

**City of Coral Gables City Commission Meeting
Special Assessment Hearing
September 12, 2024
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Kirk Menendez**

City Staff

**City Manager, Amos Rojas, Jr.
City Attorney, Cristina Suárez
City Clerk, Billy Urquia
Finance Director, Diana Gomez**

Public Speaker(s)

**Jackson Holmes
Paul Winkeljohn
Miles Maranto (phonetic)
David Hill
Ronald Ponzoli
Suzan Ponzoli
Juan Galan**

Agenda Items 1 through 16 are related [3:00 p.m.]

A Resolution of the City Commission relating to the provision of the Miracle Mile improvement project; approving the updated assessment roll for the Miracle Mile Assessment Area; providing for the collection of the assessments to fund the Miracle Mile improvement project within the Miracle Mile Assessment Area

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Agenda Items 1 through 16 are related - Resolutions of the City Commission relating to various improvement projects, fire protection services, collection and disposal of solid waste and recyclable materials, security service assessments, and the provision of street lighting services, facilities and programs in various Special Taxing Districts in the City of Coral Gables.

pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to the provision of the Giralda Avenue Improvement Project; approving the updated assessment roll for the Giralda Avenue Assessment Area; providing for the collection of the assessments to fund the Giralda avenue Improvement Project within the Giralda Avenue assessment area; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to the provision of Fire Protection Services, facilities and programs in the City of Coral Gables, Florida; confirming the preliminary assessment resolution; reimposing fire protection assessments against assessed property located within the City, for the fiscal year beginning October 1, 2024; approving the rate of assessment; approving the assessment roll; and providing an effective date.

A Resolution of the City Commission relating to the collection and disposal of solid waste and recyclable materials in the City of Coral Gables, Florida; confirming the preliminary assessment resolution; reimposing Solid Waste Service Assessments against assessed property located within the City of Coral Gables, Florida, for the fiscal year beginning October 1, 2024; approving the rate of assessment; approving the solid waste assessment roll; and providing an effective date.

A Resolution of the City Commission relating to security services assessments within the Sunrise Harbour Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Snapper Creek Lakes Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the

reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Pine Bay Estates Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Old Cutler Bay Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Kings Bay amended Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Hammock Oaks Harbor Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Hammock Lake Banyan Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Banyan Drive Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Hammock Lakes Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Cocoplum Phase I Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to the provision of street lighting services, facilities and programs within the Cocoplum Phase I Street Lighting Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated street lighting assessment roll; providing for the reimposition of the street lighting assessments;

providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

A Resolution of the City Commission relating to security services assessments within the Gables by the Sea-Coral Gables Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Mayor Lago: Mr. Clerk. Good afternoon. I think we do. Mr. Clerk, we ready? All right, perfect. I'd like to call to order the Thursday, September 12th, 2024 Special Assessment public hearing that we're holding here at 3 o'clock. It is 3:05 and we're – 3:06 and we're commencing a few minutes late. I apologize. Before we get started, I'd like to lead us with the pledge of allegiance. Madam Vice Mayor, please lead us.

Pledge of Allegiance delivered.

Mayor Lago: The way I'll be handling this is I'll be calling every single one of these special taxing items one by one. The City Attorney will read it into the record, and I will open a public record. If there's any -- public comment. If there's any discussion amongst the Commission, then I'll be asking for a motion and a second. So, getting started with first item on the agenda. Madam City Attorney.

City Attorney Suárez: Thank you, Mr. Mayor. Number one is a resolution of the City Commission relating to the provision of the Miracle Mile Improvement Project approving the updated assessment roll for the Miracle Mile assessment area providing for the collection of the assessments to fund the Miracle Mile Improvement Project with the Miracle Mile assessment area pursuant to the Uniform Assessment Collection Act; providing for the effectiveness of the resolution; providing severability and for an effective date.

Mayor Lago: Mr. Clerk, is there any public comment?

City Clerk Urquia: Yes, sir.

Mayor Lago: On this item we'll hear public comment first.

City Clerk Urquia: Okay, Jackson Holmes.

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Mayor Lago: Good afternoon, sir.

Jackson Holmes: Thank you so much. I want to thank Diana Gomez and Ms. Perez. And for that matter, you, Mr. Mayor, and you, Commissioner Fernandez, in the past, for helping make sure that we have -- that the laws are enforced relating to the former Business Improvement District. And because there were so many nightmares with that, I'm just here to reiterate what Ms. Gomez and Ms. Perez emailed me as to on Tuesday. They said that this item only re-legalizes a collection of the debt only related to streetscape, which is a perfectly legitimate purpose. But I figured I should -- because I've seen this cat has nine lives. I should just ask, I see somebody laughing, that if anyone has a different interpretation of this item that we're discussing, please let me know. Otherwise, I'll assume that this has only to do with collection of a past streetscape debt.

Mayor Lago: Madam City Attorney, can you provide any clarity to the question?

City Attorney Suárez: Yes, this has nothing to do with any improvement district or any business improvement district. This is the prior assessment -- setting the assessment rate for that prior assessment area. And I think the Finance Director has a very brief presentation.

Mayor Lago: Perfect. Thank you, sir. Madam Finance Director.

Finance Director Gomez: Good afternoon, Diana Gomez, Finance Director. So, this annual assessment resolution confirms the assignment of assessment units and computation of the assessment. It confirms the imposition of the assessment in a manner provided for in the ordinance and establishes the assessment for the fiscal year beginning October 1st, 2024, and approves the assessment roll for the Miracle Mile Improvement Project, which is a streetscape project. So, it's an annual process that has to happen in order for us to continue the assessment.

Mayor Lago: Is there any discussion? I'll entertain a motion.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: I'll second.

Vice Mayor Anderson: Yes.

Commissioner Castro: Yes.

Commissioner Fernandez: Yes.

Commissioner Menendez: Yes.

Mayor Lago: Yes.

(Vote: 5-0)

Mayor Lago: Moving on to Item Number 2.

City Attorney Suárez: Number 2 is a resolution of the City Commission relating to the provision of the Giralda Avenue Improvement Project; approving the updated assessment roll for the Giralda Avenue Assessment Area; providing for the collection of the assessments to fund the Giralda Avenue Improvement Project within the Giralda Avenue assessment area; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effectiveness resolution; providing severability and effective date.

Mayor Lago: Mr. Clerk, do we have any public comment?

City Clerk Urquia: No, Mr. Mayor.

Commissioner Menendez: I'll move it.

Finance Director Gomez: So, this -- I'm sorry. This is the resolution setting the assessment for the current year for the Giralda Streetscape Improvement Project.

Mayor Lago: Thank you.

Commissioner Menendez: I'll move it.

Vice Mayor Anderson: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to Item 3.

City Attorney Suárez: Number 3 is a resolution of the City Commission relating to the provision of Fire Protection Services, facilities and programs in the City of Coral Gables, Florida; confirming the preliminary assessment resolution; reimposing fire protection assessments against assessed property located within the City, for the fiscal year beginning October 1, 2024; approving the rate of assessment; approving the assessment roll; and providing an effective date.

Mayor Lago: Mr. Clerk, do you have any public comment?

City Clerk Urquia: No, sir.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: I second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Item 4.

City Attorney Suárez: Number 4 is a resolution of the City Commission relating to the collection and disposal of solid waste and recyclable materials in the City of Coral Gables, Florida; confirming the preliminary assessment resolution; reimposing Solid Waste Service Assessments against assessed property located within the City of Coral Gables, Florida, for the fiscal year beginning October 1, 2024; approving the rate of assessment; approving the solid waste assessment roll; and providing an effective date.

Mayor Lago: Mr. Clerk, do you have any public comment?

City Clerk Urquia: No, sir.

Mayor Lago: I need a motion.

Commissioner Menendez: I'll move it.

Vice Mayor Anderson: Second.

City Attorney Suárez: Mayor, we should just have, even if it's brief, the presentation from the Finance Director.

Mayor Lago: Whatever you like.

Finance Director Gomez: Okay, so on May 21st, 2024, the City adopted the preliminary assessment resolution, which initiated the process for the annual opposition of the solid waste service assessment and established the rates for solid waste collection for the fiscal year beginning October 1st, 2024. The early payment rate per living unit was \$550 and \$275 per auxiliary living unit. Early payments were accepted through August 15th. The regular payment, which will be on the tax bill for those individuals who did not take advantage of the early payment, it will be \$577.50 for the single family or one dwelling unit and the auxiliary rate is \$288.75. That will be on the November tax bill if unpaid as of this point, as well as any pass-through, special pickup charges

will also be on the tax bill. So, there was about 3,200 accounts which had unpaid balances and will be on the tax bill in November.

Mayor Lago: Thank you very much. May I have a motion?

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving to Item 5.

City Attorney Suárez: Number 5 is a resolution of the City Commission relating to security services assessments within the Sunrise Harbour Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and effective date.

Mayor Lago: Mr. Clerk.

City Clerk Urquia: No speakers, Mr. Mayor.

Finance Director Gomez: So, the total estimated security service cost for this district, for this guardhouse district is \$345,600 for fiscal year '24-'25. There is no change in the proposed methodology, but there is an increase of \$565.46 in the proposed assessment rates. The fiscal year '24-'25 assessment is proposed to increase from \$3,034.54 to \$3,600 per improved lot, and from \$1,517, with 27 cents to \$1,800 per vacant lot. The increase is required to fund services provided, including increase in security services cost.

Mayor Lago: Thank you. I'll entertain a motion.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: I'll second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to Number 6.

City Attorney Suárez: Number 6 is a resolution of the City Commission relating to security services assessments within the Snapper Creek Lakes Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and effective date.

Mayor Lago: Mr. Clerk, do we have any public comment?

City Clerk Urquia: No, Mr. Mayor.

Finance Director Gomez: So, the total assessed -- the total estimated security services cost is \$333,850 for fiscal year '24-'25. There is no change in the proposed methodology, but there is an increase of \$336,000.72 to the proposed full assessment rate. The fiscal year 2024-25 assessment is proposed to increase from \$2,388.28 to \$2,725 per improved lot unit, and from \$1,194.14 to \$1,362.50 per vacant lot or unit. So, again, the increase is required to fund services provided, including increases to security services cost.

Mayor Lago: Thank you. I'll entertain a motion.

Commissioner Menendez: I move it.

Vice Mayor Anderson: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to Number 7.

City Attorney Suárez: Number 7 is a resolution of the City Commission relating to security services assessments within the Pine Bay Estates Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; the updated security services assessment roll; providing for the reimposition of the assessments; providing for

collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effective date of this resolution; providing severability and effective date.

Finance Director Gomez: The total estimated security service cost is \$212,157 for fiscal year '24-'25. There is no change in the proposed methodology or rates. The fiscal year '24-'25 assessments are \$2,755.28 per improved lot and \$1,377.64 per vacant lot. Current projects in -- happening in this -- this is a roving only special taxing district. And so, the current projects will use most of the previously generated surpluses.

Mayor Lago: Thank you. Mr. Clerk?

City Clerk Urquia: No speakers, Mr. Mayor.

Mayor Lago: Can I get a motion?

Commissioner Castro: I think this is one of the ones that we're having difficulty, no?

Mayor Lago: No, it's Number 11.

Vice Mayor Anderson: No. Yeah, it's a different item.

Commissioner Menendez: It's coming up. So, I'll move it.

Vice Mayor Anderson: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to Number 8.

City Attorney Suárez: Number 8 is a resolution of the City Commission relating to security services assessments within the Old Cutler Bay Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Mayor Lago: Mr. Clerk, do you have any public comment?

City Clerk Urquia: No, Mr. Mayor.

Finance Director Gomez: The total estimated security service cost is \$609,700 for the fiscal year '24-'25. There's no change in the proposed methodology, but there is an increase of \$158 in the proposed assessment rates. The fiscal year '24-'25 assessment is proposed to increase from \$4,391.22 to \$4,550 per improved lot or unit, and from \$2,195.61 to \$2,275 per vacant lot -- \$2,275 per vacant lot. So, increase required is to fund the services provided in this guardhouse district, including increases in security cost services.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: I'll second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Number 9 is the one that we received significant emails from in regards to Kings Bay. So, Mr. Clerk, do we have any -- do we have any public comment on the record or is it just emails?

City Clerk Urquia: No one here to speak on the item, sir.

Mayor Lago: Okay, Madam City Attorney?

City Attorney Suárez: Number 9 is a resolution of the City Commission relating to security services assessments within the Kings Bay amended Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and effective date.

Mayor Lago: Ms. Gomez?

Finance Director Gomez: Sure. So, the total estimated security services cost is \$307,500 for fiscal year '24-'25. There's no change in the proposed methodology. There is a proposed increase in this year's assessment. Originally, the City anticipated an increase of \$178.56. However, since we imposed that original rate increase in May, we obtained additional information regarding a reduction in telephone bill services, and therefore believe that we can reduce the proposed increase by approximately 50 percent to an increase of \$88.56, or a total assessment of \$22,060. So, this

reduction in the rate will still create or cause an operating deficit for the year in this district. However, this district does have sufficient reserves to cover that deficit in the upcoming year. And then we can reevaluate in the subsequent year if there's still enough reserves to not have to increase the full amount. This reserves -- the reserves in this district, we are setting the reserves for the guardhouse districts are set at 25 percent of their operating expenditures. That represents three months of operations. It should be noted that the City or the district does not start collecting tax revenues until November, December and into all the way June. So, there does need to be reserves for not only for uncertainties and emergencies, but also to have cash flow in order to fund the costs of the district while we are waiting on the tax revenues to come in. So, the proposal is changing what is in the packet. What I am recommending is that we can reduce the assessment rate by \$88.56 so that the assessment the full unit rate would be \$2,060 instead of what was originally in the packet of 20 of -- I'm sorry, of \$2,150, so reducing it by \$90 from what was originally proposed. So, that would be a -- an adjustment to the resolution as presented in the packet if that is the rate that is decided to move forward with.

Mayor Lago: So, first off, if I may, I just want to thank you Diana and the City Attorney and your staff. I know we got several emails today. I spoke with multiple residents in the community in Kings Bay and I appreciate you moving expeditiously to address this issue and to provide a little bit more clarity here on the record. One of the individuals that I spoke with is very active is Miles and he wanted to make sure that obviously in an effort to always have an open door, you know, policy between the City, your office, the City attorneys, and get a matter addressed. So, I wanted to thank you for your efforts today and bringing some clarity to that. Thank you.

Commissioner Castro: Is the Commission willing to do anything a little lower? Because after speaking to residents, they're still not happy with that reduction. So, can you offer us maybe another solution, alternative?

Finance Director Gomez: So, the -- so...

Commissioner Menendez: To piggyback on that, what's the percentage? Because the number that's, you know, we've been communicating is around 23 percent. So, now with these changes, what's the increase?

Finance Director Gomez: Sure. So, originally, if we left the full amount that we initially put onto the resolution back in May, we would then have an additional surplus. Well, we would still have an operating deficit, but that deficit would be about \$2,700 if we left the rate where we initially put the rate, \$2,150 per full home. We would have an annual operating deficit of \$2,700, \$2,735 with 19 cents, right, based on the budget. But that also assumed one of the bills were going to come in at -- I can't think of the number right now, let's just say \$9,000. It's no longer -- we've gotten additional information that bill will not be, it would only be \$3,600 for the year. Therefore, we have some room to bring down the assessment. So, if I bring down the assessment by half of what we were originally planning to take -- to do, then the deficit, the operating deficit for the year

will be -- I'm sorry, I have it right here -- would be \$8,600. So, that deficit would then eat into the fund balance that exists in this district. So, 25 percent reserve on this district suggests that we should have about just under \$72,000 in reserves. Right now, we have an estimate of anywhere between closing the fiscal year '24 at about \$80,000, somewhere between 80 and \$85,000. We don't know yet, we haven't closed out fiscal year '24 yet. So, if I were to do a reduction of the 50 percent reduction and eat into \$8,600 of that fund balance, that would leave me with a fund balance of \$76,000. And so, in the year after, and again, maybe another \$8,600, or maybe we would have not, maybe we will end up in a different -- having different fund balance because other costs either came in higher or lower, we just don't know until we get there. So, reducing it by 50 percent still gives us -- keeps us at our fund balance reserve goal, and we're only at a difference of about \$4,600. So, that's just a little bit of flexibility. You never know how things are going to work out. If we were to reduce it all the way and keep it the rate that was last year, then that would create an operating deficit of \$20,000. So, that \$20,000 deficit will then eat into the reserves. And so, then we'd be left with like a 64 or \$65,000 reserve, which is less than the 25 percent policy reserve that we have. And therefore, you know, so it's going against what the policies that we had set when we first took over these districts and what we have been operating with since we started. So, those reserves are the district's reserves. These reserves do not come into the City's -- for the City's emergency purposes. They are segregated and separate solely for the use of the district. And as I mentioned earlier, it also gives us the operating cash we need in the first few months of each year before we start receiving the revenues from the tax bills, because we don't -- we start getting taxes towards the middle ending of November -- actually probably December is the first time we get it because people have until November 30th to pay it at the first discount rate. And then so we get it a couple of weeks into December and then a few -- the December taxes we get into -- in January. So, we have to have operating cash available to pay the security guards and the bills before we start collecting that. So, my -- the recommendation that I'm giving here to reduce it only by 50 is because we have enough room, and we still will maintain the 25 percent reserve.

Vice Mayor Anderson: So, I have a couple of follow-up questions, Mayor. May I? Were those additional reductions done -- and this goes for -- I have a follow-up question for you, Mr. Winkeljohn. Since we spoke this morning, we met around 11 o'clock, were there additional reductions done from that point, or were those reductions already in place?

Finance Director Gomez: Well, so, in the May meeting, there was no reduction. We had an increase.

Vice Mayor Anderson: Right.

Finance Director Gomez: But I'm proposing a 50 percent reduction to what was proposed in May in order -- and yes, when we discussed it this morning, it was already the 50 percent reduction in our discussions.

Vice Mayor Anderson: So, Mr. Winkeljohn...

Paul Winkeljohn: Hello.

Vice Mayor Anderson: And for the record, you represent the Special Taxing District?

Mr. Winkeljohn: Yes, I'm the City's contractor that provides consulting and management expertise through my company, Governmental Management Services.

Vice Mayor Anderson: So, I'd like to hear from you as the representative for the district, you know, what is the position of the majority of the folks that reside there?

City Attorney Suárez: Just to clarify, he's not the representative for the district, he's the City's consultant that assists the City in the operations of the districts.

Mr. Winkeljohn: Thank you, good distinction. Can you restate the last part of your question? I didn't quite hear it. What is my position?

Vice Mayor Anderson: Did you hear from the individuals that live in Kings Bay?

Mr. Winkeljohn: Quite a few. I speak to as many people as I have access to that respond to me, that hear the letter, they'll call me, et cetera, et cetera. So, Mr. Miles is clearly one of them. But I also keep in touch with other members of the community, and I can answer any other questions. But...

Vice Mayor Anderson: And from your conversations with the individuals in the community that you've heard from, what is their position with regard to the now reduced increase?

Mr. Winkeljohn: Correct, the first comment that I received from -- who is -- they have volunteer homeowner associations, but they're well-organized. And that individual asked if there was any chance to cut it in half, that was his first comment. And I said, I'll present it to the City, and we'll see. Two or three other individuals, I shared the situation with them and asked them what they were looking for. They all asked for half. So, the only person who, when he negotiated with me to -- and really Diana, to reduce it, as soon as he succeeded to get half, he said, but I want all of it. So, I take it that way.

Vice Mayor Anderson: Okay, so I'm going to go back to our Budget Director. The policy to establish 25 percent on communities, I understand it with gatehouses, correct? How is that established?

Finance Director Gomez: So, back in 2017 and 2018, when we first were taking over the guardhouses from the County, then City Manager and the team that was put together to develop this program, because we were taking on a bunch of guardhouses and transitioning it from the

County to us. There are certain decisions that were made as to how we should handle and how should we treat these guardhouses. And so -- and the roving patrols and things like that. And so, no set resolution was ever done or taken. I don't know how -- you know, how many conversations the then City Manager had with the Commission or not, so I can't speak as to any of that. However, it was determined that we would maintain the policies of the -- of having the fund balance reserves, of making sure that we try not to increase the assessments too much in any one year to kind of spread it over as much as we can with being fair to the district but being fair to the City as well. And so, policy decisions were made and established and that's what we have been operating under since the start of these districts. And we have not really changed those policies because there has not been a need to change it. As I mentioned with the reserves on the guardhouses, you know, one, there's a possibility something could happen that we need to make repairs and things all of a sudden where we need the cash or the available funds and also the districts do require the funds available to operate for a few months into each fiscal year. With a roving -- for example, with a roving patrol, the chance -- the only real costs are the actual security costs. So, we felt that a 10 percent reserve on that is sufficient because at any one point in time, it's not going to -- the cost for security, if we had to change companies or something, the increase in the change of the fees is not going to be much more than that. So, we have the cushion to be able to absorb any change and then not necessarily have to increase the assessment immediately at a very significant rate. So, those were considerations that were made at the time. We have been operating under those considerations and those policies since. And so, if there is a want to change policy that we get the direction and we can change policy. I'm going to recommend that we keep it as we're operating for the reasons that I've been stating. And I think that it's important to have reserves. So, that's where -- that's my position on it. But again, whatever the decision of the Commission is on policy, we can then implement it moving forward.

Vice Mayor Anderson: So, I mean, I agree that a reserve is a wise thing to do. I noticed that Mr. Maranto has come here, and it appeared he filled out a speaker card. So, Mayor, you want to take public comment now?

Mayor Lago: Yeah, of course.

City Clerk Urquia: First speaker, Miles Maranto (phonetic).

Miles Maranto: Good afternoon, Commission.

Mayor Lago: Good morning, sir.

Commissioner Castro: Thank you.

Mr. Maranto: Thank you for allowing us the time to share. Because I was en route to get here, I didn't have an opportunity to hear what was shared, but I've had some dialogue back and forth for some days. I'll just share with you that we have a very fiscally healthy district. Our guardhouse

is a little -- and I mean little is probably not descriptive, tiny rectangular shack. I was part of the process of the original plans that we put it together with the City. It's a fortress. When I mean a fortress, it's a little fortress. We're proud of it, we take great care of it. We've had a guardhouse committee in the community since the beginning. Throughout that process, we annually meet with Paul, right? And Paul's been great to work with. From time to time, we speak with Diana also, who's also very professional. I'll just share that throughout our process this year in assessing a proposed tax increase, it didn't align with the thoughts of the guardhouse committee. We have accountants, we have people that care greatly, that do great in-depth analysis, and I guess you could say we're local, right? We know our own situation as well or better than anybody, from A to Z, right? In terms of the needs of this little rectangular box, so to speak, and its needs. So, we don't base things on an assumption of, well, let's just collect a bunch of money and put it on a pot and have it there forever. We establish a very disciplined criteria. First of all, we look at the fact that we have insurance for our little district, okay? We know the walls aren't coming down. This is not Jericho. We know. We saw them built. They're concrete, reinforced rebar. It's a rock. We're 20-foot sea elevation, the highest of three points in all of South Florida, just like the Grove and in Davie. We know what we have in that little, tiny jewel, okay? So, if we keep taxes the same, if they remain the same as they currently are, when I crunched the numbers maybe for about an hour yesterday with Diana -- and I'm not going to hold her to this because we were just on the phone going through calculators and penciling it -- approximately 23 percent in excess is in reserve. And then it was mentioned to me, well, we have to adhere to this 25 percent thing. So, I went back and spent time and tried to find legislatively if that was the case, or if this just applied to something like the City at large emergency fund. We're literally not even a mole on the you know what of that. I mean, we're not even a condo association. We're not even a big HOA that's got all these men. We have a little rectangular building. We know its needs. We know that it's relatively new. We've been all part of it. We've been engaged. So, when we did an analysis and come up with 10 or 15 percent, as was mentioned by one of the Commissioners to me in an email or something, how ironic, that for needs of having an extra reserve on top of extremely conservative line items of expenses, and when I say that, like a building repair, \$15,000. If we don't -- if we don't do a \$15,000 building repair this year, that will carry over. There's a lot of room within the line items of the budget, which is essentially a wash on essentially \$300,000. So, we -- if we do indeed have a 23 percent surplus of the folks' money sitting in this pot and just continue to sit there, that far exceeds our needs. In fact, it's excessive. And we just want and expect that the tax will remain the same. That's all.

Vice Mayor Anderson: So, I do have a question.

Mr. Maranto: Yeah.

Vice Mayor Anderson: And before you arrive, Ms. Gomez explained that by the time we collect the money, three months goes by. Is that an expense that you included in your analysis that the City is covering three months of the salaries and costs and so forth that go into the special tax district in determining that there's sufficient money there so that the City doesn't run a deficit?

Mr. Maranto: That -- those numbers weren't particularly gone over to with me. I don't know if I know the details of your question, Madam Vice Mayor, but we have excessive surplus in a reserve that we know. Now, I pay my taxes like many people in November. You're talking about if there's some lag there?

Vice Mayor Anderson: Some lag or some, you know, let's say, for instance, somebody doesn't pay their taxes. And now they're taxed (INAUDIBLE) -- so I'm going to ask, you know, the Finance Director to help fill in the gaps here...

Mr. Maranto: Okay.

Vice Mayor Anderson: Of numbers that neither you nor I know.

Mr. Maranto: Right.

Finance Director Gomez: So, what -- as I was explaining earlier, is that while you pay your taxes in November, the City does not get that money from the County until at least December, because you have until November 30th. So, then they will make a distribution at some point in December for the November, and then in January for the December, so on and so forth. So, we have to -- we have to have funds available to pay the expenditures for the first three months. 25 percent reserve is three months' worth of expenditures as well. So, we have to have cash available, district funds available. We should have district fund available in order to cover the expenses until the taxes start coming in. So, some of the taxes won't come in even into June if it gets sold in a tax lien or something like that. So, we do need to have available funds on hand. And that's one of the uses of the reserves that at the time that we had a discussion, I wasn't thinking about it that way. So, we did not speak about that. But I had since had a conversation with Mr. Winkeljohn, and he reminded me and that's right. There is -- we do have a need to have cash on hand in order to pay the expenses for those first three or four months before we start getting in the tax revenues from the County. So, that's what I was referring to earlier with that.

City Attorney Suárez: And, Diana, just when you say the first three or four months because the fiscal year begins October 1st.

Finance Director Gomez: October 1st, tight.

Vice Mayor Anderson: Right. In the first three to four months, you said...

Finance Director Gomez: So, in December we'll receive some...

Vice Mayor Anderson: How much money are we talking about?

Finance Director Gomez: How many people --? I don't know. I wouldn't -- I couldn't even tell you how many people pay in November versus December versus January versus all the way up to March that they can pay without getting penalized. And then there's still revenues that we get in June or July after they do the tax sale. So, I don't know what percentage pays in which month.

Vice Mayor Anderson: So, how much money do you need on reserve to cover the three to four months?

Finance Director Gomez: Three months' worth will cover through December.

Vice Mayor Anderson: Dollar wise, how much money?

Finance Director Gomez: Right, so we're just doing roughly, so 25 percent reserve, 25 percent of expenditures equates to the equivalent of three months' worth of expenditures. Therefore, my 25 percent reserve in theory, if the budget is split exactly month to month, even though it's not, some expenditures happen at the beginning of the year, at the end of the year, middle of the year, so it's not an exact straight line type of calculation, then the three-month reserve also gives us cash available to use that district's cash to pay expenses until the revenues start coming in and replenish the reserve. And so, it's a rolling fund balance, a rolling cash balance. And then on top of that, in case something were to happen, an emergency of some sort that we need to have excess funds, we also have the reserves that we can dip into without then having to increase the rate in the subsequent year, maybe more significantly if something significant happens. Again, I don't -- reserves are reserves for in case something were to happen. I don't -- it's not set exactly for any one particular item. It's to have reserves in case something were to go wrong, as well as the fact that we need to have fund cash flows available to cover the expenditures.

Vice Mayor Anderson: So, Mr. Maranto, does that cover your...?

Mr. Maranto: I appreciate it, but that's a very broad statement, Diana, and I highly respect your position and what you do, but I must say this is the first time I've heard that. And I realize it'd be about \$70,000 if you take the operating of roughly 300 for three months. But it's almost like a moving goalpost because we've done such a deep dive on this and it's not based on, well, there's expenses or well, there's always going to be expenses. It's based on a calculation, right? It's got to be -- I mean, we know that we've never needed 25 percent. I mean, right now we have between \$83,000 and \$84,000 sitting there. I don't know if it's earning 5 percent, the standard short-term CD, or I don't know if the people paying the taxes are just losing money on that with inflation for all I know, but it's excessive. We know our needs. We know how tiny our needs are.

Vice Mayor Anderson: How much of a reserve do you think is necessary?

Mr. Maranto: 10 to 15 percent is excessive in some minds. I think 10 or 15 percent is reasonable. And if it's closer to 20 percent, it's still no new tax increase. We're talking -- this isn't a full-blown HOA. This isn't...

Vice Mayor Anderson: I know, I understand, but I'm just trying to get information because...

Mr. Maranto: Yes, yes.

Vice Mayor Anderson: It's difficult sitting up here to make decisions without, you know...

Mr. Maranto: Yes.

Vice Mayor Anderson: Knowing what your position is.

Mr. Maranto: We believe that 10 or 15 percent would apply and would be significant in this instance. Now with that window that was brought up, and again, it was never brought up before, the 25 percent was related to something else. But we aren't even talking 10 or 15 percent. Keeping taxes the same, according to the numbers that we spent an hour calculating, it's 23 percent if they stay the same, or about, you said they were about 23 percent.

Vice Mayor Anderson: So, is 10 to 15 percent sufficient to cover the three to four month period?

Finance Director Gomez: I mean, I'm not prepared to answer that question. Again...

Mayor Lago: So...

Finance Director Gomez: 25 percent represents three months. It takes us about three months to start getting tax collections in. And so, then I would want -- is that the policy then for all guardhouses?

Mayor Lago: May I suggest...?

Finance Director Gomez: Yes, sorry.

Mayor Lago: Miles, would you be amicable to do the following? To leave it the way it is this year, and next year we give staff enough time to consider 20 percent across the board. Because I'm going to be honest with you, right now at this moment it's a little bit late in the ballgame to be able to be doing this. I'm not blaming anybody on this. Although we can take the responsibility for it, perfectly fine. If we have to change things across the board, if we're going to go to 20, we're going to 15, I want a little bit more time to study this. Because at the end of the day, at the end of the day, that's like saying that we go to our reserves right now and go down from 25 to 20 percent. And that makes me nervous, and I'll tell you why. But I'm willing to maybe go down to 20 to be

something that's kind of an opportunity for both sides. You know, we had a hurricane here a few years ago. We used those reserves to clean up the city. And the director will tell you, I'm not saying we're using your reserves for that. I'm just saying we used our reserves.

Mr. Maranto: Right.

Mayor Lago: Never did I expect that we would spend -- Diana, what was the number that we spent?

Finance Director Gomez: \$23 million.

Mayor Lago: I remember. And we didn't get paid back for how long?

Finance Director Gomez: Six, seven years and we still are pending a little bit still from that.

Mayor Lago: And I use that example as something that just came out of the blue and we never expected to have that much of our reserves have to be used. But it got us out of a jam. And we were able to, you know, basically absorb a lot of the manpower and heavy equipment rentals throughout the community because we had cash on hand. So, I think just to really throw some relief to staff and to not have this discussion up here, because I don't think that we can get to the bottom of it.

Mr. Maranto: Sure.

Mayor Lago: If we can build consensus and maybe we can look across the board next year and say we can drop it to 20 percent or 22 percent and do something appropriate.

Mr. Maranto: Right.

Mayor Lago: I just think it's going to be very difficult for this Commission, at least for me to make a decision today and say, yes, we'll drop it to 15 percent. I need -- I really respect Diana's opinion, you know, along with the residents. But again, at the end of the day, my job and the Commission's job is to be fiduciaries on behalf of this community. And I want to be very, very careful with that.

Mr. Maranto: So, if I'm hearing -- thank you. If I'm hearing you correctly, I would endorse that, meaning that we would keep the tax rate the same that it is for 2023-2024 fiscal as for the 2024-5 fiscal. And with that, that's where the 23 percent figure came up with. Yes, we would -- I would be in favor of that, and that's reasonable, and then staff, and we can all crunch everything from there. And by the way, it wasn't thrown on us. The numbers that were presented going into the summer and throughout the summer were...

Mayor Lago: No, but let me correct it. Maybe I came up -- I don't want to say it was thrown on the residents or thrown on -- again, this is something that we are discussing for the first time in a week. You know, it's not like we've had time to really delve into this. This came to my attention -- you brought it to my attention. Literally, you called me and said, Vince, I need to talk to you about an issue that's concerning to our community. Then we immediately -- I said, write me an email. I brought Christina in, we brought Diana in to have a conversation about this.

Mr. Maranto: Right.

Mayor Lago: So, I thought we'd been studying on this, like for example, the budget, we studied for three months.

Mr. Maranto: Right.

Mayor Lago: You know, we have a real conversation from line items to the millage rate. So, but what I'm saying, I think we're a little bit different on what we're saying. If we go that route, what would it result in?

Finance Director Gomez: So, if we leave the rate at \$1,971.44, which is the same rate as last year, it would create a budgeted operating deficit of \$20,000, \$20,015 with 87 cents. And that will eat into...

Mayor Lago: The reserves.

Finance Director Gomez: The available fund balance that we have projected to land somewhere between 80 and \$85,000, which would then, if all other things remain equal...

Mayor Lago: It would drop the reserves to...

Finance Director Gomez: Then it would drop it down to \$64,900, which would equate to about 22.7 percent of fund balance. The 20 percent, just for quick and dirty numbers here, is...

Mr. Maranto: I think that's the number to pay attention to.

Finance Director Gomez: The 20 percent would be about \$57,400 roughly. And so, we're not that -- we're still, you know, like -- so again, it's 22.7 percent would be the -- where we would end up at the end of fiscal year '25, if all other things are considered equal. My recommendation would be to maintain the 25 percent reserve fund balance, but as I mentioned before, the direction and the decision as to what the rate would be will be this Commission's.

Commissioner Castro: I disagree with the Mayor. I really want to be able to help you out a little more than the 50 percent. I want to be able to do something today, maybe not get it to zero. How much in percentage-wise would the reserve be if we gave them a 75 percent off?

City Attorney Suárez: So, just to be clear, when you say 75 percent off, you mean change the...

Commissioner Castro: She was giving 50. She was giving 50.

City Attorney Suárez: Well, I know, I know, but just to be clear, we're talking about the proposed increase.

Commissioner Castro: Exactly.

City Attorney Suárez: So, the proposed increase on the floor, she has amended it to approximately 50 percent less than what was in the written resolution, and you're saying to reduce that further to 75 percent?

Finance Director Gomez: Another quarter.

Commissioner Castro: Another quarter.

Finance Director Gomez: Right, another quarter to make 75 percent.

Mr. Maranto: Can I share something? That was based on, when we were on the phone, we adjusted numbers. Okay, that adjustment wasn't related to anything we're discussing right now.

City Attorney Suárez: That was based on the estimates.

Mr. Maranto: That was something (INAUDIBLE).

Finance Director Gomez: It was based on the telephone bill that came in less, so therefore, I felt comfortable...

Mr. Maranto: Yes.

Finance Director Gomez: Budgeting for a lesser amount.

Mr. Maranto: Correct. The bottom line is it's still 23 percent of reserves. If the tax stays the same, it's 22.7 percent of reserves. And we're...

Commissioner Castro: I see where you're coming from.

Mr. Maranto: Right.

Commissioner Castro: Can you give me a percentage...

Mr. Maranto: We're not looking...

Commissioner Castro: Of where the -- what the reserves would be with that additional...?

Finance Director Gomez: Right. Give me two minutes. I'm doing the calculations, yes.

Mr. Maranto: I mean, in all fairness, we're not looking...

Commissioner Fernandez: (INAUDIBLE).

Mr. Maranto: To mediate 40 bucks or this or that. We're looking at principle, Commissioner, and we really believe that 10 to 15 percent, based on our analysis of this tiny building that we take care of day in and day out, that we manage, that that's sufficient. So, we have nearly 23 percent instead of that 10 percent.

Commissioner Castro: Is there any history of incidents? Like what amount has been withdrawn from the reserve? Like the biggest amount?

Mr. Maranto: We've never had anything withdrawn from the reserve to my knowledge. Yeah.

Mr. Winkeljohn: If you don't mind.

Mr. Maranto: Oh, no, go ahead.

Mr. Winkeljohn: I need to be on the record. There's operational story, which is what you're asking. And the operational story is related to -- and you're going to hear this with all the districts today just about, that the cost of labor has changed significantly. What we've done is we've analyzed the best option, the optimal, you have to have the right quality of guard at the right rate, and it's not always lowering costs. Sometimes you have to increase the cost to keep that quality of a guard. We rely heavily on retention and continuity and familiarity with the guards. And so, all the gates were picked to move to a different contract last July. And this year, this district will go up. That's one of the major increases. If you were to see the whole budget, you'd see there's about a \$40,000 increase, strictly new labor money. So, that's going to be a recurring expense. When you have a recurring expense in principle of assessments, you should always match that with a recurring revenue stream. So, what we're doing is we're eating the cushions, and you will and other maintenance items that we just don't realize every year at the full amount. So, operationally speaking, I don't agree with any of this. I think what you should be doing is building reserves to at least 50 percent. That's actually a normal. You have a door system that needs to be

replaced. I've been trying to get that ready for replacement, but I've found it just a little cheaper to keep repairing it. And like, there's anecdotal answers like that. They have a significant amount of asphalt that they own that has never been resurfaced by my observation. That's a huge amount of money.

Commissioner Castro: Did you say 50 or 15?

Unidentified Speaker: 50.

Commissioner Castro: 50, five zero.

Mr. Winkeljohn: Yeah. So, operationally speaking, there's always new things that are coming. And just to give you some sense of what kinds of costs could happen. Operationally, I will say all the gates have almost brand-new cameras and security components, the gate arms, because those are what we do in these gates. Those have to work all the time, and they do.

Commissioner Fernandez: Okay, but I think the bigger question here, you know, we keep hearing 25 percent is what will take us through those first three months. From what you're telling us, we've never touched the money in the reserves. So, the money is obviously not coming from those reserves in the first three months. And just basic math, for getting the full amount in December through June, come October, November, and December, we still have 100 percent. So, we should have the money necessary if we're getting the money in December to cover us through the following December. Because we're not collecting funds for just nine months, we're collecting the funds for 12 months. If we receive it in October, we receive it in December, we still have a full annual allocation of funds.

Finance Director Gomez: Yes. So -- but the first three months we're -- so right. Let's just like start at zero. The first three months we're -- if we have no reserves, we have no cash flow. The City has to front the expenditures for the first three months. Yes.

Commissioner Fernandez: But he just said we don't touch those reserves.

Finance Director Gomez: And then we'll get it in. No -- yes, because meaning, but we didn't eat into -- we only measure fund balance at the end of the year. So, it's a rolling number throughout the year meaning...

Commissioner Fernandez: Okay, that's what I...

Finance Director Gomez: I'm using that cash...

Commissioner Fernandez: That's what I wanted cleared up.

Finance Director Gomez: In October, November, December. I have zero cash maybe in November and December. Let's just argue, right? And again, it's not an exact 1/12th of every month expenditures is there. So (INAUDIBLE)...

Commissioner Fernandez: But it's not that we're not touching the money.

Finance Director Gomez: We're touching it, but then we're replenishing it.

Commissioner Fernandez: We obviously are using it because it's in the same account.

Finance Director Gomez: We're touching it and we're replenishing it, yes. So, that way by the end of the year, September 30th, we have again, the initial fund balance that may go up or down, right? He suggested it's going to be more like \$85,000. My notes say it's going to be about \$80,000 plus or minus, because I don't know yet where all the expenditures are going to lie throughout the year. So, it is a rolling use of that cash for this district. If it's not there, then in theory the City has to front the cash to pay those bills for the first three months or however long it takes for us to collect the tax bills. The guardhouses should be self-sufficient and that means having cash flow for expenditure purposes.

Commissioner Fernandez: And I think to the Mayor's point, making a decision to reduce the reserve, say, to 20 percent, what we're really doing is we're subsidizing with the reserve. Next year, we're going to find ourselves in a worse situation where we may have to...

Finance Director Gomez: Potentially, yes.

Commissioner Fernandez: Double or triple the amount because we will have eaten up the reserve and we're operating at a deficit. I mean, am I understanding that correctly? Because we would be operating, you said, at a deficit of approximately \$20,000. So, next year, arguably, we'll probably be operating at a deficit of at least \$20,000.

Finance Director Gomez: It depends on the results of operations for next year, right, if we end up with a natural surplus next year, then it may not be, but if we end up with a natural deficit because something happened, then we would have, so we would be then below the reserve policy, so yes. So, the thing is, is that I don't know where we're going to land at the end of next year when I'm setting the rates today for all of next year that hasn't happened yet.

Commissioner Fernandez: But I guess this goes back to what we had discussed in May. And I think all of us are in consensus that we should have more information way before this meeting so that we can make a better decision when we get here. Residents are better informed. Maybe it's a community meeting to go over the finances at some point. Maybe have John participate in one of the HOA meetings so that he can explain the finances for the coming fiscal year and answer any questions at that point. Because now I think we're put in a situation where we're looking like the

bad guys, but it's the finances that are being presented to us. And we're here at the last minute trying to play catch up. I've talked to Miles probably seven times in the last 24 hours. I've talked to the director; I've talked to the manager. We've been trying to figure this out over the last -- you know, the Mayor's spoken to them, the Vice Mayor. I think everybody up here has had a conversation trying to figure out how to fix this. And for next year, we need to find a better way to do this so that we're not playing this two-minute warning and we're trying to figure out how to win the game with three touchdowns.

Mayor Lago: So, if I may, just one quick thing. This is simple accounting. If you do simple accounting and you understand accounting, it's all forecasting. What Diana's doing is forecasting for next year. She doesn't have a crystal ball. She's never going to tell you if water goes up, electricity goes up, insurance goes up, landscaping goes up, there's a cost. The roof fails, we're forecasting. You don't understand. I'll give you an example, Cocoplum, in their guardhouse, they have serious renovations in their guardhouse right now, forthcoming, major repairs, as the gentleman, Mr. Galan, can tell you because they've been dealing with that issue for some time. From everything, from lighting to the roof to the air conditioning, they're having major issues. So, you know, you can't expect more from staff. Staff can only do so much when they're forecasting based on previous situations. But if your insurance goes up 30 percent, maybe it goes up 35, maybe it goes up 20. She doesn't know that, so you can't -- you can only ask her to do so much. So, I'm of the belief that the real crux of the conversation is a simple one, and that is, let's do some research to see what other associations throughout Miami-Dade County are doing. Okay, number one, what's their reserves? I'm very fiscally conservative. I don't like debt. I like to have reserves. I like to leave things better when I'm gone than when I started. I don't want to touch that. Okay, and in my opinion, you know, before we make a decision today, I think we need to have more conversations, see what other municipalities are doing in regards to the reserve. You know, I don't feel comfortable going to 10 percent, 15 percent. It's a little aggressive in my opinion. Especially, you know, being in the construction world, I see what things cost.

Mr. Maranto: How about 23 percent?

Mayor Lago: No, no, I'm keeping it the same and going forward.

Commissioner Castro: What was the percentage? Yeah.

Mayor Lago: 22.75. So, my point was -- and my point was that I think that, you know, moving forward, moving forward, if we leave it -- what's the difference between the payment between 22.75 and taking it to 25? Well, how much more will the residents pay this year?

Finance Director Gomez: So, if -- what I was proposing when I first came to (INAUDIBLE) -- they were paying 80 -- they would pay \$88.56 more.

Mayor Lago: \$7 a month more.

Finance Director Gomez: I didn't do the math, but yes, \$88.56 a year more.

Mayor Lago: But you didn't say a year, so I wanted to say a month. You know, I wanted to make sure I was right.

Finance Director Gomez: And Commissioner Castro asked me a question about if we were to reduce it by another quarter percent, then that would be an increase of \$44.64. And then the reserve would be, and again, just doing quick numbers, just under 25 percent.

Mayor Lago: But we would break protocol with what we've done for every other association.

Finance Director Gomez: So, if I round up, I guess I will have my 25, the 25 percent reserve will still be there if we reduce it to 75. But then that tells me that there's a very good chance that I'm going to have more -- increase it next year by more if we're going to, you know, maintain the 25 percent reserve.

Commissioner Castro: But by next year we can reevaluate. We'll have time to actually study this and analyze what are other municipalities doing, right?

Finance Director Gomez: And Mr. Winkeljohn, he does the special taxing districts for a lot of districts within South Florida, I guess, within throughout the state. And he is in agreement with the policy reserves. And as he mentioned, he even recommends even higher reserves so there's - - so that is what needs to happen in order to be, I guess, fiscally responsible for these districts, right? So, I don't know that the County used to maintain these reserves. I don't know that they did. But then again, they came over to the City because they wanted to be handled differently and better. And I say better, but that's not maybe the best word. Differently than what they were being handled in the County. They came to us for a reason, because the residents were not happy with the way that it was being handled.

Mayor Lago: Ms. Gomez, could we hear from Mr. Winkeljohn? I'd like to -- I'd like to ask him just a question.

Finance Director Gomez: Sure.

Mayor Lago: Thank you. Sir, how are you?

Mr. Winkeljohn: Excellent, Mayor. Thank you.

Mayor Lago: Thank you for being here with us as always and always being available for any questions. Can you give us a little bit of obviously your background very briefly and also examples

of what other associations are doing in regards to reserves? And if you see any problems when, you know, associations have had under reserves.

Mr. Winkeljohn: Right. Professionally, I'm trained in city management, and I've been in the private sector as a city manager, a consultant, interim city manager, and district manager for the last 35 years. In that capacity, yes, almost all of our communities have had some sort of security gate. I also have a military law enforcement background of 29 years, so I have both skill sets, I hope you can appreciate...

Mayor Lago: Of course.

Mr. Winkeljohn: That I can do both parts, the security advisement, as well as the financial and management. With all that said, my firm handles about 80 percent of the taxing districts, the dependent -- independent taxing districts, which have their own board that are elected. I handle specifically the ones that are dependent that work for a city commission. I'm also your consultant and your executive director for the Green Corridor, which a couple of you have served on or are currently serving. And I'm a resident of the Gables, so I do have a personal interest in this project. I don't live there, but I want to see it succeed.

Mayor Lago: Okay. So, what do you think about the issue of what other municipalities are doing in regards to -- not only municipalities, excuse me, I'll correct myself, associations. Are you seeing them dip below 25? Do they have higher reserves? I have -- I don't think anybody here has any background with other associations.

Mr. Winkeljohn: Yeah, in districts, actually, it's not a very common culture to worry about reserves, frankly, because their financial structures are much broader. A gate district is a very narrow scope. It has one or two contracts. So, we can predict our annual operating, but there is a building. And Kings Bay, they're all a little different. Each of your districts has a different envelope of maintenance responsibilities. Kings Bay has had a significant deferred maintenance, which you can imagine when the County turned them over. We've caught up with that in excellent incremental practices. And so, there, my evaluation is that they are still deferring maintenance. I mentioned asphalt. They actually own a parking lot and we work in conjunction with the City Public Works because we actually can participate in quite a bit of the landscaping debate at the entrance of that community because the standard legal interpretation, if you don't mind me mentioning it, Christina, is that the district can be responsible for anything that was improved for the purpose of the district. We don't have a boundary, so to speak. We have -- what did we do to build that gate? We put a curb in, we put a sidewalk in, we are allowed to maintain that. So, it can be big or small.

Mayor Lago: Okay. So, what is the will of the Commission moving forward? What would you like to do?

City Clerk Urquia: Mr. Mayor, I have an additional speaker.

Mayor Lago: Okay.

City Clerk Urquia: Mr. David Hill.

Mayor Lago: Mr. Hill, good afternoon.

David Hill: Good afternoon, ladies and gentlemen. There's \$83,000 in a reserve right now. November, December is two months, which is \$22,000 in reserve to pay for the lack of taxing assets brought into the district. For the last three years, we haven't really had a lot of expenditures. The main one this year was the cameras and the motors. Other than that, everything is running smooth. We've increased the landscaping around there. It's still under budget. We have a lot of, I call a lot of fluff in this, in the 2025 budget for this year. He says \$15,000 for maintenance. We haven't spent \$15,000 on maintenance this year. We already had the expenditures last year of improving the guardhouse. So, \$82,000. Last year, we had \$97,000, I believe, but we spent money on improving the guardhouse. This year, we'll have less maintenance replacing gate motors, no cameras this year, which is another \$7,000 in savings. I don't see why the increase has to be 25 percent. We're here at \$83,000 at October coming up, \$66,000 November, December, and then the money comes back in. We're almost even and we still have a reserve of \$82,000. That money belongs to Kings Bay as our taxes, which you guys are holding for us to use. If we have a major problem -- yes, we have a major problem, you have to borrow that money to pay for something in the Gables, but it still belongs to Kings Bay at the end.

Mayor Lago: Do you mind if I just have the Finance Director clarify the comment that you made in regards to the increase?

Finance Director Gomez: Right. So, the increase is not 25 percent. The reserve is 25 percent. The increase at the rate that I was proposing when I first came to the podium on this one was a 4.5 percent increase of the rate. Because it was a 9 percent originally and then we cut it in half, so about four and a half percent increase.

Mayor Lago: You had some...

Finance Director Gomez: Some additional information.

Mayor Lago: Some new numbers in regards to the phone.

Finance Director Gomez: Exactly, yes.

Mayor Lago: I want to clarify everything up here.

Mr. Maranto: Yeah, because these tangents take us off the simple math, right? So, that was a phone bill we were being charged for \$1,500 a month, okay? \$1,500 a month. And after it went a couple months, finally it was corrected and brought down to under \$300 a month, okay? But that's why that was taken down to (INAUDIBLE).

Mayor Lago: That was probably for phone, internet, all kinds of stuff, right?

Mr. Maranto: Yes, the line. And what was represented to us in June at the end of May, at the Commission meeting at the end of May, going into June...

City Clerk Urquia: Sir, sir, can you speak directly into the mic, please?

Mr. Maranto: This was given to me personally when we met. And that's reflective of the base would stay the same. For the same fiscal years, what it is now would stay the same. And I thought that was your, not motion, but idea for a motion. And we would endorse that, certainly. Keeping it the same, going back and evaluating next year between now and next year.

Mayor Lago: My concern with that is twofold. And then my colleagues can move in any direction they like. Number one, we're setting a precedent outside of all the other associations. Right, that's a problem. That's number one. That's a problem because I'm going to have every association come back to me and say, I don't want to pay as much either. So, we've already voted on some of them already here. That's number one. Number two, number two is, I want to give -- I want to -- if we're going to really move forward in that direction to lower it, let's say to 22.5 percent, or to 20 percent, whatever the number finally is, I want to make sure that we have input from all the individuals involved. All the -- Mr. Winkeljohn, he can give the Commission a memo, give the Manager a memo explaining what other municipalities are doing and do this the right way, not on the podium before the Commission. I think that it's just, to me, it sends the wrong message that we're doing kind of things a little bit quickly and not really assessing them. That's my opinion.

Mr. Maranto: But our message is not just a message based on an idea. It's based on facts. And our in-depth analysis and us being local and being on the ground and knowing that 23 percent or parenthetically say 22.7 percent in reserves, keeping the taxes the same as they were in fiscal '24 as they will be in fiscal '25, works. And that's it. And it's that simple. There's no more math to it.

Commissioner Castro: I feel very comfortable with what Diana said, with the additional quarter discount. You were almost at a 25 percent reserve, and then next year it be evaluated, if maybe 25 percent is the amount all -- for all associations, and we could re-evaluate for everyone, but this year, I would feel comfortable with another quarter discount. I think it would leave you, what, \$40?

Finance Director Gomez: It would -- the increase from last year's rate would be then \$44.64.

Vice Mayor Anderson: So...

Mr. Maranto: And nobody came here today for an extra 20 bucks or 40 bucks. We're all here for a matter of principle, and we don't want a discount. We don't want to mediate anything. All we want to know is that you feel comfortable as we, in our in-depth analysis with CPAs, accountants, Kings Bay Guardhouse Committee, and our residents, right, that we feel great with 23 percent in reserves. In fact, it's excessive, and we just want to move forward.

Mayor Lago: Madam Vice Mayor.

Vice Mayor Anderson: So, a question I have for you, because, you know, repaving was, you know, brought up as something that needs to be done. Is that something that you, as a homeowner's association, I'm just going to use that as a way of talking about the group of residents there, have considered? You know, the cost of and budgeting for, is that something that you're looking for to get done?

Mr. Maranto: We don't have any potholes or pavement or anything around the guardhouse. That was done in recent years when we...

Vice Mayor Anderson: Okay.

Mr. Maranto: Built the guardhouse.

Vice Mayor Anderson: Okay, anywhere else in the community that...

Mr. Maranto: No, we don't have one pothole in our community.

Vice Mayor Anderson: All right. Okay, I just wanted to make sure because it was something that was mentioned.

Commissioner Castro: Is there any...?

Vice Mayor Anderson: Yeah, I don't recall seeing potholes when I rode through there.

Mr. Maranto: No, they're newer. The roads are in nice condition.

Commissioner Fernandez: I think that's the other -- that's Item 12.

Vice Mayor Anderson: Huh?

Commissioner Fernandez: That's Item 12.

Vice Mayor Anderson: Yeah, no, we'll...

Commissioner Fernandez: We're here for that one. But that one does have issues with potholes.

Vice Mayor Anderson: Yeah, we'll get to that one. No, but since it was mentioned that the area had not been repaved in some time, and although I've gone through the neighborhood...

Mr. Maranto: Well, 2010 -- I know areas of the Gables that wasn't....

Unidentified Speaker: (INAUDIBLE).

Mr. Maranto: What?

Unidentified Speaker: It was -- there's no potholes. There's no...

Mr. Maranto: Yeah, I know.

Commissioner Castro: So, does anybody on the Commission...

Mr. Maranto: (INAUDIBLE)...

Commissioner Castro: Feel comfortable putting it down to 20? I -- personally, I don't because the numbers are not in front of me. I haven't done my own research. I trust what you're telling me, but I need to analyze this a little deeper, right? Right now, it's too soon to be able to say I'm comfortable with 20 percent. I don't know how the rest of the Commission feels.

Mr. Maranto: We're saying 22.7 percent.

Vice Mayor Anderson: Can we round it up to 23?

Mr. Maranto: 20 -- 23 percent roughly.

Vice Mayor Anderson: 23, just...

Mr. Maranto: About 23 percent.

Mayor Lago: Well, the savings we're talking about is -- the savings we're talking about is -- Diana, what is the savings we're talking about a year?

Finance Director Gomez: I'm sorry, repeat the question.

Mayor Lago: About 23 percent.

Mr. Maranto: Keeping it the same as it is now.

Finance Director Gomez: So, keeping the rate where it was last year will then report an operating deficit of \$20,000. Based on the information I have today, would be that the fund balance that I have, if I use the higher number of \$85,000, that -- of what the fund balance may end up at at the end of this fiscal year, reducing that by 20 -- the \$20,000 deficit that we will be going into '25 with, will give me \$64,984.

Mayor Lago: So, it would be a \$20,000 loss in regards to the federal dollars reduction.

Finance Director Gomez: Right. So, even increasing it to what I -- from May, would still have an operating loss of \$2,700. But since we have excess, more than 25 percent right now, that's fine. We can eat into the excess reserves and still maintain our 25 percent reserve. So, leaving it where it's at is going to cause an operating deficit in the current year and subsequent years potentially of \$20,000. So, reducing that from the fund balance that we're anticipating, 85,000, will leave us with \$64,987.

Mayor Lago: But let me ask you a question, you said in subsequent years, does that mean that we'll be chipping away every year? And in four...

Finance Director Gomez: Yes.

Mayor Lago: And in four years, we'll be at zero?

Finance Director Gomez: Yes, unless they have a natural surplus because something wasn't needed, was overbudgeted or whatever. But if they had a natural shortage, then the deficit will be even larger. Like it will be eating away at the fund balance even faster. So, my -- what I was trying to explain is that while yes, if we do that in this year, leave it where it's at, yes, that's what the 22.7 percent number that Mr. Miles is saying that he would -- that we would be at 22.7 percent.

Commissioner Menendez: Diana, where would we break even?

Finance Director Gomez: So, at the 25 percent, roughly?

Commissioner Menendez: That's the breakeven point?

Finance Director Gomez: So, when -- so, going 75 percent -- and again, these are moving targets because I don't know exactly where we're going to end up, right? So, based on the information that I have in front of me right now, reducing it from what the original increase was instead of by 50 percent, by 75 percent would give us a fund balance of 25 percent, it was like 24.8. So, we can

-- and I was doing quick and dirty, so I'm sure that it's -- we can round to 25 and say that's 25 percent reserve. So, that would be satisfying the existing reserve requirement as well as reducing the rate as much as possible. But it gives us no real wiggle room, right? If the budget comes out to exactly what we budgeted for, and I know that that doesn't always happen, budgets are estimates with the information that we have. But I guess that I can -- I can be okay with that from a Finance Director, from your Finance Director trying to do the best for this district.

Commissioner Menendez: Okay.

Commissioner Castro: You're not satisfied with that, right?

Mr. Maranto: If it doesn't stay the same, correct. Absolutely. Because 23 percent is excessive as a surplus.

Finance Director Gomez: I disagree.

Mr. Maranto: In our -- in our analysis, in our living there, and knowing that rectangular building and the needs, what we've had done, what's very conservative in line items on this budget that's going to carry over next year, we have all that analysis to the T. And we know that 23 percent is fine...

Mayor Lago: So, let me ask you...

Mr. Maranto: Because it's excessive.

Mayor Lago: So, if we have leftover money next year, let's say we go to 30 percent. We can return the money like we've done before, or we can...

Finance Director Gomez: So, in a subsequent year, we reduce the rate if we feel that we have to...

Mayor Lago: Like before.

Finance Director Gomez: We have to reduce -- yes, not to this district per se, but yes, in other districts, if they have excess fund balances, we do either take on a project that is voted on by the community or by the district if they add services or whatever to use up that fund balance, or we reduce the rate. But a lot of times, one thing that should be considered, reducing the rate, maybe for a one-year reduction, maybe a two-year reduction. And then we have to bring it back up because in those other years, we operate in a deficit to eat up that fund balance. So, then it becomes very difficult because then all of a sudden, now we have a 30 percent increase in the rate because we have to get back to where we were. So, it's just -- so, we, again, the direction that we've been given is to try to not have those fluctuations every year, to try to be consistent. As your Finance

Director, I will disagree that 23 percent is excessive. I would even disagree that 25 percent is excessive. But again, that is what we are working with today. And that's, you know, but...

Commissioner Castro: I don't think this Commission's going to go down to 23 percent. I could be wrong, but I -- reading the room, I don't think it's going to happen. So, help me help you find another alternative.

Mr. Maranto: We should not discuss this finally tonight. I think we should have a couple of meetings about it.

Finance Director Gomez: No, it has to be done today.

Mayor Lago: It has to be done.

Commissioner Fernandez: Unfortunately, and that's what we've been saying...

Vice Mayor Anderson: It has to.

Commissioner Fernandez: That this is kind of last minute because we have no choice but to decide this today.

Commissioner Castro: I want to help you.

Commissioner Fernandez: We cannot defer this item.

Mayor Lago: That's why -- that's why I offered...

Vice Mayor Anderson: Yeah, we all did.

Mayor Lago: I offered, I said, let's keep going with the 25, stay where we're at. They were at an additional \$40 a year, right, correct?

Finance Director Gomez: \$44.64.

Mayor Lago: \$44, yes, it is, \$44.

City Attorney Suárez: In total, it's...

Mayor Lago: I said 40, I was off by \$4, I apologize.

City Attorney Suárez: Hold on, but it's -- sorry, he's -- that would be -- the proposed increase currently is \$88.

Finance Director Gomez: Right, \$88.56, so I cut that.

Mayor Lago: Yes.

Mr. Maranto: So, the phone bill was corrected.

Mayor Lago: Yes. So, that's what I'm talking about.

Mr. Maranto: There's been a lot of numbers thrown out.

Mayor Lago: So, what I'm saying -- so what I'm saying is it's a very -- it's a nominal increase. I know it's an increase, it's a nominal increase. Next year we'll be able to analyze it with some more time and say if we have a reserve of 30 percent, we can say instead of going up 25, we go down 20. You know, if we have excess money for some reason, we have too much money, we can just cut back and return some of that money back to the community like we've done in the past. Do you feel comfortable right now voting on this and cutting this down to 23 percent? I mean, let's -- we've been talking about this for a while.

Commissioner Fernandez: And realistically, I think Commissioner Castro is absolutely correct. We're at a point now, if the advice that we're being given is that we should be at 25 percent because it takes you three months to cover the expenses. I'm ready to vote on this next year and say, hey, you know, we've done the studies, and we only need 17 percent just to throw a random number out there. And I'm ready to say, okay, let's reimburse everybody this year and cut back their fees. But my concern is we cut it back this year to 23 percent and we realize, hey, we ended up short on money, and next year we have to go up six or seven hundred dollars and I think that's going to have a worse impact than...

Finance Director Gomez: Right.

Commissioner Fernandez: If we increase it by the \$44 today which is a compromise that I think we're willing to give and work towards next year and I'm not saying May of next year. We should start working on this in January so that we have some sort of resolution on the Commission as to what the -- the rates should be that we should set for all the different districts. And then by the time that May comes around, we have a concrete number that you can work with. And by September, everybody knows where we stand and everybody's ready to vote here. And this cannot be an issue next year.

Mr. Maranto: Okay, so we're talking about \$44 a year increase, not \$88 a year.

Finance Director Gomez: Correct.

Mr. Maranto: That was already decided.

Commissioner Castro: Yeah, that was my compromise.

Mr. Maranto: That was already decided before.

Commissioner Menendez: I have a question.

Commissioner Castro: No, no, it was under (INAUDIBLE).

Commissioner Fernandez: Before it was \$88. So, we're saying to reduce it to \$44 to keep the balance of the reserve at 25 percent.

Unidentified Speaker: Correct. Right now, we're (INAUDIBLE)...

Commissioner Fernandez: So, basically, we're going to use anything that's above that 25 percent to reduce the increase that would be given.

Commissioner Menendez: I need a quick question. For next year, what's the earliest the numbers are available where we -- everybody collectively can start working on this? I know there -- you have to wait for the numbers to come in.

Finance Director Gomez: So, to be fair, that all expenditures come in and we have reconciled it, probably we can start talking about it in January or February easily.

Commissioner Menendez: My suggestion, you know, I don't know the procedure here in terms of the Commission, but I propose that the City have a workshop in each of the taxing districts as soon as the numbers are available early on. So, it basically replicates what we're doing here, but in each taxing district so we can have -- at least start the discussion. If there's an issue, we have time to...

Finance Director Gomez: Sure.

Commissioner Menendez: Figure it out.

Finance Director Gomez: And if I may, and legally speaking, so I don't know what that rate is going to be until this Commission sets that preliminary rate, and that happens in May, roughly. Could we --? You know, so it's kind of, so if I have a workshop in July -- in January or February or whenever, I am saying, well, this is what I plan to bring forward to the Commission. I don't know what the Commission is going to do, but this is what I plan to bring forward. So, it's kind of the cart before the horse a little bit. And so...

City Attorney Suárez: But one thing that the Commission could do is determine the policy that it wants to have going forward...

Finance Director Gomez: Sure.

City Attorney Suárez: In terms of percentage, perhaps not district specific, but just generally what the policy (INAUDIBLE)...

Commissioner Menendez: And I wasn't saying district specific but have a workshop where the residents of that taxing district, we can start that conversation with them and air out any early issues that may pop up. And I think that goes a long way.

Finance Director Gomez: Sure.

Mr. Maranto: And Commissioner, just to affirm what you shared, that's exactly what we do. And Paul's been wonderful with that. We meet regularly.

Commissioner Menendez: Yeah, but we're not engaged in that.

Mr. Maranto: Right.

Commissioner Menendez: So, I'm saying that we...

Mr. Maranto: Right.

Commissioner Menendez: As a body be involved in those workshops.

Mr. Maranto: Right. So, for example, on May the 21st, here, this, when I met with Diana after, these were the numbers going into June, exactly remaining the same as what we were requesting today, nothing had changed. So, that's what was represented. And then after that, throughout the summer, we also had meetings and phone conferences that also confirmed the same numbers, the tax rate would stay the same. So, when it was announced in the last couple of weeks, it wasn't representative of May 21st or throughout the summer. This is different than what was represented to us.

Finance Director Gomez: Well, the May agenda item included this exact same -- the budget at the increase of the \$178.56. So, the budget, the proposed rate from this board has always been \$178.56.

(COMMENTS MADE OFF THE RECORD)

Finance Director Gomez: Yeah, \$2,150 increases it by the \$178.56. So, your current rate was \$1,971.44 and that's the -- so the increase has been there.

Commissioner Fernandez: To simplify, I'm going to make a motion...

Finance Director Gomez: Please, thank you.

Commissioner Fernandez: For the \$44.64...

Commissioner Castro: And I'll second.

Commissioner Fernandez: Change.

Finance Director Gomez: So, if I can...

Vice Mayor Anderson: Yeah, I'll second that. So, I mean...

Finance Director Gomez: For the record...

Vice Mayor Anderson: By May, you know, we will have insurance rates and you should have also with the labor costs, which is one of the most volatile items that you have, so that we can better plan for next year rather than trying to do this on the fly here now.

Mr. Maranto: Right. We're already secured.

Vice Mayor Anderson: And hopefully you already have even more reserve than you need, and then it'll be a much more productive conversation next time.

Mr. Maranto: Right.

City Manager Rojas: If I may.

Vice Mayor Anderson: Yes.

City Manager Rojas: Diana, would you restate for the record exactly the figures that we're talking about...

Finance Director Gomez: Yes.

City Manager Rojas: So, there's a clear record?

Finance Director Gomez: So, if it's okay, I want to round it to an even number. So, I'm reducing it by eight cents additional so I can get to a solid number of \$2,016 as the rate for this -- for the full unit and \$1,008 for a half unit or vacant lot. So, that is reducing it by a little bit more than 75 percent from what was originally proposed in May. And so, that is what we would submit as the rate to the tax collector tomorrow, as the rate that will be on the bills in November, \$2016.

Commissioner Fernandez: I'll amend the motion to that number.

Vice Mayor Anderson: Second.

Commissioner Castro: So, the increase would be what, like 43, 42?

Finance Director Gomez: 43 and yeah.

Commissioner Fernandez: \$44.52.

Commissioner Castro: So, there was a little more...

Finance Director Gomez: Yeah.

Commissioner Castro: A little tiny more.

Finance Director Gomez: 44.44. Sorry, .44. And then this (INAUDIBLE) .6 minus this. So, the increase is \$44.56.

Commissioner Castro: Okay.

Mr. Maranto: All right.

Commissioner Menendez: All right. We're good.

Commissioner Castro: I'm very happy with that.

Mr. Maranto: Thank you for the consideration.

Vice Mayor Anderson: Yes.

Commissioner Castro: Yes.

Commissioner Fernandez: Yes.

Commissioner Menendez: Yes.

Mayor Lago: Yes.

(Vote: 5-0)

Mayor Lago: All right, moving on to Item Number 10, please.

City Attorney Suárez: Number 10 is the resolution of the City Commission relating to security services assessments within the Hammock Oaks Harbor Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated security cost services is \$273,930 for fiscal year '24-'25. There's no change in the proposed methodology or the rates. The fiscal year '24-'25 assessments remain at \$2,698.80 per improved lot and \$1,349.40 per vacant lot.

Mayor Lago: Okay. Do you have any public comment?

City Clerk Urquia: No, Mr. Mayor.

Mayor Lago: All right.

Vice Mayor Anderson: Move it.

Commissioner Menendez: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Number 11, please.

City Attorney Suárez: Number 11 is a resolution of the City Commission relating to security services assessments within the Hammock Lake Banyan Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated security service cost is \$115,500 for fiscal year '24-'25. There is no change in the proposed methodology, but there is a \$500 increase in the proposed assessment rates for fiscal year 2024-'25. Assessment is proposed to increase from \$482

to \$982 per improved lot unit and from \$241 to \$491 per vacant lot. So, the increase is needed to fund the services provided. This district had been reduced in a prior year due to excess reserves, which have then been eaten up. And so, now we need to increase in order to restore the rate to correct levels over the next couple of years.

Mayor Lago: Entertain a motion?

City Clerk Urquia: Mr. Mayor, I have a speaker on this item.

Mayor Lago: Yes.

City Clerk Urquia: Ron Ponzoli.

Ron Ponzoli: Yes.

Mayor Lago: How are you, sir?

Finance Director Gomez: Oh, this is a different...

Commissioner Menendez: He lives in there.

Finance Director Gomez: Oh, okay.

Commissioner Fernandez: I think that's...

Finance Director Gomez: Yes, okay.

Commissioner Castro: I have your letter right here.

Mayor Lago: How are you, sir?

Ronald Ponzoli: Good morning, Mr. Mayor and Commission.

Mayor Lago: Thank you for being here.

Mr. Ponzoli: My name is Ronald Ponzoli. This is my wife. We live in -- oh, you got that?

Commissioner Castro: I have it.

Mr. Ponzoli: Okay. We've lived there since 1979, and this is the first time I've ever had to come to this Commission.

Finance Director Gomez: So, if I may for a second, for one second. So, this item is regarding the roving patrol, not the guardhouse.

Suzan Ponzoli: We're sorry.

Finance Director Gomez: That's okay. Because they have very, very similar names.

Mr. Ponzoli: Oh, I heard my name called.

Finance Director Gomez: Yes, because...

Mayor Lago: Because the Clerk -- the Clerk called you.

Finance Director Gomez: Yes. So, give us two more minutes.

Commissioner Menendez: We're going to call you now.

Mr. Ponzoli: I just picked up 20 seconds.

Finance Director Gomez: It's going to be the -- it's going to be the next one.

Mayor Lago: All right. Do we have a motion?

Commissioner Menendez: Yes, a motion.

Vice Mayor Anderson: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to 12.

City Attorney Suárez: Number 12 is a resolution of the City relating to security services assessments within the Banyan Drive Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated security cost services for this district is -- for this guardhouse district is \$396,900 for fiscal year '24-'25. There is no change in the proposed methodology. There is a proposed increase in this year's assessment. The fiscal year '24-'25 assessment is proposed to increase from \$5,100 to \$8,100 per improved lot and from \$2,550 to \$4,050 per vacant lot. So, this guardhouse was a new construction recently and so deficits were created due to construction overruns. And so, as well as the fact that additional security services were required per the permitting of the construction project because of unforeseen road closures and things like that. So, the guard -- the additional security services plus the additional cost of the actual construction requires that we increase the rate over the next three and a half, if not four years, in order to be able to recoup funds that have already been expended on the construction of this guardhouse. So, this guardhouse is -- this special taxing district is in a deficit position.

Commissioner Castro: And this is exactly what I was talking about when you were presenting this last time. And he assured us that everybody -- that he had spoken to all the owners and that everybody was okay with this increase.

Finance Director Gomez: So, it's not that they're okay, but -- I don't believe that's what Mr. Winkeljohn said. He said that he communicated it with the residents.

Commissioner Castro: This is a hefty increase and with no notice or -- this is something we spoke about before that I kept on...

Finance Director Gomez: Sure.

Commissioner Castro: Asking questions about. I mean, myself, if I would get this increase, it'd be pretty alarming.

Finance Director Gomez: So, we should -- the increase should be closer to \$11,000 in order to recoup all the funds that the City had to front into this district. So, remember, the expenditures have happened already because the guardhouse was constructed. The security services were paid, right, because that is what the district says. And we -- the City has -- agrees to -- when we do a guardhouse, we front the funding, and then we have the taxing authority to recoup it. And again, so it's not to increase it all in one year to recoup it all. We have decided to spread it over -- I think this is going to take us about three and a half, if not four years to recoup what the City has already expended on this district. Again, that is -- that's the position that we're at. I mean, we will not -- I don't know how much further than three or four years should we -- would it be responsible from the City's standpoint to continue to extend this. So, I understand what you're saying, but at the same time, we do have to recoup it. There were cost overruns. We were not -- the project was -- we were not going to stop the project. We were not going to not deal with the permit restrictions and requirements. We had to continue, the district was requested by the residents, not by 100

percent of the residents, I bet because it's not a homeowner's association, it's not a mandatory association, it is a special taxing district.

Commissioner Castro: But could there have been notice provided within this time for -- at least to...?

Finance Director Gomez: So, we -- so, notice is given, so the May 21st agenda is published. And we -- Paul Winkeljohn has developed a website over the summer or earlier that explains a lot of the different costs, the budgets for each of the districts and communicated that to the residents. Letters went out. It was advertised in the -- this public hearing was advertised in the Community Newspapers in early August, and it was on the trim notice that went out in August 20, whenever the County sends that out. So, I don't know how much more or what kind of notice -- other notice would be requested, but if different notice is requested, we can, sure -- we can, in fact, give additional notice.

Commissioner Castro: I think after it passes a certain threshold, I mean, an increase of this magnitude, in percentage-wise, is pretty significant. Maybe we can think of us as a city, after a certain amount of money, or after a certain percentage, we need to have a little better communication with the residents.

Vice Mayor Anderson: So, could we hear from the residents?

Mayor Lago: That's what I -- could we also just go through the Clerk? Mr. Clerk.

City Clerk Urquia: Yes, sir.

Mayor Lago: Public comment.

Mayor Lago: Yes, one speaker, Ron Ponzoli.

Mr. Ponzoli: Yes.

Mayor Lago: Welcome back.

Mr. Ponzoli: Well, again, well, I've heard these numbers thrown around and I'm here because of the \$785,862 of security money that was spent on this project. Excuse me. When this project started, there was a collection of \$750,000 for the project over two years. Then they started collecting for the security guard. I called about that. And they said the money that is collecting now at \$4,700 a year is for the guard because they don't know when it's going to start, and they didn't know when they're going to have the project. When we got the notice that our annual payment went up from \$5,100 to \$8,100, which is a pretty substantial jump, it went from \$4,700 to \$5,100. You know, those are old numbers, so it goes up. But at \$3,000, I made some phone

calls. And for the first time, I found out that we had security. Now, when they started this project and forgive my voice, I have a voice problem. When they started this project, they leveled everything that was there. This may be a joke, but I'm not kidding. If you wanted to make a no man's land movie for World War I, just put some bandolier wire in there and you could do the movie. There were potholes, there were everything else. I mean, it was a gift to a company that does alignment for cars, but we put up with that and we went through it. When it rained, there was mud. I never saw a security guard in the project. If they were somebody that's out parked out somewhere else how does that help security on the project? Because the safety is the project. They should have had a M*A*S*H unit for what we had to go through. So, anyway, this went on, and then it appears from the records, and this is a pretty difficult thing to interpret, but my interpretation of this is that half of -- \$526,000 was paid for security during the construction, okay? I have not seen any post orders to know what these people are doing. Every security has post orders. You do this, you do that. So, to find out what these people that we never saw on the project, I guess they had to drive over, but they didn't like to drive over very often. You have to look at their post orders. So, then -- and oh, by the way, there was a -- sent out to us a schematic of what was going to be built. And I questioned one of it because there was a septic tank, had to be a septic tank. Unfortunately, it was right in front of St. Thomas' rector's house. I'm a member of St. Thomas Episcopal Church. So, I called, and I said, please don't put that in front of our rector's family. Oh no, no, no, everything's fine. We got all the permits, everything's good. It's going in the right-of-way. Okay, so we didn't hear about that again. Then suddenly, somewhere in the project, we drove up and there was two security guards. And I think they were Allied security guards that does our security guard now. And some construction had obviously started not on the north side. This is a dog leg. There's two parts of this on east and west. And then the South Florida Water Management District road goes from the church down to the gate. There were two cars and there's these crazy lights flashing up against where the construction's going on. This apparently is what's being referred to as \$263,802 for security to put in a \$30,000 septic tank. The septic tank was paid by the general contractor because that was part of the contract. So, what were these security guards supposed to do? According to this, there was a lane of traffic closed. Ladies and gentlemen of this Commission, there were no lanes. There was just a combat area. There were no lanes. So, if you're going to have lane security -- and I'd like to see the post orders of those security guards because I never saw anyone come out of the car. If you're going to close a lane, the first thing you do is you put a sign out, lane closed. No such sign. If you're going to have a flag, flagman, no such sign. Blinking lights, now they have all these blinking lights. I never saw a security guard out there. Now think about this. How many cars go through there at 1, 2, 3, 4, 5 o'clock in the morning? It's crazy. So, why would you, any businessman, or if you're going to a bank to get a loan and saying, I'm putting in a \$30,000 septic tank, but I have to pay -- I have to borrow \$236,000 to pay for the security. I don't know why it took that long to do it. Three years ago, I had Mr. Chapman come out, and everybody knows Chapman came out and did my septic tank. He knew it was an \$18,000 tank. When they started, they were finished in three weeks. One week later, I got my certificate from the state. Why this thing took five months is incomprehensible. And if they weren't working, why were we having the security guards for lanes that didn't exist? It makes no sense. Anyone that has common sense has got to say this can't be right. We did not come to

this meeting. We did not get notice of the meeting in May. So, I don't know what happened in that meeting. So, I would suggest that we do this. It would be nice to send it out like this. So, what have they done? They raised it from \$5,100 to \$8,100 and they're nice enough to say we have a deficit and we're going to give you three or four or five years to pay it.

Ms. Ponzoli: We'll be dead.

Mr. Ponzoli: We'll be dead. But we're not leaving, we're going feet first out of that place. I'm not kidding.

Ms. Ponzoli: We'll be back.

Mr. Ponzoli: But listen, no, let's use common sense. I'm sorry, you have a question?

Vice Mayor Anderson: Not necessarily, but I just have to put on the record that I, back when the construction started, I routinely, before it started, I routinely biked through and cut through Banyan Drive as a way to avoid some of the crazy drivers on Kendall Drive. And the first time going through there, there was no barricades. And...

Mr. Ponzoli: It was fun, wasn't it?

Vice Mayor Anderson: It was fun. On a bicycle, it was really interesting.

Mr. Ponzoli: Yeah. So...

Vice Mayor Anderson: Needless to say, I was a little muddy. I was a little muddy. So, on the record, full disclosure, yes, I did experience what you were talking about. Now, what's not clear to me is the communications that occurred with the homeowners as to what these costs are, and I don't know if Mr. Winkeljohn could enlighten us about some of that, you know, because we have a lot of questions here, and I don't know if you can address some of that specifically since you were the one dealing with this area.

Mr. Ponzoli: By the way, I spoke to him, I think, for the very first time. I may have spoken to him a while ago.

Mr. Winkeljohn: I'm trying to get adopted.

Mr. Ponzoli: Yeah, no, no, no, he's a very nice gentleman. I just don't agree with a darn thing he's saying. And I don't understand what he's saying. Other than that, he's a swell guy.

Vice Mayor Anderson: We can agree to disagree.

Mr. Ponzoli: (INAUDIBLE) going to pay that amount of money.

Mr. Winkeljohn: Yeah, thank you. So, there's a lot to unpack here. You don't have enough time this week to fill in all the information. So, I'll answer some general questions, but I think like the other district details, it's really complex minutia. And I --

I'm going to be -- you know, I can go through it, but I don't think that's what you want. There is a big picture history and situation with all new districts that is inherently flawed. This district was actually created by you and endorsed by a resolution of this in 2016. That is actually when the budget is set. And what happens is the residents who want the project put together the first budget, they get their residents to sign and get the vote. And the district wasn't handed to you until 2020 -- 2019, 2020. So, there's three years elapsed, and the actual project finished at the end of, actually the very beginning of 2024, it finished in December, right at the beginning of this fiscal year. So, to try to project finances, expenses, to go through a very difficult construction project when you're putting four new lanes or one gate and three new lanes in a two-lane road with a certain restrictive right-of-way, there's a lot of risks that engineering won't work, final engineering won't work, Health Department won't approve it, which is the case here. When do you decide to not build it? When do you decide to tell people what it's going to cost? You don't know that. You don't know that until we actually got the final numbers together, like you've heard. We live 15 months in arrears in this business. So, all that said, I just wanted to give you sort of the 30,000-foot perspective of this project. And our contractor isn't here to go through the technical, but I have a pretty good grasp of it if you want to know why, we had to have the two flag wavers and security and such.

Mayor Lago: So, I think we're at a crossroads here. We have a pretty significant amount of money. We're not privy to all the details in regards to the construction or the security, but we have to make a decision today. So, with that being said, everything was vetted. We reviewed the contract documents. We reviewed the safety protocols that were put in place. It's audited, everything's fine.

Mr. Winkeljohn: And every department related to this in the City was part of this process. Public Works was a tremendous asset to try to rectify these problems. Public Safety, obviously, Accounting, clearly.

Mayor Lago: This was not our supervision, this was not our project.

Mr. Winkeljohn: No, it was the district's project.

Mayor Lago: Yeah.

Mr. Winkeljohn: Technically.

Mayor Lago: Yeah. All right, so are there any further questions, any other further statements in regards to the matter?

Commissioner Castro: How long did the project take?

Mr. Winkeljohn: We started planning -- the way it works is you try to do it in a three-year span. You do a year of planning, you do a year of permitting, and you construct in between. In two years, you're supposed to do it. This one took a year in design, it took two years in permitting, so it -- and it took a year and a half to build due to a number of complicated issues. So, it was a five-year project that was originally intended to be two and a half.

Commissioner Castro: So, were they advised, were they noticed with the amount of money or at least an average or an estimate that they wouldn't be surprised?

Mr. Winkeljohn: Yeah, so that information, the actual knowledge that the extra security services were going to be a requirement did not come to light until the end of last year's physical process, and their budget was already set. So, there was no cycle to formally notify anyone. I had -- like most of these districts, there's no formal relationship. It's an informal relationship with the residents. And so, with that, the informal group that founded the district, and they were on daily participation. Not all the residents were in that group, so the normal notices went out with the normal information, which he's articulated. Is it enough? No, it's not. There's a flaw in the process without a doubt that these districts fall out of the sky, there's no staff input onto the final budget, there's no mechanism to meet and to coordinate with people formally. So, you can hear in my comment that there's some informal or formal improvements if should another district come to you that we can help fix.

Commissioner Castro: So, this \$8,100...

Mr. Winkeljohn: Yes.

Commissioner Castro: Happened in one year?

Mr. Winkeljohn: The need for it came in this year's -- yeah, because the bills, remember, you probably have done enough construction where you get a deposit and then you don't get another draw until construction starts. Well, construction didn't start for a year in that time period. And then the draws happened pretty quickly because it's actually a short project from -- because it's only, you know, 90 square feet. It's a little building, but it's all the infrastructure. So, those bills actually -- I have some handouts I sent to the residents. I'll share with you tonight if you need them. And it's on their website that I created. But yeah, the actual confluence of facts is we started to see -- December, we got the first draw, but the actual second and third draws and the security payments for the extra flag wavers and stuff like that really didn't hit our books until February, this year.

Commissioner Castro: I mean...

Mr. Winkeljohn: It's weird, but that's how it works.

Commissioner Castro: Okay, so is it the amount of increase or are you questioning the amount of work that was actually done?

Mr. Ponzoli: No, I'm questioning the whole project, and I'll tell you why. First, I appreciate his comment that prices went up, but the project was \$834,000. They are very proud of the fact that they only went over budget 14 percent. They just totally ignored the security, like it never existed and not part of it. They used up all of the \$470,000 that they collected for the gate guard. That was all used. It wasn't used for the gate guard. Now, here's the problem. I was told that they had to have two security guards for security for the project. I don't know where they were, but all through the project, there were two security guards. When the septic tank thing came up, they hired two more security guards. So, unless my -- what I was told that -- why couldn't they use the security guards from them? That would have saved \$236,000.

Commissioner Castro: I understand where you're coming from, but this is money that we've already upfronted, and I think that would be a different situation completely if we now have to reevaluate or try to go back and investigate if there was two security guards or whatnot. I think right now what we need to think about is how much you are going to pay and if we can maybe...

Mr. Ponzoli: Well...

Commissioner Castro: Spread it out a little more.

Ms. Ponzoli: Can I speak even though I didn't sign a card?

Commissioner Menendez: Sure.

Ms. Ponzoli: I'm sorry.

Vice Mayor Anderson: You can fill it in afterwards.

Ms. Ponzoli: Okay, yeah. Okay, I'm sorry. What I'd like to say is that he has coordinated with, as he told me on the phone, three people. One of them does not live in the neighborhood. He is building a beautiful home, but he doesn't live there. So, he's been one of the coordinators. The other coordinator lives on my street, has been probably the instigator of the whole project, and he says he's washed his hands of the whole thing. So, you have one person who doesn't live there, one person who really says I have nothing to do with it, and you have my very nice neighbor right across the street who hasn't told us anything, bless his heart. And so, what we have asked for is

an accounting and an audit of our gate guard. Tell us where the money went. You look at it and say, yep, that's \$8,100, whatever.

Commissioner Menendez: I'm going to ask -- well, after that, I'm going to ask the Administration and everyone involved, I would say the first meeting in October, if we can have a detailed breakdown of what happened with those dollars, especially with security, because for residents there not to physically see security and then they're hiring, I think you said two more security personnel, probably to find the first two that nobody could find. I think we need a detailed breakdown because we're putting the burden obviously on the residents, but there's some questions as to why we're making payments or at least are the payments justified. And I agree that the Commission should, and for the sake of the residents, get a detailed breakdown of exactly what happened. I want clarity. I'm not pointing fingers, but let's get all the information so we can understand better.

Mr. Ponzoli: Okay, I'm respectfully asking and proposing to you this solution to the problem. They have already postponed payment of this and they're going to spread it over three years, which means that you have the authority to do that. You're going to get the -- if this is right, you're going to get your money because you're putting -- I'm not going to have a lien on my house, I'm not stupid. I may not be smart, but I'm not stupid. Okay, here's what I propose. In this \$8,100, there is obviously the money for the gate guard. I don't know how much it is, but if it was the same as last year, it's \$5,100. I would like you all to approve it, pay it. Well, no, we're going to pay it in November. Okay, you'll have the money because that's when you pay your taxes. I know it goes up larger, but you want 4 percent discount. Okay, let's have an audit of this and let's look at the post orders of what these security guards are supposed to do. Yeah, and let's find it out. Let's delay this thing. If it's next year, everybody's been paid. So, no contractors out there out of money.

Vice Mayor Anderson: So, I want to make sure I'm understanding it correctly. You're saying that \$5,100 is for covering...

Finance Director Gomez: No.

Mr. Ponzoli: I think it is.

Finance Director Gomez: That was last year's number. So, this year's number, let's say we are going to postpone the payback of the deficit. Then this year's number, because there have been increases in the rates that the guards charge.

Vice Mayor Anderson: Right.

Finance Director Gomez: So, this year's number would be \$6,016. So, that would be the number that we would need to just cover the current year operating, you know, the upcoming year's

operating expenditures and not recoup any of the amounts of funds that have already been expended. Just for point of note, there's only 49 homes in this district. So, that's why it's a large amount per individual.

Vice Mayor Anderson: Right.

Finance Director Gomez: So, that's what I'm calculating as a number that would be necessary in order to cover the expenditures, the operating expenditures for this upcoming year.

Vice Mayor Anderson: So, question. If we prorated it over a longer period of time, because we know that construction costs something.

Mr. Ponzoni: Yeah, that's a 20...

Vice Mayor Anderson: So, it's not zero.

Mr. Ponzoni: We have a 20 percent increase. So, well...

Vice Mayor Anderson: Okay.

Mr. Ponzoni: Nothing we can do about that.

Vice Mayor Anderson: So, yeah, I mean, wages go up, wages go up.

Mr. Ponzoni: Yeah, if that's what it costs that's what...

Vice Mayor Anderson: But starting to recoup some of the deficit for the construction, because we know it costs something. And in the meantime, you can look at -- drill down more on the actual monies that were spent and make sure the work was done. Can we prorate this over a longer period of time? And what would you recommend, Madam Director?

Finance Director Gomez: So, I recommended the three and a half years...

Vice Mayor Anderson: Other than what you're extending -- huh?

Finance Director Gomez: I recommended the three and a half years that I brought forward to this Commission. That's my recommendation. And honestly, I think that that's a long, a very lengthy amount of time for the purposes of what it is. I understand the potential hardship to the individual. I understand that. But if the funds were already expended, we need to -- these districts must be self-sufficient. The City should not necessarily be fronting the money for that long. That being said, I can tell you that, you know -- and again, we're in arrears accounting. So, there's things that, you know, this was based on the information I had at the time. It would take that amount in

order to get to three and a half. By the fourth year, I might be able to reduce it. If you want to do it for a longer period of time, you tell me how many years you want to direct me to put on the tax bill and that's what I will do if Legal tells me that we legally can do that. So, again, my recommendation was to do it over the three and a half years.

Vice Mayor Anderson: Okay, so why don't we start with Legal first as to what is permissible?

City Attorney Suárez: So, I don't know that we have like a clear rule on this. These are, as the Finance Director has mentioned, these are special taxing districts and these are improvements that were done that benefit the property owners. It's a special benefit to the property owners within the district. So, the idea is to reiterate that the City should not be expending its funds or fronting the funds to support these districts, rather it should be self-funded because it's the residents -- the property owners within those districts that decided to impose these assessments upon themselves for the purpose of these improvements.

Mayor Lago: So, I think...

City Attorney Suárez: So, I think the Finance Director has a plan. I think as long as we do have a plan to reimburse the City or so to speak, right, I think we are okay. But I think the longer we make that time period, the you know, the more...

Mayor Lago: So, if I may...

City Attorney Suárez: We're moving away from that.

Mayor Lago: So, if I may, Diana, quick question. Ms. Gomez, excuse me. I've been on this Commission for some time, I haven't seen an incident like this before. What is the usual timeframe that we provide in similar situations of this magnitude?

Finance Director Gomez: So, guardhouses, we know that when we construct it, we always do the construction in advance. We usually recoup it within two years...

Mayor Lago: So, we're...

Finance Director Gomez: Maybe three.

Mayor Lago: So, we're potentially...

Finance Director Gomez: Yes, because it was a large amount, and I understand that it's a large amount, and it's a very small district as well.

Mayor Lago: I know.

Finance Director Gomez: So, there were multiple factors that were put into consideration when, you know, I thought, okay, well, three and a half, it may have to be four, depending on how the results of each year pan out with the normal operations, because if there's overruns, then it gets added on.

Mayor Lago: I want to take into consideration that we have a budget hearing coming up.

Finance Director Gomez: Sure.

Mayor Lago: And we have a few other items that we got to hear. So, you think that four years is appropriate? Four years.

Vice Mayor Anderson: Three and a half.

Mayor Lago: Yeah, but she's saying three...

Vice Mayor Anderson: 42 months.

Finance Director Gomez: It would be the fourth -- in the fourth year, if everything else worked out, I might be able to reduce it a little bit, not -- but in the -- after the fourth year, then it would be able to be reduced.

Mayor Lago: Have we ever done five years?

Finance Director Gomez: I don't -- not to my recollection, but I haven't...

City Attorney Suárez: This might be the first one that we...

Mayor Lago: Do this long.

Finance Director Gomez: No, we have -- we had built a guardhouse.

City Attorney Suárez: You're right, you're right.

Finance Director Gomez: In the past, but I don't know when we took over these districts, did we ever build a guardhouse since we've taken over these. In the past, there were districts -- when it was the County, we built it for the community and then we build them, but we build them over, actually probably over one year, maybe we gave them two years. I don't recall, I don't know if we've built any other guardhouses since you've taken -- so since we've taken it over from the -- I'm sorry?

Mr. Winkeljohn: We did Snapper, but they self-funded.

Finance Director Gomez: Yeah, so we haven't funded, right? So, this is in essence the first time. So, again, if it's the will of the Commission to do that and we can -- again, we can do whatever. I'm just giving you the considerations and you need to decide how you want to proceed.

Commissioner Castro: Through the Mayor, I would move to one, an audit of what really was happening there. And two, given the circumstances in which you stated, put it through a five-year span.

Vice Mayor Anderson: That's where I was heading, was five-year. And I would appreciate the audit on it too because I did have some personal experience going through there, and there was nothing blocking it at first.

Mayor Lago: So, is that a motion a second?

Finance Director Gomez: Hold on. Let me let you know the number before you...

Mayor Lago: I mean, I think five years...

Vice Mayor Anderson: That would be helpful.

Mayor Lago: I think five years is acceptable and gives you a little more...

Ms. Ponzoli: It's acceptable to the two of us. Let's be honest, we don't have a homeowner's. And frankly, I don't think these three people represent our district.

Mr. Ponzoni: But here's the point...

Ms. Ponzoli: You're going to make a decision, and we'll tell people we know, or you'll send it out, I guess. But I like the...

Mayor Lago: Oh, we will. We will send the information.

Ms. Ponzoli: The October audit presented so everyone understands how we got there.

Finance Director Gomez: October, we may need more time than that.

Mayor Lago: Yeah, they need some more time.

Finance Director Gomez: Probably more than October.

Mayor Lago: So...

Finance Director Gomez: I'm not sure how much time. I don't want to speak for Mr. Winkeljohn, but we probably need a little more time depending on what exactly the Commission wants to bring back. So, just for the record, if we were to do it over five years, it would be the -- the assessment rate would be \$7,285.

Mayor Lago: That's almost a \$1,000...

Finance Director Gomez: Almost \$1,000. So, if you want to...

Mayor Lago: Okay.

Finance Director Gomez: Yeah.

Mayor Lago: So, we have a motion and a second. Five years with an audit that will be provided to all the residents in the neighborhood.

Finance Director Gomez: And so, a full-blown audit on the -- would have to then be billed to the district. So, we can give you an accounting of the records internally.

Mayor Lago: So, why -- instead of spending more money on an audit, why don't we give them a full accounting, if the Commission is fine with that?

Finance Director Gomez: Yeah, we can start with that.

Mayor Lago: Full accounting.

Finance Director Gomez: Yes.

Mayor Lago: And you can take a look at it, digest it, see if you see...

Finance Director Gomez: So, I have reviewed a lot of it already with Mr. Winkeljohn and I understand what the costs were. However, if that's what the Commission wants us to do, we will bring -- you know, we can discuss it with the Commission or with just the residents, I'm not sure.

(MULTIPLE PARTIES SPEAKING IN UNISON)

Commissioner Menendez: (INAUDIBLE) October.

Commissioner Castro: And I...

Mayor Lago: I think you can -- just give me one second. Can you -- if the Commission is willing to accept this.

Mr. Ponzoni: Mr. -- I'm sorry.

Mayor Lago: Go ahead, no, no, I'm just trying to get as many things done today as we can.

Mr. Ponzoni: No, no, Mr. Mayor.

Mayor Lago: Go ahead, go ahead.

Mr. Ponzoni: The only thing I ask...

Mayor Lago: Yes, sir.

Mr. Ponzoni: Is that somebody review these post orders to see what they were doing.

Mayor Lago: We will...

Mr. Ponzoni: That's critical.

Mayor Lago: Let me just get to one thing. I was going to make a request and see...

Mr. Ponzoni: Thank you.

Mayor Lago: If it's fine.

Mr. Ponzoni: Thank you, sir.

Mayor Lago: Ms. Gomez, what I would like to see is for you to review the documents with your staff through the Manager's Office. Put together a memo. That memo will be provided not only to the Commission, but we also provide it to the residents. It will address the cost of construction, and like the gentleman just said, address the security hours and all the affiliated manhours in regards to security, flag bearers, not bearers, excuse me, but flagmen for MOT and all those kind of additional ancillary costs that came with the MOT that jumped up. So, moving forward, we have a five-year.

Finance Director Gomez: So, yeah, so we're going to set -- so what number do we want to set the assessment at? Do we want to set it at that \$7,285.39?

Mayor Lago: Yes.

Finance Director Gomez: And again, it's -- I'm just...

Commissioner Castro: That would be the five years, correct? That would be the \$6,016 with the thousand...

Finance Director Gomez: Based on the deficit that we have currently projected, yes, but that could change, right? So, as we close out this year, it may be a little bit different. So, yes, that -- I believe based on the information I have today that it would take that payment, that addition, because remember, \$6,016 is just for normal operations. And so, then I took the, in theory, deficit based on after we finished this fiscal '24, and I added that to that number, and that's how I got to the \$7,285. If we want to, you know, say, okay...

Mayor Lago: Five year's fine.

Finance Director Gomez: Yeah, that's fine.

Mayor Lago: Five year's fine.

Vice Mayor Anderson: You forgot \$0.39.

Finance Director Gomez: Yes. I was going to actually suggest why don't -- we can just reduce it by \$1,000, go to \$7,100 and then just do the accounting, figure it out next year.

Commissioner Castro: I would (INAUDIBLE)...

Finance Director Gomez: And that's fine.

Vice Mayor Anderson: That's fine.

Finance Director Gomez: So...

Commissioner Castro: 71.

Finance Director Gomez: \$7,100.

Commissioner Menendez: Can you bring that in...?

Vice Mayor Anderson: I'll second.

Commissioner Menendez: We talked earlier, can you bring it in October?

Finance Director Gomez: I don't know if we'll be able to bring it back in October. We will do our best to bring it back in October, just I'm asking the Commission to give us a little more time.

Commissioner Menendez: Okay.

Finance Director Gomez: And we will let -- we will keep you posted as to when we will be able to get, you know...

Vice Mayor Anderson: Yeah, let us -- and double check when the flagmen went out there...

Mayor Lago: Yes.

Vice Mayor Anderson: Because...

Finance Director Gomez: Sure.

Vice Mayor Anderson: My experience was there was nothing out there at first.

Mayor Lago: Can we get a motion?

Finance Director Gomez: Yes.

Vice Mayor Anderson: We do.

Commissioner Castro: There was a motion.

Vice Mayor Anderson: We have a motion; we have a second.

Commissioner Castro: There was a second.

Mayor Lago: Mr. Clerk.

Mr. Ponzoni: One last word, Mr. Mayor. I want to thank you, Mr. Winkeljohn and everyone else. And I want to say one thing. Since we're in Coral Gables, we have the best police in the state of Florida.

Mayor Lago: We're blessed.

Commissioner Castro: Yeah, thank you so much.

Mayor Lago: Thank you.

Mr. Ponzoni: Amen.

Mayor Lago: Mr. Clerk.

Ms. Ponzoni: I would like to make one final request, that this method of notifying -- I'm sorry.

Unidentified Speaker: It's okay.

Ms. Ponzoni: I should know better. I argued in the appellate court for the federal government, and you had to speak into the microphone. That the notice to the residents, send us a letter like you send us. Don't just do these posted in the newspaper somewhere. Do you really think I have time to read that? I don't, I need -- I read what you send me. I read what you sent me on the flood control.

Mayor Lago: Thank you.

Ms. Ponzoni: So, I appreciate it.

Mayor Lago: No, we appreciate you.

Ms. Ponzoni: Thank you for your time.

Vice Mayor Anderson: Thank you.

Mayor Lago: Mr. Clerk.

Commissioner Menendez: Yes.

Vice Mayor Anderson: Yes.

Commissioner Castro: Yes, and that was amended to \$7,100.

City Clerk Urquia: Yes, ma'am.

Vice Mayor Anderson: Yes.

Commissioner Fernandez: Yes.

Mayor Lago: Yes.

(Vote: 5-0)

Mayor Lago: Thank you. Moving on to 13.

City Attorney Suárez: Number 13 is a resolution of the City Commission relating to security services assessments within the Hammock Lakes Security Guard Special Taxing District;

providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated security cost service for this district is \$402,000 for fiscal year '24-'25. There's no change in the proposed methodology. There is a \$1,535 proposed increase in this year's assessment. Fiscal year '24-'25 assessment is proposed to increase from \$4,465 to \$6,000 per improved lot and from \$2,232 with 50 cents to \$3,000 per lot. The deficit -- the district is currently -- it's a guardhouse district that is currently in a deficit and it'll take us about two to three years to recoup the deficit. So, increases are needed to fund -- provide -- because there have been increases in security services costs over the year. Sorry.

Mayor Lago: Mr. Clerk, do you have any public comment?

City Clerk Urquia: No, sir.

Mayor Lago: I'll take a motion.

Vice Mayor Anderson: Move it.

Commissioner Fernandez: Second.

Commissioner Castro: So, one of the common denominators here is that it's increasing security for almost all of them.

Finance Director Gomez: Yes.

Commissioner Castro: Okay.

Finance Director Gomez: Absolutely.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

Mayor Lago: Moving on to 14.

City Attorney Suárez: 14 is a resolution of the City Commission relating to security services assessments within the Cocoplum Phase I Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated

security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated security service cost is \$555,100 for fiscal year 2025. There is no change in the proposed methodology, but there is a \$725 increase in the proposed assessment rates. The fiscal year '24-'25 assessment is proposed to increase from \$3,000 to \$3,725 per improved lot, and from \$1,500 to \$1,862.50 per vacant lot. So, this -- so the increase was used to fund security services, including security service costs that had increased over the past year. This district is a roving with an extra district where it has excess fund balances were used to purchase security cameras that were petitioned by the community. And so, once it was petitioned, we then went and used the excess fund balance reserves for those security cameras.

Mayor Lago: Okay, Mr. Clerk, do you have any public comment?

City Clerk Urquia: Yes, Mr. Mayor. Mr. Juan Galan.

Mayor Lago: Mr. Galan, good afternoon. Thank you for being with us.

Juan Galan: You all have a lot more patience than I do. Before going to my subject, as many of you know, I was a consultant for many years. And I don't think that when you took in the special districts, you recognize, which by the way, I went and talked to Miriam Ramos at the time, told him, you were accepting a big problem, that you really need to have, and I realize it's a change in the law, but you need to have what I would call a borrowing ability for the special tax districts to borrow from the City. For the reason of, if we have a major hurricane, and let's say something is totally wiped out, okay, you're then going to be in the hole. And the City can borrow money at a really reasonable rate, and whatever you would charge, which I would suggest you would have some kind of addition, one or two percent above whatever it costs you, then you would not be out of pocket like you are in this situation you're in now, okay, and any other situation in the future. So, I would say to you that every special tax district should agree, if you're going to manage it, to having a situation where they can borrow money from the City, this would allow you to reduce reserves, potentially even reduce the annual amount, which would make you all look good, okay? And that's -- it's just simple. But when you took it over, that was never considered. And I know that because I went to Miriam and I talked and I said, you're inheriting a -- and you know, at the time, finally they hired a consultant, but nobody's dealt with it, okay? So, free advice for what it's worth.

Mayor Lago: Appreciate that.

Mr. Galan: As far as Phase I, here's the problem. We have a farce going on. On the one hand, we have a Cocoplum Civic Association that pretends to act like they're an HOA, who were really only supposed to manage the tennis courts and actually, in fact, and legally, they're not permitting

the owners of Cocoplum Phase I to use the tennis courts as the covenant that conveyed the property requires. But you know, I don't want to get into that, but somebody should get into that because what they're doing is not correct, okay? But what happens is the CCA starts. In this case, it was one of the members, a secretary of the CCA sent out an email, we're going to improve this, we're going to do that, but don't worry, there's no extra costs, right? So, then the next thing that happens is they do a petition. They get to 20 people and then they get up to 67 percent, which is something the City allowed to do. But in reality, the original STD petition that allowed it to go to 24/7 never had any provision for an amendment, okay? The City Commission put in an amendment provision for all STDs that require 67 percent vote. But that was not in any of the original districts that were created. So, I don't even know frankly where the legality of that is, okay, because it -- if all of us voted to create a special tax district, okay, and it doesn't have anything in that wording to allow an amendment, how do we come up with an amendment? Okay, the City Commission decided to do that, but I'm not sure that it's even legal going back to when it was created, alright? But in this case, they came to us, and they said, there's not going to be an additional cost, right? Number one, I would ask you this, you heard the number, \$555,000. If you had that annual expense in this City as Commissioners, how often would you require the City Manager to go out to bid and review the \$555,000 a year, right? Five years, ten years? Zero since it started. I've been there 30 years. Okay, the special tax district has been there maybe 25 years. No bidding process. Oh, well, but the people tell us that they like City -- Coral Gables. Great. But do we look at options? No. All right? And the other question that I have is I don't know, been a long time since I've been in municipal accounting, but I believe that by using Coral Gables Police we're increasing the pension problem for the City of Coral Gables. Because I believe that the pensions are based on their salaries for the last five years usually, most organizations that way. So, if you use Coral Gables Police to provide the additional roving patrol, you're actually increasing the problem that you have with the pension system in Coral Gables. So, as a city, I would say to you, you want to look at everywhere where you're doing that, and you want to question why you're adding to your pension costs when you could use private security. Islands of Cocoplum is Phase II, they renamed themselves. They use a security service, a roving patrol, okay? I know for a fact, because I've talked to them, that if we have that, two benefits. One, it wouldn't be 555, it might be more like 300. But more importantly, there would be backup right away. We all know, and I respect the police wanting to have a backup before they answer a domestic incident. But as we are right now, they have a roving patrol, which is a private security guard. We have a roving patrol, which is the police department. Guess what? They don't back each other up. The police ask for police to come back and back up. And -- but if we had the roving guard, the same security service, we would have backup and we would have a quicker response. But again, nobody looks at that. You know, we have a situation where the CCA puts out this petition. And then when I talk to your contractor, says, well, but we talked to them. Who? You didn't talk to Phase I. There were 67 percent of the people in Phase I that approved this petition. Who is he talking to? The Cocoplum Civic Association, okay, who is nobody. All they do is manage the tennis courts that they don't even manage properly. So, you know, I don't -- the cost doesn't bother me, you know, I'm pulling in money, so that's not my issue. My issue is bad management, okay? You went, when they put out the letter, they said, we're going to do the cameras because we have a reserve, right? So, I've

talked to your contractor. We used up the reserves for the cameras. So, guess what? Now we have a 20 percent increase. That's poor management. If I was managing this, and I'm sitting in your Commission, I would say every year I want a little bit of an increase, just like the 3 percent that nobody complains about, right? Instead, we let it go for four or five years at the same rate. Next thing that happens, I go from \$3,100 to \$3,725 or whatever it is, 20 percent increase. Why? Because we mismanaged it, okay? You should have gone up so much every year because your costs go up every year. I understand that. So, that is my biggest problem. The other problem I have is, is there anything you do here that doesn't have a sunset? Do you not question things every year? I served on the Budget Committee. In some areas, we looked at zero budgeting, right? What are you going to do next year if we say zero? Nobody looks at this, all right? These STDs have been created. They are like perpetual taxes. Why isn't there a sunset provision that says after 10 years, after 15 years, we will sunset the special tax district and we will re-question whether we need it or not, okay? Today we have ring cameras. We have all kinds of technological things that you use like tag readers. But we're still using a roving patrol, like we were in the, you know, other century. There's no management, no appropriate management of the special tax districts, okay? And I think that needs to change. And I would recommend 100 percent that you seriously consider a sunset provision, especially for what I call non-structural special tax districts, okay. If I'm paying for a roving patrol, that can go away. There's no problem. Now, I realize that there's a building, you know, you have to have some other provision, but something needs to happen to make people question what the hell's going on because that's not happening, alright?

Mayor Lago: Thank you.

Mr. Galan: You're welcome.

Mayor Lago: Sir, as always...

Mr. Galan: I'll be back for the 15th.

Mayor Lago: Good to see you. Do you have any other comments?

City Clerk Urquia: No, Mr. Mayor.

Mayor Lago: Okay, I'll entertain a motion.

Commissioner Castro: I'll move it.

Vice Mayor Anderson: I'll -- yeah, it doesn't matter. It doesn't matter who moves it. You can move it, I'll second, and we can look into efficiencies like you're suggesting.

Mayor Lago: I have a motion and a second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Thank you, Mr. Galan. I appreciate your words and you being here. Thank you so much. 15.

City Attorney Suárez: 15 is a resolution of the City Commission relating to the provision of street lighting services, facilities and programs within the Cocoplum Phase I Street Lighting Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated street lighting assessment roll; providing for the reimposition of the street lighting assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Finance Director Gomez: So, the total estimated street lighting service cost is \$90,650 for fiscal year 2024-'25. There's no change in the proposed methodology or rates. The fiscal year 2024-'25 assessment is \$608.25 per unit.

Mayor Lago: Mr. Clerk. Mr. Galan has requested to speak on the item.

Mayor Lago: Perfect.

(COMMENTS MADE OFF THE RECORD)

Mr. Galan: Here we go, a special lighting district, which I live in Phase I. I live in Cocoplum Road. Cocoplum Road had beautiful lights, but the CCA decided that their area didn't have beautiful lights. So, they forced us to change our lights, and they forced us, and the City won. The City stopped paying for all these lights and all the repairs and all that. And now we have Florida Power & Light, okay, so you don't have to worry about it. I understand that. Okay, and I saluted the people from the City that were smart enough to get my neighbors to be stupid enough to agree to take over the cost, okay, without reducing the property. I understand that, okay? But here's the problem. They lie. What did they say? It's going to be \$400 per year. And the first year is going to be \$600. I have my records here. The first two years were \$806, and now it's going to be \$608. Now the thing that I don't understand is I think you all need to know who looks bad. The people don't know who your contractor is. The people don't know who Diane is, who I happen to like, and is a very competent lady. The City lied, right? So, who looks bad? The City. Because the letters come from the City. So, somehow you need to find a way to either send out the right information or force people to live with the numbers that they originally proposed. Because if they

propose \$400 or whatever it is, then they can have one less camera or one less speed reader. But in our case, it's even worse. The speed readers that are going in are going into Los Pinos Boulevard. Why? Because that's where the tennis courts are, okay? And why? Because that's where the people that run the CCA, the Cocoplum Civic Association, that's where they live, okay? My road, I can guarantee you, I'll bet you \$10,000 to \$1, okay, has the highest speed of anything in Cocoplum because they're all going up the hill, right, on the accelerator. That's why I had the bike path put in. That's why I insisted the gate at the end in Cocoplum have a gate so that people don't come through there at 40 miles an hour and run into a lady who was walking their baby, okay? But you know, nobody seems to understand what the difference is between Phase I and Phase II, and then between the people at the Cocoplum Civic Association who look out for their own interests and don't give a damn about the people on Cocoplum Road, okay? The speed readers, if you're going to put them anywhere, should be put where the highest speed is. And I know that the City Traffic Department can confirm that it's Cocoplum Road, but where are they putting them? On Los Pinos Boulevard. Who lives there? The people that run the Cocoplum Civic Association. So, here again, you look bad because you're not managing this correctly and you're allowing misinformation to go out and then you send us tax bills, which we pay for much more money than what they promised it was going to be. So, that's it.

Mayor Lago: Madam Director, through the Manager's Office, if you'd send to the Commission, if you can, maybe we can have a conversation or a meeting, you can send information. I'd like to understand a little bit more about what was promised. I know we're at \$800 last year, we're at \$608 this year. I want to understand if -- whether it -- I don't need to know about it now because we're tight on time, was it additional hours in regards to lighting? Did the tariff go up for FP&L? I know FP&L -- I know electricity costs went up. I just want to understand.

Finance Director Gomez: It's mostly the construction of putting up the new lights, yes.

Mayor Lago: All right. Can we expect it to be less than \$600 next year...

Finance Director Gomez: So...

Mayor Lago: And continue dropping like it's dropping right now?

Finance Director Gomez: So, eventually, it will take another two years of the \$608 before we can consider dropping it based on the information...

Mayor Lago: Not a problem.

Finance Director Gomez: That we have so...

Mayor Lago: Not a problem. I just want to put it on the record and get the information out there because Mr. Galan makes a very good point.

Finance Director Gomez: Yes.

Mayor Lago: Are there any further comments or any other...?

City Clerk Urquia: No, Mr. Mayor.

Mayor Lago: Can I entertain a motion?

Vice Mayor Anderson: I'll move it.

Commissioner Castro: Second.

Mayor Lago: Go ahead.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: Moving on to 16, the final one.

City Attorney Suárez: 16 is a resolution of the City Commission relating to security services assessments within the Gables by the Sea-Coral Gables Security Guard Special Taxing District; providing authority and definitions; confirming the preliminary assessment resolution; approving the updated security services assessment roll; providing for the reimposition of the assessments; providing for collection of the assessments pursuant to the Uniform Assessment Collection Act; providing for the effect of this resolution; providing severability and an effective date.

Commissioner Fernandez: So, the total estimated security service cost is \$507,000 for fiscal year '24-'25. There's no change in the proposed methodology. There is a \$100 increase to the proposed rates. The fiscal year '24-'25 assessment is proposed to increase from \$1,250 to \$1,350 per improved lot and from \$625 to \$675 per vacant lot. So, this is only the second year this district has been transferred to the City of Coral Gables. It's a shared district with Pinecrest. There were replacements that were needed to the gates, I believe it was. And so, we are increasing it \$100 to make sure that we do not go into a deficit position. But again, it's only the second year. This will be the second year that we're working with this district and it's a shared district with it. So, we should be fine with this one.

Mayor Lago: Mr. Clerk, do you have any public comment?

City Clerk Urquia: No, sir.

Mayor Lago: All right, I'll entertain a motion.

Vice Mayor Anderson: I'll move it.

Commissioner Menendez: Second.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.
(Vote: 5-0)

City Clerk Urquia: Thank you.

Mayor Lago: All right. Before we adjourn, I just want to say thank you to all the residents who came here and took time of their day to partake in the process. I also want to thank our Finance Director and her team, City Attorney, wonderful work as always putting this together. Mr. Winkeljohn, thank you, your team, you're always very accessible. Even when we're delivering bad news or good news, you're there, front and center, and I can attest to that. Thank you, and we will be back at 5:30 to commence our First Budget Hearing. Thank you.