

City of Coral Gables City Commission Meeting
Agenda Item F-8
May 20, 2025
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 Richard D. Lara

City Staff

Acting City Manager, Joe L. Gomez
City Attorney, Cristina Suárez
City Clerk, Billy Urquia
Assistant Finance Director, Paula Rodriguez

Public Speaker(s)

Agenda Item F-8

A Resolution of the City Commission directing City staff to prepare the Fiscal Year 2025-2026 budget with options providing for a reduction of the millage rate by 1% or 2% in advance of the July budget presentation. (Sponsored by Commissioner Fernandez)

Mayor Lago: F-8.

City Attorney Suarez: F-8 is a Resolution of the City Commission directing City staff to prepare the Fiscal Year 2025-2026 budget with options providing for a reduction of the millage rate by 1% or 2% in advance of the July budget presentation.

Commissioner Fernandez: This is just to make sure that – last time we started discussing this at the last minute. I want to make sure that staff has plenty of time to thoroughly vet the budget, come up with options before we make a decision on millage. When is it that we set the ceiling on the millage? -- what, July?

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Assistant Finance Director Rodriguez: So, we will be providing you a July 1 Budget Estimate and you will set the millage on July 9th, but the July 1 Budget Estimate will be based on the current millage. So, we will be bringing to you a budget estimate with all of the bells and whistles and everything we decide in Capital, right. So, we have our first Capital meeting June 11th where we talk about prioritizing Capital. I bring to you available funding, based on the current situation. So based on the 5.559 millage, based on the trash fee generating \$6 million dollars, all of that is baked into the July 1 Budget Estimate. The July 9th setting of the millage, I will bring to you a millage of 5.559 and then the final rate will be set in the first and second hearing that are in September. I'll remind the Commission that at the July meeting, you can – whatever millage you set can be lowered, it is very difficult to raise the millage once you set it on July 1st. So, I will always encourage you to set the millage at the higher number in July and if there is discussion to lower the millage that, that happen over the summer and in September.

Mayor Lago: Do we have a motion.

Commissioner Fernandez: I'll move it.

Commissioner Castro: I'll second that. But I would also like to see what a 3 and 5 percent would look like, is that okay with the sponsor.

Commissioner Fernandez: Sorry?

Commissioner Castro: I would also like to see what a 3 percent and a 5 percent would look like, is that okay with you.

Commissioner Fernandez: Sure.

Commissioner Castro: An amendment.

Commissioner Fernandez: I'll amend.

Commissioner Lara: Through the Mayor.

Mayor Lago: Yes.

Commissioner Lara: Question for you, Commissioner Castro. You are saying you want to see what it looks like to reduce it by up to 5 percent.

Commissioner Castro: I want to see the effect it would take on services or the budget.

Commissioner Lara: Right. A question then to Paula. Realistically, is that reasonably feasible in terms of time to create 1, 2, 3, 4, models?

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With options for a reduction of the millage rate by 1% or 2%*

Assistant Finance Director Rodriguez: So, my time is yours at this time of the year, and I will do what the Commission asks.

Commissioner Lara: I know.

Assistant Finance Director Rodriguez: However, what I would say is that bringing you options before the 4th of July meeting would not make sense at this point. There are too many things that have not been decided, right. We don't know right now what the State is going to decide to do with some of their decisions on property, taxes, on the Homestead Exemption, we don't know our property values. On June 1st I will get preliminary property values that will be used to develop the July 1 Budget Estimate and then on July 1 I'll get our final values. So, if I had to prepare something now, it would be essentially based on the estimates from last year, right. So last year a one percent reduction would be a reduction of almost \$1.3 million dollars in our recurring revenue in our General Fund, and two percent would be an impact of almost \$2.6 million dollars. So, could I bring you options? – yes; would they be good options? – probably not, because I'm going to balance to get there. Three and five percent, I mean, I almost walked out. In all candor, right, five percent would be more than double that \$2.6 million dollars. We would be talking about a significant impact that would really impede our ability to fund operations this year and we would take deep cuts into departments. And so, don't be mistaken, any millage reduction will impact all three areas. It will impact any additional funding for departments for new programming that this Commission has expressed and the community has expressed, it will impact Capital funding, and it will reduce the flexibility that we have in our departments. So last year when we brought to you these proposals, I kind of looked over it again last year, just to have an idea. In our budget planning, we ask departments to provide us their 100 percent budget, which is the same level of funding they have this year. We ask them to give an option of cutting their budget by one percent, an option of cutting their budget by two percent, and an option of cutting their budget by three percent; and in the General Fund, three percent of cutting their operating budget only equated to \$600,000 last year. So, I would have to look in other places or I would have to cut deeper than three percent of their funding and that's cutting things like training dollars, things that you guys have expressed are important in our operating budget, training dollars, memberships and dues, office supplies. Unless we are willing to cut bodies, their operating budgets are very slim in most cases. So, you asked if it was reasonable, it would be a significant challenge to bring you a good set of options.

Mayor Lago: So, if I may. I want to put some things on the record, okay. I would like to see a 1, 2, 3, 4, 5, provide my colleagues what the cost would be and what would be the repercussions of cutting taxes by that much. I'm all for it. Now, let me remind my colleagues on the Commission; \$2 million dollar COLA a year for ten years that's \$20 million dollars. Let me also remind my colleagues that last year we said, please, please do not hire so many people. How many people did we hire last year?

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Assistant Finance Director Rodriguez: We added 26 fulltime positions, 6 of which were converted from part-time.

Mayor Lago: That's fine. But I'm saying that was Paula, is it safe to say that's the largest you've seen since you've been here in one year?

Assistant Finance Director Rodriguez: That is significantly one of the larger years.

Mayor Lago: So that is a massive number. We also gave a massive, a massive pension agreement to the firefighters, which I voted against, which is going to have significant impact on this year's budget, correct.

Assistant Finance Director Rodriguez: We will see the results – all these salaries will increase by the COLAs that we gave last year, so yes.

Mayor Lago: They are massive. Yes.

Assistant Finance Director Rodriguez: So, they are the larger ones from the more recent past.

Mayor Lago: Okay. So, my point is, that we haven't even seen those numbers. So, if you want to cut taxes, I'm all in favor of it, but at the end of the day, it just cuts more into Capital, cuts more into Capital, cuts more into Capital. That's why I voted no on the COLA. That's why I voted no, and staff said, this is way too rich in regard to what we provided for the fire union. It was a massive number and now we're going to reap the benefits, we're not going to reap the benefits, we are going to reap the repercussions of it, and we have to deal with it in the budget. Madam Vice Mayor – and also the positions that we said very clearly, too many positions, too many positions, too many positions. Yes ma'am.

Vice Mayor Anderson: Mayor, those comments on the positions because yes, I did try to dissuade my colleagues not to add so many positions to increase the cost of our budget, and unfortunately, I was not successful. You prepared this scenario last year, so my educated guess is the numbers aren't going to be tremendously different, other than the fact that salaries are higher, employee costs are higher now because we added more positions. So, I'm going to suggest that we reshare for the entire Commission the presentation from last year and the presentation from last year, correct me if I'm wrong, was done in August, wasn't it.

Assistant Finance Director Rodriguez: It was done on August 1st.

Vice Mayor Anderson: August 1st, that's close. Would that be a reasonable period time for you to be able to.

Assistant Finance Director Rodriguez: So that would be my request to the Commission, if it's the will to have the discussion of reduction of millage, which again I will be bringing to you the full millage request, I would ask that we do it over the summer. I would encourage you to consider adopting the current millage in June, I'm sorry, in July, and then over the summer have these discussions thoughtfully with time and then making a decision at the September meeting of what the final millage would be, and that would give us sufficient time to put together a good plan.

Mayor Lago: So, I'm asking you, please on behalf of the Commission to prepare for us 1, 2, 3, 4, 5 percent reduction, so they can see what the numbers are, and I think that's fine with the Commission, so you can see the scenarios. Do we have a motion on Commissioner Fernandez' item.

Commissioner Fernandez: So, I'll amend the motion to give you until August 1st, like the Vice Mayor said.

Mayor Lago: So, we have a motion.

Commissioner Castro: And I second it.

Mayor Lago: And a second. Mr. Clerk.

Commissioner Fernandez: Yes

Commissioner Lara: Yes

Vice Mayor Anderson: Yes

Commissioner Castro: Yes

Mayor Lago: Yes

(Vote: 5-0)

City Attorney Suarez: Sorry Mayor, just to clarify. The resolution shall include all those different scenarios, 1, 2, 3, 4, and 5 percent.

Mayor Lago: Yes.

Assistant Finance Director Rodriguez: I'm sorry, you guys went too quick for me, but August 1st falls on a Tuesday, so I'm sorry, August 1st falls on a Friday, so that assumes that you all want to be available for a special meeting on a Friday to discuss these items or to schedule a special meeting.

City Attorney Suarez: Or you just want to provide it to you via email or some other way.

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Commissioner Fernandez: And then we can...

Mayor Lago: Okay.