We only dip into an  
10 assigned fund balance for capital projects,  
11 which is one time, and even that, we're going  
12 to start reducing that, as we implement more  
13 and more of the capital programs that we're  
14 doing that are slightly increasing the use of  
15 recurring revenues, a decrease in the use of  
16 fund balance, and so, in the end, they'll be  
17 completely funded through recurring revenues,  
18 no touching fund balance.

19 And those fund balances, we replenish every  
20 year from the previous year's close of books,  
21 okay. So we never touch the City's 25 percent  
22 reserve. We make believe it's not there. This  
23 is an assigned fund balance, assigned for these  
24 purposes.

25 MR. MENENDEZ: So, as a percentage, what is



1 the balance of the fund balance? If you have  
2 25 percent in reserves that you don't ever  
3 touch, what would you consider the fund balance  
4 to be, about 10 to 20 percent of the actual  
5 total revenue?

6 MS. GOMEZ: Can I get that book right  
7 there?

8 MR. KLEIMAN: I don't have it on the top of  
9 my head right now.

10 MS. GOMEZ: You're saying, total, total  
11 fund balance?

12 MR. KLEIMAN: Total cash?

13 MR. MENENDEZ: Yeah, like you guys were  
14 saying you replenish it after year end with  
15 the --

16 MS. GOMEZ: Uh-huh.

17 MR. KLEIMAN: Uh-huh.

18 MR. MENENDEZ: -- so I'm just trying to  
19 figure out if reserve is 25 percent and the  
20 fund balance is normally 20 percent, 10  
21 percent --

22 MS. GOMEZ: No. No.

23 MR. KLEIMAN: No, the fund balance is --

24 MR. MENENDEZ: What percentage do we use  
25 every year?

1 MS. GOMEZ: 25 percent.

2 MR. KLEIMAN: 25 percent. Of the total  
3 City's budget, we take 25 percent of the total  
4 City's budget and put it in the General Fund.  
5 So it's higher than what 25 percent of the  
6 General Fund would be, because it happens to  
7 all of the funds and it's all sitting in there.

8 MS. GOMEZ: So we can pass this around, if  
9 you'd like. So this is last year's. So we  
10 have total expenditures, operating  
11 expenditures, plus debt service, those numbers  
12 add up to that 157 million. 25 percent of that  
13 is 39,305,000.

14 So, in our financial statements, unassigned  
15 fund balance is 39305.

16 MR. KLEIMAN: That's the 25 percent.

17 MS. GOMEZ: That's the 25 percent.

18 Then we have other fund balances, for other  
19 purposes.

20 MR. MENENDEZ: Okay. So this is the 25  
21 percent that we're talking about?

22 MS. GOMEZ: That's the 25 percent of  
23 operating expenditures and then we reserve it  
24 at -- or we put it as an assigned, not to be  
25 touched, and that's for our rainy day, or, you

1 know --

2 MR. KLEIMAN: That's for an absolute  
3 emergency, not a minor emergency.

4 MS. GOMEZ: Do you want to pass that  
5 around? Please pass it around.

6 MR. HOLIAN: You couldn't have gotten that  
7 answer a little quicker, Diana?

8 And that balance has never been that high.

9 MR. KLEIMAN: No.

10 MS. GOMEZ: Well, the past two or three  
11 years -- two years, we've been having 25  
12 percent.

13 MR. KLEIMAN: For the last two years, it's  
14 been 25 percent. Last year was the first year  
15 we --

16 MS. GOMEZ: Right. It increments a little  
17 bit each year, because of expenditures.

18 MR. KLEIMAN: As the budget goes up, then  
19 we have to cover more and more. But, again, we  
20 make believe it's not there.

21 MR. HOLIAN: Right.

22 MR. KLEIMAN: We don't touch it, ever. It  
23 just stays there.

24 MR. MENENDEZ: So this would be for next  
25 year? It's almost forty million dollars that

1 we're going to put into the reserves?

2 MS. GOMEZ: Right.

3 MR. KLEIMAN: It already is.

4 MS. GOMEZ: Yeah. It's as of the financial  
5 statement close of 9/30/15, we reserve that.  
6 That's there.

7 MR. MENENDEZ: Oh, okay. And next year, it  
8 will be --

9 MS. GOMEZ: Whatever the same number is, 25  
10 percent of this year's budget will be closed  
11 out when we close the September 30th, 2016.

12 MR. MENENDEZ: Okay.

13 MR. KLEIMAN: So, as I said, we are in a  
14 nice place, and the goal is to keep it there.  
15 To not overblow the budget, so we try -- this  
16 year there are some big items that are going  
17 into the budget. For the first time in six  
18 years or seven years, we have the Collective  
19 Bargaining for the Teamsters and the Excluded,  
20 and Fire is going on right now, and then  
21 Police are going to start next year.

22 So we are thinking ahead. We are budgeting  
23 for each of those, anticipating what they might  
24 be, and that's already included in the budget.  
25 So we haven't dealt with the Police yet, and we

1 have already started to budget for it. So we  
2 want to keep those thoughts going, to plan way  
3 ahead, so we don't get caught with our pants  
4 down, okay.

5 So if you just take a look at the budget  
6 estimate summary, which is the first page,  
7 again, I'm not going to go through every single  
8 number. You can see now, just transfers from  
9 reserves, now these are all planned transfers.  
10 This is all planned. We assign money for use.  
11 Again, not touching the 25 percent.

12 So the General Cap Improvement Fund,  
13 three-and-a-half million dollars, and that is,  
14 there's two components there. It's to fund one  
15 time capital improvements. It's also to fund,  
16 as I said, on a declining basis, the capital  
17 matrix which we've created over the last few  
18 years. Those are replacement programs.

19 So it's like fleet, it's HVAC, it's roofs,  
20 it's parks. We're budgeting 1.4 million  
21 dollars for park improvements every single  
22 year, and every year the recurring component  
23 goes up, and the one time reaching into fund  
24 balance goes down.

25 Okay. So just take a look here. The total

1 budget is 183 million dollars. On the  
2 expenditure side, there's not a tremendous  
3 amount to report, except that -- we'll get into  
4 the details of that ahead, but if there's no  
5 questions on this page, we can just move on  
6 ahead.

7 Okay. Now, the Revenue Increases on Page  
8 3. Property tax, you know, the values have  
9 gone up to an all time high of 14.3 or four  
10 billion dollars, and this is the first year the  
11 Commission is telling us not to notch down the  
12 millage rate. What we've been doing in the  
13 past is notching it down, to get as far away  
14 from that height of 6.072 that we had back in  
15 2010 or '11 -- in 2011.

16 So basically we want to create this cushion  
17 there, so that, God forbid, anything does  
18 happen, we never have to go up that high,  
19 because if you take a look at our values and  
20 the millage rate that it is at now, 5.559, and  
21 compare that to the revenue that would come in  
22 at 6.072, it's several million dollars.

23 MR. HOLIAN: Uh-huh.

24 MR. KLEIMAN: We have that cushion now. So  
25 that notching it down, even though people say,

1 "It's so minuet, why are you doing it," we're  
2 doing it to create that big cushion, and, also,  
3 the bonding companies like to see -- the  
4 further you get away from 10, which is the  
5 maximum millage, the better they like us. So  
6 getting it down is what we like to do.

7 This year, the Commission has said, "No,  
8 let's keep it there." They might revisit that,  
9 they told us, during the Workshop. So we'll  
10 have to see, okay.

11 MR. MENENDEZ: During which Workshop?

12 MR. KLEIMAN: On July 27th. That's the  
13 second Budget Workshop. The first one was the  
14 capital one this past May, on May 4th I think  
15 it was.

16 MR. MENENDEZ: Oh, so on May 4th is when  
17 they told you to keep the millage --

18 MR. KLEIMAN: No. No. They just went  
19 through Cathy, and Cathy told us.

20 MR. MENENDEZ: Okay.

21 MR. KLEIMAN: I mean, honestly, to be very  
22 clear, the Mayor is the one who still would  
23 love to notch it down. The other  
24 Commissioners, I believe, are the ones that are  
25 saying, like, "Why? It's so small."

1           But, again, I tried explaining it to them,  
2           and to them -- they get people telling them,  
3           "Why are you doing that? It's silly. You're  
4           trying to, you know, pull the wool over our  
5           eyes," and it's not. There's a reason why we  
6           do it, but, you know, they're the ones that are  
7           facing --

8           MR. HOLIAN: I remember having this  
9           conversation several years ago.

10          MR. KLEIMAN: Yeah. They're the ones who  
11          are facing the public, who ask them the  
12          question, "Why? It doesn't make any sense,"  
13          you know.

14          And, also, this year, we do have a lot that  
15          we put into the budget. Again, we have the  
16          Collective Bargaining and then we have the new  
17          Strategic Plan, and that is to take the City  
18          from here, to here, and, really, there's a lot  
19          of things in there, and it's actually very  
20          exciting. It's in the budget book. You can  
21          see the plan is in there, when you do have a  
22          chance to look at it.

23          And we're going to go over the plan at the  
24          Workshop, so if anybody can make it, that would  
25          be great.



1           Okay. Revenue Decreases, now, most of the  
2 items on this page, this is Slide 4, are one  
3 time items that were in the budget for FY '16,  
4 and right now, for the adoption of the initial  
5 budget, it's not going to be in there. A lot  
6 of these items will be reappropriated, once the  
7 smoke clears and we know how much exactly has  
8 been spent, before we appropriate them into the  
9 budget.

10           So none of these are detriments to our  
11 revenue budget. These are all completely one  
12 time items.

13           Okay. Now, the Expenditure Changes, the  
14 salary component, now you see that one up 3.2.  
15 Now, that is, for the most part, all of the  
16 collective bargaining that's going on, and it  
17 basically is two years' worth. Because what we  
18 had, we had the money in a non-salary account  
19 in FY '16.

20           Now, for the Teamsters and Excluded, it was  
21 just settled, so now the FY '16 is kicking in,  
22 as well as the '17. So that's why it's here.  
23 And this is the first time -- it looks like a  
24 large number, but this is the first time in six  
25 or seven years that they've given out a cost of

1 living adjustment, and other cities have done  
2 it several times already since this recession  
3 started. We're catching up.

4 MR. HOLIAN: Okay. So was that like a two  
5 cost of living or one cost of living?

6 MR. KLEIMAN: This counts for two. When  
7 it's compounded, it's 4.04.

8 MR. HOLIAN: Okay.

9 MR. KLEIMAN: It's two percent, and then  
10 two percent.

11 Okay. Overtime went down just slightly.  
12 In the end, this is a net number. We did  
13 increase overtime in a couple of places, but it  
14 was very, very small. What's happening here is  
15 that we increased the overtime budget in FY '16  
16 because of some of the police vacancies, and as  
17 they start hiring up -- now, they did ask for  
18 increased overtime for next year, and we said,  
19 "Absolutely not," because we just don't believe  
20 that it's a need, and we're going to watch it  
21 closely, as we've been doing.

22 So this decrease is only because we did a  
23 one time increase in FY '16.

24 MR. HOLIAN: So we actually might have  
25 increased from last year to this year, but

1 since it's budgeted --

2 MR. KLEIMAN: Right. Exactly. It was a  
3 minor increase, but there was nothing in Police  
4 or Fire. I'm trying to think. No Police or  
5 Fire. Those are the big users.

6 MR. HOLIAN: Right.

7 MR. KLEIMAN: Okay. Retirement, and this  
8 all good news, Retirement itself is going down.  
9 Now, let's not look at this one piece, because  
10 there's a whole bunch of net changes here. We  
11 made an extra payment -- we made the FY '15  
12 payment of the additional money to buy down the  
13 unfunded liability, we made it in '16.

14 So we had to bring it out of Fund Balance.  
15 It was set aside, with a special assigned place  
16 in fund balance, and we brought it into the  
17 budget in '16. So you're going to see this  
18 amount.

19 Okay. Now, it was a little bit more than  
20 that, but now, the pension itself, our ARC,  
21 which is the Annual Required Contribution, has  
22 gone down from last year to this year, which is  
23 what we were expecting it to be, which  
24 increases the extra payment. So we're keeping  
25 our payment flat. We're adjusting it by a 1.25

1 percent inflator, just to keep bringing it up  
2 every single year to keep up with inflammation,  
3 and we're still making that extra payment.

4 So we made a 4.2 million dollars --

5 MS. GOMEZ: Which is two years' worth.

6 MR. KLEIMAN: -- which is two years, so '15  
7 and '16. And, in '17, we're also budgeting, I  
8 think, one point --

9 MS. GOMEZ: No. Additional payment?

10 MR. KLEIMAN: Is it two --

11 MS. GOMEZ: Three point.

12 MR. KLEIMAN: I'm sorry. That's right.  
13 It's just over three million dollars.

14 MR. HOLIAN: What's the unfunded liability?

15 MR. KLEIMAN: It's a legacy problem,  
16 basically.

17 MR. HOLIAN: Right.

18 MR. KLEIMAN: It's all of the mistakes that  
19 the City made years ago --

20 MR. HOLIAN: No, I know what it is. The  
21 number?

22 MS. GOMEZ: 230 million dollars, roughly.

23 MR. HOLIAN: Is there any possibility that  
24 that could ever be actually paid down?

25 MS. GOMEZ: Oh, yes.

1 MR. KLEIMAN: Yes.

2 MR. HOLIAN: I mean, I know we're paying it  
3 down, but, I mean, everyone has an unfunded --  
4 or most everyone has an unfunded pension  
5 liability. Is there a number, like 20 percent  
6 is the number or --

7 MR. KLEIMAN: 80 percent funded is where  
8 you definitely would want to be. That's like  
9 the minimum.

10 MS. GOMEZ: We're at like 50 --

11 MR. KLEIMAN: 60 now, aren't we? Is it 60?

12 MS. GOMEZ: No. For GASB purposes, we're  
13 at 60. I think, for actuarial purposes, we're  
14 still at 59.

15 MR. HOLIAN: Okay.

16 MR. KLEIMAN: Right, but that's better. We  
17 were at 53, right, two years ago?

18 MS. GOMEZ: 54.

19 MR. HOLIAN: So we're trending in the right  
20 direction.

21 MR. KLEIMAN: Oh, absolutely. No, we've  
22 made some headway. Because, at the end, with  
23 all of these millions of dollars -- now, if we  
24 had had the 4.2 and this three point something  
25 or other, now you're talking about seven and a

1 half million dollars going in there and working  
2 for us.

3 MR. HOLIAN: Okay.

4 MR. KLEIMAN: If everything goes well and  
5 we keep doing this and new administrations  
6 don't change what we're doing, we should have  
7 everything paid off in anywhere from fifteen to  
8 twenty years. You never know. It's always a  
9 moving target, because assumptions change.

10 MR. HOLIAN: That's what got us into  
11 problem, because of the change.

12 MR. KLEIMAN: Yes, exactly.

13 Budgetarily, you always want to keep making  
14 your high payment. Even if you don't need to,  
15 put it in there, let it sit, let it work, you  
16 know, and, in the end, we'll be able to reduce  
17 that down, because the normal cost is only  
18 six --

19 MS. GOMEZ: Six, three which is ours or  
20 four is --

21 MR. KLEIMAN: Yes. The rest is all of the  
22 unfunded liability. So can you imagine, if  
23 they did things correctly in the back, how much  
24 extra money we would have?

25 Unfortunately, we're all paying for it now,

1 but, again, it will go down as long as -- we'll  
2 have a lot more gray hair at that time, but it  
3 will go down.

4 Okay. Let's move on. Other Expenditure  
5 Changes in the budget, you're going to see some  
6 nice increases here, Professional Services and  
7 Repairs and Parts. A lot of that is the  
8 Strategic Plan.

9 MR. MENENDEZ: I'm sorry, on Page 5, the  
10 Workers' Comp is down \$800,000?

11 MR. KLEIMAN: Yes. Now, what happened is,  
12 going back to when we first got here, it was  
13 overbudgeted, because some of those funds were  
14 in the hole. So what happened, this was still  
15 under Pat's regime, and it was overbudgeted, so  
16 to start bring it out of the hole, and, also,  
17 that was some of his tactic to create fund  
18 balance, because there were surpluses, and we  
19 moved it, and we used it for other things,  
20 which, you know, people fault him for it, but,  
21 in the end, this is how we got to where we are  
22 now.

23 A lot of tough decisions were made, that  
24 definitely some things were overtough, and some  
25 things were just what we needed.

1           So we lowered it two years ago, and now we  
2           lowered it again.

3           MS. GOMEZ: Because all of that excess is  
4           not needed, because we've climbed ourselves out  
5           of the hole.

6           MR. KLEIMAN: Right. Plus, the ironic part  
7           of it, if look at the trend of the workers'  
8           comp claims during the time that he was here  
9           and from the time he's gone, they've gone down,  
10          because people were so miserable. And what  
11          happens, when you have blue collar workers who  
12          are miserable, this happens.

13          So it's very interesting. I happened to  
14          look at the trend, because I wanted to see, is  
15          there a correlation, and sure enough. It  
16          started at the moment he left, and things got  
17          better when Carmen was here, and now with Cathy  
18          here, yeah.

19          Okay. Any other questions on this page?

20          MR. MENENDEZ: No, sir.

21          MR. KLEIMAN: Okay. Now, on Slide 6,  
22          you'll see two big increases, Professional  
23          Services, Repairs and Maintenance, and then a  
24          milder increase in Parts, Subscriptions and  
25          Supplies.



1           Let's start with the smaller one, the  
2           \$696,000. Most of that is the maintenance  
3           agreements that we need to put into place for  
4           all of the new hardware and software that we  
5           have been ramping up over the last few years.  
6           So those are mainly for that.

7           Professional Services and Repair,  
8           Maintenance, those two items are really tied to  
9           the Strategic Plan. There's a lot of  
10          Professional Services. We have a lot of  
11          outside services coming in to help the City  
12          move forward.

13          And you'll see that the largest one, one  
14          point -- one and a half million --

15          MR. MENENDEZ: The Professional Services,  
16          the increase is mostly for, what, for what type  
17          of Professional Services?

18          MR. KLEIMAN: Honestly, it's across the  
19          board.

20          MR. MENENDEZ: There's streetscape stuff or  
21          infrastructure --

22          MR. KLEIMAN: No. Well, there's a small  
23          amount for streetscape, but if you go --  
24          Economic Development alone, their increase is  
25          \$225,000, and that is mostly for different

1 types of marketing that the City is going to be  
2 doing in order to bring in new businesses, to  
3 market for the streetscape, items like that.

4 So part of the Strategic Plan is not only  
5 just, you know, to fix things and make things  
6 better here, but it's to attract businesses to  
7 come here.

8 MR. HOLIAN: And that number was in the  
9 whole budget for the streetscape and all of  
10 that? That was in that 20 million dollars?  
11 This is not a surprise?

12 MR. KLEIMAN: No, this was never in the 20  
13 million dollars. This is on top of that. This  
14 is just marketing, because basically what  
15 happens, as soon as they started pruning the  
16 tree roots, panic happened already, and that  
17 was nothing compared to -- I don't know if you  
18 have noticed, but they broke ground going east,  
19 and you can see, they've already taken -- I  
20 forgot what the word is when they take down  
21 the --

22 MR. MENENDEZ: The level of the street?

23 MR. KLEIMAN: -- the level of the street.

24 MR. HOLIAN: The grade?

25 MR. KLEIMAN: The grade. You know, they

1 use the machine that tears that out. It looks  
2 great. It's as neat as a pin. I mean, they're  
3 really doing a nice job. But the panic that  
4 starts just because everything is just up in  
5 the air, so getting the marketing out there.

6 You can, if you go down, there's street  
7 signs like every few yards. I mean, you can  
8 see a big red sign in the median going across.

9 So the idea is marketing. The most  
10 important thing is getting people just to not  
11 panic, and to come visit, and that stores are  
12 open.

13 MR. MENENDEZ: It can't be that bad. I saw  
14 yesterday an e-mail that said that they had a  
15 record sale for a property on the Mile, like  
16 one of the three --

17 MR. KLEIMAN: Oh, yeah. That's not going  
18 to affect that.

19 MR. MENENDEZ: Yeah. The property value  
20 there, actually I read yesterday it was at an  
21 all time record --

22 MR. HOLIAN: Is that the Kerdyk e-mail?

23 MR. MENENDEZ: Yeah.

24 MR. KLEIMAN: There was another property,  
25 about two or three weeks ago, that sold for

1 double what it sold for when they bought it in  
2 '05 here in the Gables. It sold for twice the  
3 amount.

4 So, you know, this is -- we're all very,  
5 very -- I don't even live here, and I consider  
6 myself lucky just to work here, because of  
7 that.

8 Okay. Any other questions on this page?

9 MR. HOLIAN: No.

10 MR. KLEIMAN: Okay. Slide 7, now, these  
11 are the Commission priorities. This is the  
12 result of the Workshop that we had on May 4th.

13 MS. GOMEZ: And so what this is, we had a  
14 list of all of the projects that were on the  
15 table, and the Commission had to vote for their  
16 top 10, 11 projects that they wanted to see  
17 accomplished in the upcoming year.

18 And, then, the different colors, obviously,  
19 when we have several Commissioners picking the  
20 same projects, so that we kind of can see, you  
21 know, what the priorities are.

22 MR. HOLIAN: This is great. This is great.

23 MR. KLEIMAN: Now, if you look at the next  
24 slide, it's the same grid, but all of the items  
25 that we were able to put into the budget.

1 MS. GOMEZ: So almost everything. There's  
2 like three --

3 MR. HOLIAN: How about if you had put an  
4 "X" on the ones that didn't make it.

5 MR. KLEIMAN: As you can see, there's only  
6 one -- no, there's two, with the WI-FI and the  
7 CGTV.

8 MS. GOMEZ: And that WI-FI installation is  
9 for all --

10 MR. MENENDEZ: The whole City?

11 MS. GOMEZ: Yeah, exactly.  
12 We have it in every building.

13 MR. KLEIMAN: This building has it. The  
14 Youth Center has it.

15 MR. HOLIAN: Is it the same login, CG  
16 Guest?

17 MS. GOMEZ: Yes.

18 MR. KLEIMAN: Yes.

19 MR. HOLIAN: I just saw it today for the  
20 first time, actually.

21 MS. GOMEZ: Yeah. If you see the CG Guest  
22 come out anywhere on a City property, that's  
23 our City --

24 MR. KLEIMAN: And some rooms have -- like  
25 we have an amplifier inside and there's an

1 amplifier right above your head, so --

2 (Discussion off the record.)

3 MR. MENENDEZ: What is CGTV? Is that for  
4 inside the Commission meetings?

5 MR. KLEIMAN: That's the Geofence.

6 MR. MENENDEZ: Okay.

7 MR. KLEIMAN: The public safety Geofence,  
8 all of the cameras throughout the City, and  
9 then we've seen the central room now. It's  
10 really cool. You have to go there and see  
11 what's going on. And if you go to the EOC,  
12 it's a wall of monitors, and they just monitor  
13 every --

14 MR. HOLIAN: I don't think I want to see  
15 that.

16 MR. KLEIMAN: You know what, I wish Fort  
17 Lauderdale had it. Let me tell you, it would  
18 be a lot safer.

19 MR. MENENDEZ: So why is it still here,  
20 because they haven't finished the geofencing of  
21 the whole area?

22 MR. KLEIMAN: It's the second phase, so  
23 we're adding another, was it, \$500,000, in FY  
24 '17. So they put it on here, because it's  
25 still a priority for them. This was a priority

1 last year. We did it, and we did the second  
2 phase this year.

3 MR. MENENDEZ: They were able to do like  
4 the perimeter?

5 MS. GOMEZ: No. The first year, this year  
6 that we're currently in, all they did was, they  
7 established all of the equipment, set up the  
8 control center, and some key -- they're setting  
9 up. They're still not done with it -- setting  
10 up key strategic cameras throughout the City.

11 MR. KLEIMAN: Right.

12 MR. MENENDEZ: Yeah.

13 MS. GOMEZ: And so, then, for this coming  
14 year, it's just additions, adding more cameras.  
15 The Geofence has not been built yet. It is not  
16 near being built yet.

17 So, remember, when we were talking about it  
18 with Cathy the other day, it's not --

19 MR. KLEIMAN: No, the whole thing is not  
20 complete. It is operational, because we do  
21 have cameras in certain spots, but it is not  
22 comprehensive.

23 MS. GOMEZ: Right. Right.

24 MR. KLEIMAN: And the goal is to make it as  
25 comprehensive --

1 MR. MENENDEZ: And there's somebody  
2 monitoring that all day, that sits there and  
3 watches the screens?

4 MS. GOMEZ: I don't think so, not yet,  
5 because we're not established yet.

6 (Discussion off the record.)

7 MR. MENENDEZ: Okay. So right now it's  
8 basically just for recording so somebody can go  
9 back to it later and use it, I guess?

10 MS. GOMEZ: I mean, it's for safety, you  
11 know --

12 MR. MENENDEZ: But it records? It has to.

13 MS. GOMEZ: Yes.

14 MR. KLEIMAN: Yes, it does record. No, but  
15 there will be someone watching it all of the  
16 time. That's the whole monitoring system.

17 And, basically, other cities can reach out  
18 to us, "There's a car coming your way. Keep  
19 your eye on it."

20 And they'll watch it and they'll know  
21 exactly where it is, in the end. Right now we  
22 don't have all of the ins and outs covered, but  
23 that's the goal.

24 How many more years? It's '17, '18 and  
25 maybe '19. I forget how many more years now.



1           And just so you know, the CGTV, which we  
2 did not fund in FY '17, we did fund a piece in  
3 FY '16. So if Cathy is okay with skipping a  
4 year, that's communications, and it's not that  
5 it's not important, it is a priority, but not  
6 as high a priority as some of the other items.

7           MS. GOMEZ: And, you know, the colors are  
8 not lined up, because this is in the order that  
9 the Commissioners gave it to us.

10          MR. HOLIAN: Yeah. That's their opinion.  
11 That's their priorities.

12          MR. KLEIMAN: Correct.

13                 And now on to Slide 9. You'll see the  
14 actual detail of what's in the FY '17 budget.  
15 This is basically the first column of the Five  
16 Year Capital Improvement Plan, which will come  
17 out during the summer, and you'll get an  
18 advance copy of that.

19                 If you want to just skim through that, you  
20 can.

21          MR. HOLIAN: IT Data, I think I have a  
22 handle on that, because wasn't that like the  
23 Wild West for a while, we were having problems  
24 in IT and all of that stuff, because it seems  
25 like it's always a big number? Is it running

1 smoothly?

2 MR. KLEIMAN: Yeah. The reason it's a big  
3 number is, that was the first capital matrix  
4 program that we set up.

5 MR. HOLIAN: Right.

6 MR. KLEIMAN: No, the first one was Motor  
7 Vehicles. This was the second one.

8 Basically, we said to them, okay, take all  
9 of -- we created this grid on Excel. Take  
10 every single one of your pieces of equipment  
11 and software that you have to replace, give me  
12 the longest life cycle. So if the longest  
13 lifecycle is 20 years, and other ones are five  
14 years, they get replaced four times in the  
15 20-year period.

16 MR. HOLIAN: Correct.

17 MR. KLEIMAN: List it all down and give me  
18 the current value of it to replace it, and it's  
19 a simple matrix, and it works with the numbers.

20 The first year, FY '15, was \$906,000. '16,  
21 because they got more new equipment, it jumped  
22 to 1,131,000. Now I think it's like 1,262,000  
23 and that is to replace everything on a timely  
24 basis.

25 MR. HOLIAN: On its life cycle?

1 MR. KLEIMAN: On its life cycle, which is  
2 what you need to do.

3 MR. HOLIAN: Okay.

4 MR. MENENDEZ: And this is how much we'll  
5 spend in the current year, 1.26?

6 MR. KLEIMAN: No, we don't spend it all,  
7 because this is also, let's say, to replace  
8 Eden, our software. So, let's say, they'll  
9 spend maybe a third of it. They keep banking  
10 it, because when we have to --

11 MS. GOMEZ: -- make a larger purchase, we  
12 have the money.

13 MR. KLEIMAN: The goal is never to take out  
14 debt on regular known capital items. You want  
15 to build a building, there's reserves for that.

16 MR. MENENDEZ: So these are reserves?

17 MS. GOMEZ: Part of it will go toward  
18 reserve for, for instance, our ERP system, when  
19 we have to renew it. You know, maybe a very  
20 large purchase, so we don't have to have  
21 anywhere near a large expenditure. Over the  
22 last three years, we've been building up.

23 Let's just argue, a million dollars, you  
24 know, \$300,000 a year of this will --

25 MR. KLEIMAN: And we reappropriate it every

1 single year.

2 MR. HOLIAN: So it's almost like a micro  
3 budget for your --

4 MR. KLEIMAN: Exactly, specifically for  
5 that. And I can honestly tell you, no other  
6 city does it.

7 Okay. We do it here. We designed this  
8 whole matrix program. I tried it in North  
9 Miami, when I was there. We managed to get  
10 some of it done. But, here, they've let me  
11 have Cart Blanche.

12 So, anyway, if you want to just glance  
13 through it. If you have any questions on any  
14 of the items here.

15 Motor Vehicles, that's also in the matrix  
16 that is fully funding the Motor Vehicle fleet.

17 MR. MENENDEZ: I'm sorry. I'm confused.  
18 I'm still stuck on capital projects.

19 MR. KLEIMAN: Go ahead.

20 MR. MENENDEZ: Why do you have IT Data  
21 Systems Equipment Replacement/Upgrade, and IT  
22 Data Systems Replacement/Upgrade --

23 MR. SMITH: I think you have adding errors  
24 here. These things sum up to this number, and  
25 then this number --

1 MS. GOMEZ: Yeah. This is a draft here.

2 MR. KLEIMAN: This is really a draft.

3 MR. SMITH: We were both looking at the  
4 same thing.

5 MR. HOLIAN: I saw that. I just didn't  
6 want to say anything.

7 MR. KLEIMAN: No. No. No. This is a  
8 draft, so please.

9 I looked at this the first time this  
10 morning, a quarter after 7:00, and I have not  
11 fully -- I'd rather find it now.

12 I have not seen every single item --

13 MR. MENENDEZ: So that's just the same  
14 number. Cross it out and total it.

15 MR. KLEIMAN: Yeah. So we'll fix it. We  
16 have to take this one out.

17 MS. GOMEZ: Uh-huh.

18 MR. MENENDEZ: Okay. Now I'm good.

19 MR. KLEIMAN: Thank you. I appreciate you  
20 catching that.

21 Please, again, if you see something that  
22 doesn't make any sense to you, just ask,  
23 because I'd rather explain it to you here than  
24 make a fool of myself in the Workshop or Diana  
25 make a fool of herself, because we don't know

1 who is doing it yet.

2 So any questions on the Capital Projects?

3 MR. MENENDEZ: No.

4 Did we stop repairing the Merrick House  
5 already? Are we done with the Merrick House?

6 MR. KLEIMAN: We're starting.

7 MR. HOLIAN: We've never going to be done.

8 MR. KLEIMAN: No. It's in Procurement. We  
9 actually awarded it.

10 MS. GOMEZ: No, I think it's awarded.

11 MR. KLEIMAN: It's 1.6 or seven million.

12 MR. MENENDEZ: Including the garage?

13 MR. KLEIMAN: Yeah, everything, including  
14 the wall that's falling down I think on the  
15 west side. It's all going to get done.

16 And considering that the amount of money  
17 that's going into it could build a new house,  
18 you know, the problem is the restoration cost.

19 MR. HOLIAN: The dollar value of the  
20 conversations about the Merrick House could  
21 have built a new house.

22 MR. MENENDEZ: It's cataloguing it and  
23 doing all of the restoration, and then we're  
24 not even sure if we're going to open it to the  
25 public more or less. I remember they were

1 going back and forth on that.

2 MR. KLEIMAN: No. No. They're going to  
3 reopen it to the public, because we have a  
4 docent program now, which is in the budget. So  
5 they're definitely looking forward to reopening  
6 it, but it's been closed now for a while,  
7 because we started this a long time ago.

8 MR. HOLIAN: Where is Fire Station 4?

9 MS. GOMEZ: That doesn't exist yet.

10 MR. KLEIMAN: It's by a church. It's the  
11 one closer to the area we're going to annex,  
12 High Pines.

13 MR. HOLIAN: All right.

14 MR. KLEIMAN: It's close to that. I don't  
15 know the exact address, but we bought a trailer  
16 and the trailer is there right now.

17 MS. GOMEZ: Well --

18 MR. KLEIMAN: No. No. The one we bought  
19 was Trailer 2.

20 MS. GOMEZ: Yeah, but I don't believe none  
21 of them are there yet. They're going to take  
22 time to build and to deliver and all of that.

23 MR. KLEIMAN: Oh, I'm sorry.

24 MR. HOLIAN: I didn't know we were  
25 annexing. I heard about it --

1 MS. GOMEZ: Well, no, we don't know if  
2 we're annexing.

3 MR. KLEIMAN: No. No. It's potential.  
4 Potential.

5 MR. HOLIAN: Isn't that a double deal,  
6 where we have to get Little Gables and --

7 MS. GOMEZ: So nothing is set, you know,  
8 but it has always -- when the discussions have  
9 come up, it has come up both, Little Gables, as  
10 well as High Pines Ponce/Davis.

11 MR. HOLIAN: Okay.

12 MS. GOMEZ: In the past, the County had  
13 said, "You've got to take both of them. You  
14 can't take one or the other."

15 MR. HOLIAN: Right.

16 MS. GOMEZ: You know, we haven't started  
17 the conversation again with the County. We're  
18 starting to look at it internally to see if  
19 it's something that, you know, it's going to  
20 make sense for us to do. So they want to move  
21 in that direction, perhaps -- I don't want to  
22 speak for the Commission -- but we've been  
23 doing some analysis on it, so that we can have  
24 a presentation to the Commission at some point  
25 in the future, for them to decide what we're



1 going to do.

2 MR. KLEIMAN: And even if we decide we want  
3 it, it has to be put to a vote for those people  
4 in those two areas.

5 MS. GOMEZ: Right.

6 MR. HOLIAN: Oh, yeah.

7 MS. GOMEZ: And the Fire Station 4 -- that  
8 area, regardless of whether or not High Pines  
9 gets annexed, needs the fire station.

10 MR. KLEIMAN: It's a weak spot right now.

11 MS. GOMEZ: It would be beneficial if we  
12 were to, because then they could service that  
13 area, but that area still needed a fire  
14 station. Right now they're going to set up --

15 MR. HOLIAN: When we annexed down south, we  
16 extended the Fire Department. Was our last  
17 annexation, like Kings Bay --

18 MS. GOMEZ: Deering. Kings Bay or Deering.

19 MR. HOLIAN: Yeah, and then that put more  
20 pressure on the Fire Department.

21 MS. GOMEZ: Correct.

22 MR. KLEIMAN: Right. Because High Pines is  
23 a big chunk, and it's low maintenance for us.

24 The other area is actually going to help  
25 us, public safety-wise, because right now, with

1 the borders, they have to go (pointing), and  
2 now they'll have one border across the top. So  
3 it's actually pretty good.

4 MR. HOLIAN: I was at that meeting for that  
5 annexation, and the people that there were  
6 there were booing when people spoke about Coral  
7 Gables, against annexation, and the people from  
8 High Pines were booing, and it was just nasty.

9 MR. KLEIMAN: Yeah. I met a couple from  
10 High Pines, and they actually left their home  
11 in High Pines, because it wasn't happening fast  
12 enough.

13 MR. HOLIAN: Right. Anyway, I'm sorry --

14 MR. KLEIMAN: They don't want to be in  
15 Miami-Dade. They want to be part of Coral  
16 Gables.

17 MR. MENENDEZ: Coral Gables.

18 MR. KLEIMAN: Yeah.

19 MR. MENENDEZ: So there's another 300,000  
20 for purchasing of parks.

21 MR. KLEIMAN: Yes.

22 MS. GOMEZ: That's just an ongoing --

23 MR. MENENDEZ: Yeah. I know. I've seen it  
24 now for years. I'm completely against it,  
25 until we finish the parks that we've already

1 bought, and put stuff on those parks.

2 MR. KLEIMAN: Yeah, there's no plans to  
3 spend it. It's just banking it. Because, I  
4 tell you, 300,000 is not a lot of money --

5 MR. MENENDEZ: But if you bank it three  
6 years, you have a million.

7 MR. KLEIMAN: Right. So we'll have 1.5 by  
8 the time this gets implemented. So it's still  
9 not a lot. We can spend that, like that.

10 MR. MENENDEZ: But we didn't spend that  
11 now, this past one, when we bought those  
12 passive parks?

13 MR. KLEIMAN: We used NRP funds.

14 MR. MENENDEZ: So why do we have this fund  
15 that we keep growing every year and then we use  
16 other funds to buy the passive parks that we  
17 just bought?

18 MR. KLEIMAN: Well, the actual use of NRP  
19 was because the City basically vacillated back  
20 and forth in finishing NRP projects. We had  
21 loan issues, that we had to spend the money by  
22 June.

23 MR. MENENDEZ: That's right.

24 MR. KLEIMAN: So we had no choice. So we  
25 had to do responsible things. So buying park

1 land is, of course, very responsible. So it  
2 definitely helps the City and it qualified for  
3 the use of that money.

4 MR. MENENDEZ: And we can't re-class these  
5 funds after it?

6 MS. GOMEZ: They can, but the City  
7 Commission hasn't chosen to. They want to keep  
8 it there, because they -- you know, in the  
9 future, there's going to be a need.

10 MR. HOLIAN: And it's never been there. I  
11 mean, we never had a fund to buy parks.

12 MR. KLEIMAN: No. This started four years  
13 ago.

14 MR. HOLIAN: And the parks reflected it.

15 MR. KLEIMAN: Right. And, also, remember,  
16 we don't have a lot of big parks. We have  
17 little pocket parks. So, honestly, if you stop  
18 building up some money to buy a little land,  
19 it's going to be way more than this. So, you  
20 know, you're going to need two and a half to  
21 three million dollars, maybe more, to buy a  
22 piece of big property, so you have a full  
23 active park.

24 MR. MENENDEZ: But what did we spend on the  
25 total of those passive parks?

1 MS. GOMEZ: 4.5.

2 MR. KLEIMAN: We moved five in there, but  
3 it was only three point something, because one  
4 of them --

5 MS. GOMEZ: It was just under four million.

6 MR. KLEIMAN: Yeah, because one of them  
7 backed out. I don't know the exact reason.

8 So we're using some of that money now to  
9 renovate the other parks. So everything is  
10 moving forward in all of the parks. The only  
11 one we have not started is Lot 25, but there's  
12 money in this budget for that.

13 MR. MENENDEZ: So, actually, they're  
14 starting to do, like graze the land, do --

15 MS. GOMEZ: No. They're starting the  
16 process of meeting with the community, because  
17 all of those passive parks have to be  
18 decided --

19 MR. KLEIMAN: No, they passed that.

20 MS. GOMEZ: Not in the new ones.

21 MR. KLEIMAN: Yeah. Yeah. There's POs in  
22 place already for some of them.

23 MS. GOMEZ: Maybe for demolition.

24 MR. KLEIMAN: They're demo-ing the house  
25 that's in one of them.

1 MS. GOMEZ: Yeah.

2 MR. MENENDEZ: Yeah.

3 MR. KLEIMAN: They started to clear the  
4 others. They have to maintain them. So  
5 there's money in the budget even to just  
6 maintain them and cut the grass.

7 MR. MENENDEZ: Yeah. Fence them or  
8 whatever.

9 MR. KLEIMAN: Right. But the three smaller  
10 parks that we bought a few years ago, there was  
11 one we bought, just one, that was Lisbon, and  
12 we had the others, that were already ours, so  
13 those, they're being renovated as we speak.

14 MR. MENENDEZ: As we speak?

15 MR. KLEIMAN: Yes.

16 MR. MENENDEZ: Oh, nice. I don't have any  
17 in my area.

18 MR. HOLIAN: I have one right down the  
19 block.

20 MR. MENENDEZ: But it just bothered me for  
21 a long time that we're kind of land banking and  
22 we weren't doing anything on those parks. And  
23 you get questions from people like, "Why are we  
24 buying land, when we haven't fixed up the land  
25 that we already own?"

1 I know that some of these new passive ones,  
2 there's not going to be much on there.

3 MS. GOMEZ: Right.

4 MR. MENENDEZ: But some of the other  
5 ones --

6 MS. GOMEZ: It's also the opportunity.

7 MR. KLEIMAN: Now we're budgeting for it.  
8 If you don't budget for it, then there's not  
9 going to be any money. It's as simple as that.

10 MS. GOMEZ: And it's also the opportunity  
11 when the piece of property becomes available or  
12 it makes sense to the City. I mean, so you get  
13 it when you can and when you have the funding  
14 for it.

15 MR. KLEIMAN: Right.

16 MR. HOLIAN: Are we on Page 12 yet?

17 MR. SMITH: Sure.

18 MR. KLEIMAN: Okay. What do you have?

19 MR. HOLIAN: Do we have any storm water  
20 issues? Like, I mean, do we have any flooding  
21 areas that we need to deal with?

22 MR. KLEIMAN: There's nothing bad right now  
23 that we're not addressing right now. Like one  
24 of the problem areas was Cocoplumb, and there's  
25 a major project that is \$750,000, and they're

1 working on that now. They've more than broken  
2 ground on that one.

3 MR. HOLIAN: All right.

4 MR. KLEIMAN: What we did this year is, we  
5 increased the monthly cost, the ERU, for storm  
6 water. That was approved by the Commission on  
7 June 14th.

8 Basically, that's to start banking money  
9 for things that arise, because Coral Gables is  
10 going to be part of the ground zero when that  
11 happens, so --

12 MR. MENENDEZ: What does ERU stand for?

13 MS. GOMEZ: Rate per unit.

14 MR. KLEIMAN: The E is --

15 MS. GOMEZ: Something, rate per unit,  
16 right?

17 MR. KLEIMAN: Yeah. I forget what the E  
18 stands for, but ERU --

19 MS. GOMEZ: It's the unit rate for the --

20 MR. KLEIMAN: Right.

21 MR. MENENDEZ: Okay.

22 MR. KLEIMAN: I like using acronyms, until  
23 you ask me what they are.

24 It's in the back of my head. It will come  
25 out before this meeting is over.



1           Okay. Now, the change in head count,  
2 authorized full-time head count, went up by  
3 two, and not in the General Fund.

4           The whole idea with the General Fund is  
5 that we want to keep it steady as possible,  
6 because God forbid anything happens, the  
7 General Fund is the one that suffers, and then  
8 we have to start laying off. We don't want to  
9 do that.

10           The two increases are in our Proprietary  
11 Funds. One, in Parking, to address a  
12 management need in off hours, because there's  
13 nobody really watching -- that's available to  
14 watch the garages and the lots, and basically  
15 the Director is being pulled -- you know, he's  
16 here early in the morning, and basically his  
17 job is, you know, 24/7. So this is to give him  
18 a break and to have someone on board that will  
19 be actually at a manager level, to be around  
20 the garage, to handle any issues that come up.  
21 That is one.

22           And the other one is a mandate from the  
23 County to hire an additional staff member for  
24 our Sanitary Sewer system. Part of the consent  
25 decree that the County signed with, I believe,

1 the State, was that every sanitary sewer system  
2 had to have a certain staffing level per the  
3 size of the system, and we were one person  
4 short.

5 MS. GOMEZ: Equivalent residential unit.

6 MR. KLEIMAN: That's it.

7 Okay. We're keeping the millage the same,  
8 at 5.559.

9 Now, Slides 15 and on are not updated yet.  
10 I mean, if you just take a look at the trend on  
11 Slide 15, you'll see it's going to be about the  
12 same. The expected increase will be three  
13 percent at a cap, like it is for last year.

14 We do not expect, on Slide 16, to -- I'm  
15 sorry, I'm rushing ahead. Alex is not ready.

16 MR. MENENDEZ: Sorry.

17 MR. KLEIMAN: No. Remember, that's last  
18 year's information.

19 Now, last year's information also is that  
20 24, our millage is staying the same, and we're  
21 going to use the final millage rates from the  
22 County, because we don't have anything new to  
23 report from them, it's we're going to probably  
24 stay at 24.

25 Again, this is still last year's slide, but

1 we don't expect it to change, because nothing  
2 else has changed.

3 MR. HOLIAN: You know what's interesting  
4 about this? It's that a lot of these cities  
5 aren't full service cities on here. We give a  
6 lot more service to our residents than some of  
7 these other cities.

8 MR. KLEIMAN: Right.

9 MR. HOLIAN: And so even though it looks  
10 like we're down, with a low millage rate, I bet  
11 we give much more services than some of these  
12 other ones.

13 MR. KLEIMAN: Right. And you can tell by  
14 looking at the County's millage rate --

15 MR. MENENDEZ: But it evens it out when you  
16 add the County portion or no? Because it would  
17 even it out once you add the County portion,  
18 because it's based on how much service you use  
19 from them or no?

20 MR. KLEIMAN: Well, you have to figure, for  
21 us -- no, not necessarily, because like we have  
22 Fire, right, and our Fire -- but other cities  
23 are as high as we are or higher and they don't  
24 have Fire.

25 But you can tell, look at the County

1 column, and you can see the County, for most  
2 cities, is 8.33. It's 5.909 for us, because we  
3 don't pay for Fire.

4 There's also library in there, but we do  
5 pay for a library in the County, even though  
6 the building is ours.

7 MR. MENENDEZ: So the difference between  
8 the 8.3 and the 5.9 is basically the Fire  
9 portion?

10 MR. KLEIMAN: Uh-huh, Fire and Library.

11 MR. MENENDEZ: Fire and Library.

12 MR. KLEIMAN: Library is minuscule. I  
13 mean, it's a small amount. Most of it is Fire.

14 Now, this slide, again, is last year's  
15 slide, but it's not going to change much.  
16 Every year it changes by a cent or so, up or  
17 down. We don't expect it to change, because,  
18 unfortunately, right now, we don't know of any  
19 other millage changes across the board, so  
20 everything should stay exactly the way it is,  
21 just some of the numbers will change, the  
22 dollars, because our values went up.

23 MR. HOLIAN: Very nice. Nice job.

24 MS. GOMEZ: So one thing that's going to be  
25 in the budget --

1 MR. MENENDEZ: Do we have to pay the School  
2 Board?

3 MR. KLEIMAN: I asked the same. I've never  
4 had any kids. I don't plan on having any  
5 kids --

6 MS. GOMEZ: I send my kids to private  
7 school and I still have to pay it.

8 MR. KLEIMAN: That is double.

9 MS. GOMEZ: One thing that's new in the  
10 budget book this year is, the City did do a  
11 Strategic Plan, and so this is just the nice --

12 MR. KLEIMAN: This is the marketing.

13 MR. MENENDEZ: The mailer.

14 MS. GOMEZ: Yes. If you want to go over it  
15 a little bit.

16 MR. KLEIMAN: I didn't know we were going  
17 to do that, because I need my glasses. I can  
18 barely see it.

19 MS. GOMEZ: So, again, we hired a  
20 consultant.

21 MR. KLEIMAN: Yes. Doug Serrano and  
22 Denise -- I forgot her last name.

23 MS. GOMEZ: Hanes, I think it is.

24 MR. KLEIMAN: The goal of the City  
25 basically is to think about going toward the

1 Baldrige Award, which, you know, basically only  
2 two cities in the country have it, Coral  
3 Springs and a city in North Carolina or South  
4 Carolina.

5 MS. GOMEZ: South Carolina.

6 MR. MENENDEZ: It's called the Baldrige?

7 MS. GOMEZ: Baldrige.

8 First is the Sterling Award, I think we're  
9 going to go for, no?

10 MR. KLEIMAN: No. I think they want to  
11 just make the jump right to this.

12 The Sterling award is Florida's version of  
13 the Baldrige Award, but the Baldrige Award is  
14 the Federal award, and it is extremely  
15 prestigious. I mean, you've got to have all of  
16 your ducks in a row.

17 Our budgeting is in a row. Our finances  
18 are in a row.

19 They have to have Standard Operating  
20 Procedures. We don't have that. They need to  
21 be printed. And that's part of the things that  
22 they're going to help us with. You have to  
23 have a Strategic Plan in place. You have to  
24 have a matrix.

25 You'll notice, in this budget, when you do

1 have a chance to go through it, behind every  
2 department -- I don't know if you remember,  
3 last and all of the years before, they had what  
4 they called the Strategic Plan, which is  
5 basically just an operating plan nobody bought  
6 into, because nobody was part of it.

7 This was developed by the City Staff, with  
8 the consultant. Basically it's City Staff that  
9 determined what was going in here, based on  
10 Commission priorities.

11 So there are matrix now. Just to give you  
12 an example, if you look at Finance, was it Page  
13 183, you'll see that there are performance  
14 indicators, which are just the regular, normal  
15 operating things that you do, how are we doing  
16 with that.

17 But if you go, after the typical budget  
18 places, you're going to find the Action Plans,  
19 which tie right to the Strategic Plan. Every  
20 director has a contract with the City Manager,  
21 basically saying, this is what we're going to  
22 do for you in three years. And, in here, there  
23 are matrix, okay, how are we doing.

24 And they're sort of complicated to look at,  
25 so I'm going to have to have these memorized

1 before the Workshop, because people are going  
2 to ask me questions, and right now I look at it  
3 like, wait a second. I have to re-interpret  
4 them every single time.

5 There's a lot of information in here, but  
6 these matrix are designed to get us toward the  
7 Baldrige award. They are basically the  
8 fundamentals of that. They want to see  
9 measurements of how well you're doing.

10 MR. MENENDEZ: And what happens when you  
11 win this Baldrige award?

12 MR. KLEIMAN: Nothing.

13 MR. HOLIAN: You get a plaque.

14 MS. GOMEZ: Exactly.

15 MR. KLEIMAN: But it's prestigious.  
16 Because, honestly, when a city has a Baldrige  
17 award, it could attract businesses. People  
18 want to live there.

19 You know, people who will come in and look  
20 at the City's bottom line, before they move  
21 into a city, because they want to make sure the  
22 city is healthy, those are the people you want  
23 to come here, because they'll be buying big  
24 property or businesses, doing the same thing.

25 MS. GOMEZ: And so with, you know, the



1 Strategic Plan, you know, we've developed our  
2 mission, our vision, values, statements -- it's  
3 on the first page -- and then all of the  
4 different focuses, you know, customer focus,  
5 workforce focus, financial excellence, you  
6 know, process excellence, committee focused  
7 excellence, and sustainability.

8 So those are the areas that we looked at  
9 when developing, you know, what's important to  
10 this City, you know, with this plan.

11 So you can --

12 MR. MENENDEZ: And they require building  
13 and permitting to get affixed to it?

14 MS. GOMEZ: I'm sorry?

15 MR. MENENDEZ: Like the Building  
16 Department, and all of that?

17 MR. KLEIMAN: Oh, yeah.

18 MS. GOMEZ: Yes. So they have  
19 improvements -- process improvements that they  
20 need to make in order to tie in with, you know,  
21 what the overall vision of the City is.

22 MR. KLEIMAN: And you do know that they  
23 brought Peter Iglesias back. He's the  
24 Assistant City Manager. And he used to work in  
25 that department. So that basically is what his

1 baby is.

2 What he's been told to do is to straighten  
3 out Development Services.

4 MR. HOLIAN: Acquire, design and construct  
5 significant art for permanent display in proper  
6 places.

7 (Discussion off the record.)

8 MS. GOMEZ: Back on the record.

9 Okay. So that's pretty much everything  
10 with the budget that we have. If you have any  
11 other questions --

12 MR. HOLIAN: I think it's outstanding. I  
13 think you did a great job.

14 MR. KLEIMAN: Thank you very much. Again,  
15 it's not just me. This was City wide.  
16 Everybody really takes part in all of this.

17 MR. HOLIAN: The two of you did a great  
18 job. You can tell everyone else.

19 MR. KLEIMAN: Thank you.

20 MR. MENENDEZ: It's gotten progressively  
21 better every year. It's really, really good.

22 MS. GOMEZ: And so the idea is that we will  
23 meet with the Commissioners on the 27th, with  
24 the Workshop, at nine o'clock in the morning,  
25 in the Commission Chambers, go over everything,

1 fairly similar to what we've gone over here.  
2 Each department will do -- will talk about  
3 their Action Plans, because that's new.

4 MR. KLEIMAN: There's going to be a video.

5 MR. HOLIAN: How nice.

6 MR. KLEIMAN: We're all going on TV.

7 MS. GOMEZ: And do a video of, you know,  
8 our accomplishments and the Strategic Plan and  
9 the Action Plans and all of that. So that will  
10 be like the intro kind of thing.

11 MR. KLEIMAN: That's one thing also I  
12 didn't say, in here now are our FY '16  
13 accomplishments. If you look on the Budget  
14 Summary Page for each department, you'll see  
15 just three bullets, what high level things did  
16 they accomplish.

17 MR. MENENDEZ: It's not a whole book.

18 MR. KLEIMAN: It's just a couple of  
19 bullets.

20 MS. GOMEZ: Three bullets.

21 MR. KLEIMAN: There's three bullets for  
22 every department, and that's a new thing.

23 And like I say, one of my staff members  
24 thought about it, and he's the one who  
25 integrated that. He is a senior analyst for

1 us. He came from the Town of Davie. Just a  
2 great catch, let me tell you.

3 MR. HOLIAN: Excellent.

4 The video is not going to be like the  
5 Police Running Man video, right? Have you seen  
6 that? It's actually worth seeing. It's very  
7 funny.

8 MS. GOMEZ: It was cute, yes.

9 No, it will just be three --

10 MR. HOLIAN: "This is the budget --"

11 MS. GOMEZ: It will be, you know, three  
12 minutes to five minutes, each department, you  
13 know, just very high level, talking about their  
14 accomplishments and their Action Plans for the  
15 upcoming year.

16 MR. HOLIAN: And that's great for them to  
17 do. So we get to hear their voice and put a  
18 name to a face, instead of some line item in  
19 there.

20 MS. GOMEZ: Exactly. And instead of having  
21 everyone come up at the Commission meeting and  
22 present it, it's just an easy way -- they can  
23 ask questions, and pull anybody up, "Oh, I had  
24 a question about Diana's Action Plan."

25 Okay. Bring her up and let's talk to her

1 about it or whatever, but this way they just  
2 get the high level overview.

3 MR. KLEIMAN: Plus it will be on the  
4 website when it's done.

5 MS. GOMEZ: Right.

6 MR. KLEIMAN: Anybody can see it.

7 MS. GOMEZ: Right.

8 And so from now to then, the idea would be  
9 that, I'm sure your Commissioners will reach  
10 out to you, at some point, to talk about the  
11 budget.

12 MR. KLEIMAN: Before the Workshop probably,  
13 right?

14 MS. GOMEZ: Yeah. I would guess. You  
15 know, or you can reach out to them. Obviously,  
16 however you normally do it. And, you know, any  
17 questions or whatever they may have, you  
18 know --

19 MR. KLEIMAN: Just reach out to us.

20 MS. GOMEZ: And you could always reach out  
21 to us at any point in time regarding any  
22 question you may have.

23 As to the question on the external auditor,  
24 so, yes, you can talk to your Commissioners.  
25 You shouldn't talk amongst yourselves, you

1 shouldn't talk to the vendors and you shouldn't  
2 talk to anybody else about it, but you can talk  
3 to your Commissioners about it, until it's been  
4 issued, and it won't be issued until that  
5 Thursday.

6 MR. HOLIAN: Okay. Thank you.

7 MR. MENENDEZ: The internal auditors, what  
8 happened with that?

9 MS. GOMEZ: So the RFP is still out on the  
10 street on that. So I won't get into the --

11 MR. KLEIMAN: They had questions. They're  
12 going to be posted on the website today.

13 MS. GOMEZ: They had to do an addendum.

14 MR. MENENDEZ: It got delayed a little bit.  
15 So it won't be definitely next week or the week  
16 after.

17 MS. GOMEZ: No. It's going to be -- the  
18 actual RFP Committee meeting will either be the  
19 week of, I want to say, the 13th or whatever,  
20 August --

21 MR. KLEIMAN: This is for the internal or  
22 external?

23 MS. GOMEZ: Internal.

24 No, external was done and it's going to  
25 Commission.

1 MR. KLEIMAN: Do we have anybody from this  
2 Board yet?

3 MS. GOMEZ: Not yet.

4 Alex, you had said that you might try to do  
5 it --

6 MR. MENENDEZ: Yeah, because we had to pick  
7 a date and then we were saying, the week that  
8 you guys said, the week of, which I think was  
9 the 15th, I was out that week. You said it  
10 might be the following.

11 MS. GOMEZ: Right. It may be the 22nd.

12 Right, so it's either the week of the 15th  
13 or the 22nd. So we are trying to find members  
14 from this Committee to be on there.

15 MR. KLEIMAN: Ideally. Ideally. The more  
16 members from this Committee looking at it,  
17 other than City employees --

18 MR. SMITH: It's in August?

19 MS. GOMEZ: August.

20 MR. SMITH: I should be all right. This  
21 month is brutal.

22 MS. GOMEZ: Yeah. I saw your e-mail.

23 Yes, that would be great. I mean, it  
24 doesn't have to be all five members, obviously,  
25 you know, but then I think we're attempting to

1 get an Internal Auditor from a different city  
2 to come and sit on the panel, and then some  
3 other City Officials.

4 MR. HOLIAN: Alex, did you want to bring up  
5 the fact that one of the people that was going  
6 for the Internal Auditor did the scope or  
7 didn't we -- he wasn't going to ask the City --  
8 was not soliciting the City for any contracts,  
9 do you remember that conversation?

10 MR. MENENDEZ: Yeah, because for the  
11 external auditors, we had --

12 MS. GOMEZ: Right. Yes, they were allowed,  
13 for the external. They cannot, for the  
14 internal. They know that.

15 Yes. Yes. Yes. It's fine, because it's  
16 two different separate types of --

17 MR. HOLIAN: Yeah, it's fine. It was just  
18 that it was a little confusing at one point.  
19 It was like, "Oh, we don't have to work with  
20 the City."

21 And I was like, "Okay."

22 MS. GOMEZ: Right. No. No.

23 Right. Right. Right.

24 MR. KLEIMAN: Any company coming in can put  
25 a response into either one, but they can't get



1 both.

2 MS. GOMEZ: Right. Right. So we'll award  
3 the external on the 26th, and then the  
4 evaluation won't even happen until the 20  
5 something of August. So there's enough  
6 separation there.

7 As Keith mentioned, there were questions  
8 posed by the responders, and so we're going to  
9 post an addendum to that.

10 MR. KLEIMAN: It has to be done today.

11 MS. GOMEZ: Right.

12 MR. HOLIAN: What was the budget for the  
13 internal?

14 MS. GOMEZ: We don't really have a budget,  
15 per se.

16 MR. KLEIMAN: Lori's budget was around  
17 250,000.

18 MS. GOMEZ: For the whole department.

19 MR. KLEIMAN: But a piece of that is the  
20 unfunded liability for the pension. So even  
21 though she goes away, that big piece just gets  
22 distributed to the rest of the City.

23 MS. GOMEZ: Right.

24 (Discussion off the record.)

25 MS. GOMEZ: We have no idea how much it's

1 going to be. You know, we don't have a budget  
2 set up. We don't know what it's going to be,  
3 and so we don't want to put a number out there,  
4 because we don't want people to come in at a  
5 certain number, obviously, but we'll figure out  
6 the budget -- by the final budget, in  
7 September, we'll make the adjustments, you  
8 know. Most likely we'll have an internal  
9 audit -- one position, the liaison position,  
10 and then whatever else --

11 MR. MENENDEZ: And then the external use.

12 MS. GOMEZ: Yeah, exactly, what it looks  
13 like it's going to come back at. So hopefully  
14 we'll get that resolved soon.

15 What else? I don't have anything else.

16 MR. KLEIMAN: Anything on the Agenda?

17 MS. GOMEZ: No. That was it.

18 Any discussion items that anybody has about  
19 anything?

20 MR. KLEIMAN: Wait. So when do you need to  
21 have an answer for the Internal Audit  
22 Committee?

23 MS. GOMEZ: Vanessa is the one that's  
24 working that one, I think. I think it's  
25 Vanessa, in Procurement. I will ask her to

1 finite the date. It's probably going to be the  
2 week of August 22nd, which is the first week  
3 back to school for those of us who have kids in  
4 school grade.

5 MR. MENENDEZ: Off the record.

6 (Discussion off the record.)

7 MR. HOLIAN: How much time is it going to  
8 be on the 22nd?

9 MS. GOMEZ: Depends on how many we get.  
10 It's not going to be on the 22nd. It's going  
11 to be the week of the 22nd. So we can try to  
12 find a date. Usually what she'll do is, when I  
13 tell her, these people have said that they  
14 could be on the Committee, she'll send out an  
15 e-mail, saying, when they get a little bit  
16 closer, knowing how many they have, they'll  
17 say, okay, it's going to be four hours. If  
18 we're going to get three, it may only be two  
19 hours. It really depends.

20 Because we had the nine for the other one,  
21 so how long did it take? It took a while. And  
22 then if you want to interview, then it's  
23 presentation afterwards. So it really depends.

24 I know both of you just sat on one, and I  
25 appreciate it. I know that Erin is sitting on

1 one for the Parking Garage, and that's going to  
2 be a very lengthy one. We're hoping Cheryl --  
3 I haven't heard from her, if she's able to. I  
4 know she's traveling a lot.

5 So, you know, the more of this Committee  
6 that we can get on the Board, the better it is.  
7 If I can put your names as tentative for now --

8 MR. HOLIAN: You can do that for me.

9 MR. MENENDEZ: Yes.

10 MS. GOMEZ: Because then I'll also get  
11 alternate people to be on it, so that if  
12 something happens or whatever, but --

13 MR. HOLIAN: Will we have anyone else from  
14 outside?

15 MS. GOMEZ: Yes. So, from outside, we're  
16 looking to find an Internal Auditor from a  
17 different city, so they're asking Internal  
18 Auditor from Miami Beach, because Pamela, who  
19 is our Assistant Chief Procurement Officer,  
20 used to work there, and says that she thinks  
21 that he'd be very good, to get that  
22 perspective, and then perhaps somebody from the  
23 City Manager's Office, is what we're looking  
24 at, or maybe another City Department or  
25 somebody from Finance.

1           So that way, in total, we want five. So  
2           depending on how many members from this Board,  
3           versus -- so if we can, you know, we'll set the  
4           list and then, you know, hopefully it will work  
5           out -- the date will work out for everybody.

6           MR. HOLIAN: I can tell you, if it's the  
7           week before the 22nd, I'm a no go.

8           MS. GOMEZ: Okay. And Alex, as well. So  
9           I'm going to tell Vanessa to just stick to the  
10          week of the 22nd. Let's try to pick a date.

11          We have a proposed meeting on August 25th,  
12          because we do skip -- well, we're already in  
13          July, but this is typically the June meeting,  
14          but we moved it so we can talk about the  
15          budget.

16          I don't know if that date works, August  
17          25th, for the next Budget Advisory Board  
18          meeting.

19          MR. HOLIAN: Do we need one?

20          MS. GOMEZ: Maybe. Maybe we move it to  
21          September for the hearings.

22          MR. SMITH: It all depends, also, on when  
23          they're going to have the Internal Auditor.

24          MS. GOMEZ: Right.

25          MR. SMITH: That's the week of the 22nd.

1 MS. GOMEZ: Exactly.

2 MR. KLEIMAN: We do need one in September,  
3 because we go over the Capital Improvement  
4 Plan, because the budget -- there will be  
5 minor, minor changes.

6 MR. HOLIAN: The budget is the budget,  
7 which we're doing it now in July. I mean, if  
8 there is something we need to do --

9 MR. KLEIMAN: Yeah. I mean, we don't  
10 expect anything major to change in the budget.  
11 Just to let you know, the values did come up a  
12 little bit higher as of June 1, so we're  
13 getting another \$190,000, which is not in here,  
14 because this snapshot was taken the week  
15 before, and there's a couple of other revenues  
16 from the State, which we don't get notified  
17 until now, and one came in higher, and we're  
18 still waiting for the others.

19 So we're expecting somewhere between  
20 250,000 to 500,000 of extra, which we can't  
21 really pinpoint at this point. So those are  
22 the major changes.

23 MS. GOMEZ: Right.

24 So September 13th and 27th are the  
25 Commission hearings. What might work is a

1 meeting in between there, so in case there is  
2 anything that happens in the first hearing.  
3 You know, so maybe move August's meeting, so  
4 that you have more availability for the  
5 evaluation, and then just meet in September,  
6 maybe September 20 -- September 15th?

7 MR. SMITH: No. That's the last tax  
8 deadline for corporate.

9 MS. GOMEZ: Okay.

10 MR. SMITH: After the 15th is fine.

11 MR. KLEIMAN: Well, the COP goes to  
12 Commission for the second hearing.

13 MS. GOMEZ: Yeah. So maybe the week of the  
14 19th.

15 MR. HOLIAN: Preferably not the 16th.

16 MS. GOMEZ: Right. The 22nd, which is a  
17 Thursday.

18 MR. KLEIMAN: We haven't done the last --  
19 the third quarter of the overtime, because this  
20 one was too close to that.

21 MR. SMITH: That's fine.

22 MR. HOLIAN: Do we have a date?

23 MS. GOMEZ: So should we say, September  
24 22nd?

25 MR. MENENDEZ: Yes.

1 MR. KLEIMAN: That's the next meeting.

2 MS. GOMEZ: The next regular meeting. And  
3 then we'll look for the week of the 22nd to  
4 establish the Audit Advisory -- well, the  
5 Internal Audit Evaluation Committee.

6 Okay.

7 MR. MENENDEZ: So we'll close the meeting?

8 MS. GOMEZ: Yeah. Adjourned.

9 (Thereupon, the meeting was adjourned at  
10 9:15 a.m.)

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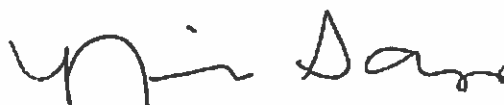
STATE OF FLORIDA:

SS.

COUNTY OF MIAMI-DADE:

I, NIEVES SANCHEZ, Court Reporter, and a Notary Public for the State of Florida at Large, do hereby certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 15th day of July, 2016.

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NIEVES SANCHEZ