

City of Coral Gables

*405 Biltmore Way
Coral Gables, FL 33134
www.coralgables.com*



Meeting Minutes

Tuesday, September 14, 2010

5:01 PM

FIRST BUDGET HEARING

City Hall, Commission Chambers

City Commission

*Mayor Donald D. Slesnick, II
Vice Mayor William H. Kerdyk, Jr.
Commissioner Maria Anderson
Commissioner Rafael "Ralph" Cabrera, Jr.
Commissioner Wayne "Chip" Withers*

*Patrick G. Salerno, City Manager
Elizabeth M. Hernandez, City Attorney
Walter J. Foeman, City Clerk*

The use of cell phones in the commission chambers is not permitted. Ringers must be set to silent mode to avoid disruption of proceedings.

ROLL CALL

Present: 5 - Mayor Slesnick II, Vice Mayor Kerdyk Jr., Commissioner Withers, Commissioner Anderson and Commissioner Cabrera Jr.

1. **10-0572** Presentation of proposed Fiscal Year 2010-2011 City Budget.

Attachments: [Budget Resolution 2010-2011](#)
[Agenda Cover Memo](#)
[Changes to 2010-2011 Budget Estimate](#)

This Presentation/Protocol Document was Presented and Filed

2. **10-0580** Public Hearing for obtaining comments relative to Budget for Fiscal Year 2010-2011.

This Agenda Item was Discussed and Filed

3. **10-0581** Ordinance providing for the levy of taxes for the fiscal year beginning October 1, 2010 and ending September 30, 2011; fixing the rate of such taxes; providing for the segregation and the application of the proceeds of the several levies; providing for the severability of the provisions hereof; and providing that this Ordinance shall become effective October 1, 2010. (Passed on First Reading September 14, 2010)

Attachments: [Ordinance for Levy of Taxes 2010-2011](#)

A motion was made by Commissioner Anderson, seconded by Commissioner Withers, that this motion be approved as an Ordinance on First Reading. The motion passed by the following vote:

Yea: 3 - Commissioner Anderson, Commissioner Withers and Mayor Slesnick II

Nay: 2 - Commissioner Cabrera, Jr. and Vice Mayor Kerdyk, Jr.

4. **10-0579** Ordinance adopting the Annual Budget of Estimated Revenues and Expenditures of the City of Coral Gables, Florida, for Fiscal Year 2010-2011. (Passed on First Reading September 14, 2010)

Attachments: [Budget Ordinance 2010-2011](#)

A motion was made by Commissioner Anderson, seconded by Commissioner Withers, that this motion be approved as an Ordinance on First Reading. The motion passed by the following vote:

Yea: 3 - Commissioner Withers, Commissioner Anderson and Mayor Slesnick II

Nay: 2 - Commissioner Cabrera, Jr. and Vice Mayor Kerdyk, Jr.

Mayor Slesnick:....2010-2011. I would ask that - what we would do tonight is we are

going to have Budget presentation by the City Manager's office, Finance Director, and of course at any time during the evening the Commission may have comments and questions, but we will have open to public comment, and I would ask that if you intend to make a public comment that you fill out a speaker's card, they are outside and turn them into the City Clerk's desk, and ask you that at all times we try to remain civil in our Commission Chambers and kindly even though everyone needs to express themselves as clearly as they think they would like to about their issues that are important to them, and we have about three minutes per speaker, we try to be a little gently with that, but we do have a timer and so we will go through the speakers in that way. So I will use the cards to go through the speakers. With that, Mr. Manager.

City Manager Salerno: Thank you Mayor....

Mayor Slesnick: Well, let me say this. We are just back into session after a long day, we have had our full Commission session, we have started our day with an invocation, and with our pledge to our nation's flag, and so forth, and we are picking up again where we left off, but as we go into our session this evening I think maybe we'll take, just a minute of silence to think about our city, our nation, and the people who are serving in faraway places to protect our liberties, and if you'll just take a moment to think about some of our blessings, I'd appreciate it.

[Note for the record: Moment of Silence was observed by the Commission].

Mayor Slesnick: Thank you, Mr. Manager.

City Manager Salerno: Thank you Mayor. Don will make the presentation, the overview, and I may provide some additional comments as he goes through it. So Don, why don't you start.

Mr. Nelson: Good evening Mayor, Vice Mayor, Commissioners, City Attorney, City Manager, City Clerk, and all the individuals in the audience and to those watching on TV tonight, welcome to the first public hearing of the 2010-2011 City of Coral Gables Annual Budget. I will be presenting the Budget numbers tonight, and again welcome everyone. On the first page, the 2010-2011 Budget Summary, as you know we are required by law to have a balanced budget, the total annual revenues is \$143 million dollars, and you can see we are transferring monies from reserves from three sources: the Retirement Fund, to provide the administration for the Retirement System, the General Fund Fee Reserve, and the Sanitary Sewer Fund, a total transfer from reserves of \$1.2 million, for total revenues of \$144,232,512. The expenditure side of the budget is expenditures for Operating \$128 million, Capital \$4.4 million, Debt Service \$6.9 million or \$139 million dollars for Operating. Transfers going into reserves: this is where we increase our reserve balances, General Fund Reserve \$1.9 million increase, you can also see we're transferring money into the Roadway

Improvement Fund, the Trolley Transportation Fund, and the Storm Water Utility Fund, and the Stabilization Reduction Fund, total transfers to reserves \$4.7 million dollars, total expenditures \$144,232,512, making a balanced budget with the revenues. What changed in this budget?- what were the significant revenue changes that affected this budget?- and as you remember we had increases in our various fees. Last month we had a fee resolution, and in that resolution we had development fees increasing for building development permits \$629,000 increase in revenues. You'll also see other revenue increases from traffic violations from the red light cameras, to fire protection fees, which is the \$50 per resident, increase in the electric service taxes that everyone pays on their Florida Power and Light bill. Property taxes, delinquent property taxes from prior years is up, \$300,000, proceeds coming in from prior years. You'll see telecommunications service tax increase of \$300,000. Parking fines increased; fire permits increased; fire prevention permits also increased; and recreation fees from activity, not from fee increases, increased \$79,000. Total revenue increases \$3,069,000.

Commissioner Cabrera: Mr. Nelson under parking fines...

Ms. Bolton: Can't hear you.

Commissioner Cabrera: I'm sorry ma'am, my microphone is off; my microphone is now on, can you hear me?- is that better? OK. Mr. Nelson, under parking fines...

Mr. Nelson: Yes sir.

Commissioner Cabrera:...that's the net result in the parking fine?

Mr. Nelson: That is the net increase in the parking fines from increased parking enforcement.

Commissioner Cabrera: OK. I'm just curious, I'm not trying to egg you on, on anything. What percentage of that, because you have a parking fine that's either \$18.00 or higher than that, what percentage of that is what we get?

Mr. Nelson: Out of the fine, the parking fine I believe we get sixty-six and two-thirds (66 2/3), we get two-thirds, the rest goes to the County.

Commissioner Cabrera: OK, I thought it was less than that.

Mr. Nelson: Then once the County gets, just a little bit over 50 percent that we get; sixty-six and two-thirds is what the court system provides us, and then the County takes their administrative fee and we get about 55 percent.

Commissioner Cabrera: OK, that's what I wanted to know, thank you sir.

Mr. Nelson: The Fire Inspection Fees and the Fire Prevention Fees, total revenue increase \$3 million dollars; those are increased revenues, however, on the other side we had significant reductions of property tax revenues. As you see the first item, \$3 million reduction of our property tax, and I'll explain later, because of the valuation reduction, but this year's budget was a \$3 million property tax reduction in revenues. You can see in other items that had decreased significantly, Road Impact Fees, this was a one time that we received last year, we will not receive that this year. Franchise Fees from electric is down; Investment Earnings is down, that's due to investment and Fund Balance and the interest rates. Franchise Fees from waste from commercial solid waste is down, the construction business and therefore the commercial solid waste is down. Rentals and Concessions, excavation, alarm user permits, concurrency fees, those are related to construction, even the State half cents sales tax is down \$68,000; emergency rescue services is down. We received some grants last year that we will not receive next year, storm water grant, a sanitary sewer grant, and urban areas, those are one time that's why they are not showing up and they are showing as revenue reductions. Total revenue decreases on this page, \$9.8 million affecting this year's budget, \$9.8 million reduction, total revenue reduction in our budget \$6.7 million reduction...

City Manager Salerno: Don, before we leave that page, if I could just add something. I think it's noteworthy to understand that, that \$2.996M, approximately \$3 million, that reduction in property tax, that is the first time in a decade that the city will be reducing the property tax collection voluntarily, meaning only in two times in this decade those were mandated by the state legislature, that is a \$3 million reduction in property taxes that this budget provides for on a voluntary basis, first time in a decade. Thank you Don.

Mr. Nelson: The comparison - let's look at how we compare for next year's proposed budget 2010-2011 with the current budget of this year 2009-2010. Our Operating Budget you can see has reduced from \$132 million to \$128 million, or a 3.8 million of our operating expenses, which is what we use to operate the city and keep it running, \$3.8 million reduction. Capital Budget - reduction \$11.5 million current year budget, \$4.4 million next year, again a lot of those were one time Capital Improvements that were funded by grants, and as we go through the year we will be seeking new grants and of course that will increase as we acquire new grants. Debt Service - our debt service which is our principal and interest payment on all of our outstanding debt, \$6.9 million annual principal, that's like the mortgage on all our Capital Improvements, no change from this current year to next year, a total reduction in our expenses of \$10.9 million, \$10.9M, huge reduction in our budget. What caused that \$10.9 million reduction? You can see significant expenditure changes as a result. We reduced salaries resulting in reduction of full time staff, \$614,000 in salary reduction; overtime -

huge reductions \$282,000, we have had a concerted effort the last three years to drop overtime, and we are doing that, \$282,000 reduction of overtime. Employee Benefits-Retirement - a reduction of \$1.8 million in our retirement funding, where our annual funding now is at \$22.5 million. FICA tax is down because salaries are also down, associated FICA tax; workers compensation is funded, no increase in workers comp funding, however we are funding \$5.8 million to keep our workers comp program going, no increase. Health Insurance - we actually had a decrease in our health insurance rates this year, \$353,000 savings in that, \$5.3 million we fund to the health program for the employees; total personnel budget decrease \$3.1 million decrease in our personnel cost, huge reduction. We also as you know, go through every department's budget line by line, meeting with every director, multiple meetings, going through every possible line and dollar amount.

Vice Mayor Kerdyk: Hey Don, I'm sorry, I have to digress for a second, let's skip back to the page that you were before, the Retirement, the FICA, and health insurance, is that based on the vote that we just recently took as far as the Pension Plan goes?-or is that from the lack of the employees that we let go last time?-where is that...

Mr. Nelson: If you remember, we actually had a reduction in our premiums...

City Manager Salerno: It's a premium reduction, it has nothing to do with negotiations.

Mr. Nelson: I believe...a couple months ago we went forward because our new plan goes into effect July 1st. We brought forth a reduction in our health insurance, and this does not include concessions by the union. You can see on the next page a huge list of line items in the budget from motor equipment, fleet replacement all the way down to repairs and maintenance, significant reductions in all of our various line items going through everyone of them and cutting where necessary. You'll see a few increases, repair maintenance increases and operating equipment additions, and that's primarily in the Police Department to increase their Police equipment of \$246,000, very much needed, but still in that reduction of our operating budget, \$3.8 million reduction of expenditures overall, very, very large decrease of our budget in our expenditures in operating the city. Capital Projects.....

Commissioner Cabrera: Can you go back?- go back. This question really should be answered by the City Clerk. Walter, under Passport expenses, you are at \$30,500, you are at \$30,500; as compared to other years are you running about the same.

City Clerk Foeman: This year we're probably had an increase in revenue, projection is roughly about a little over \$40,000 this year.

Mayor Slesnick: That's terrific, that's why I don't understand...

Commissioner Cabrera: Yes.

Mayor Slesnick: Walter, what is the expenditure listed here, \$30,500, because you make money off the Passports, do you know?- do you know what this slide says?

City Clerk Foeman: I'm looking at it, I think that's the contribution back to the General Fund from what we collected.

Mr. Nelson: This actually is the Passport total expense; we wanted to show you what the Passport expense...it is totally offset by the revenues collected, which you don't see, that offset and even more than compensate the cost of this, it's a first time reporting how much it cost because we set up the fund as a special revenue.

Commissioner Cabrera: I know, but you know, I was trying to make a point, and the point that I was trying to make is that he has consistently turned this into a revenue generating business, for the lack of a better word, and continues to do very well at it, and then all of a sudden I see this huge \$30,500 expense figure, and I'm trying to figure out, OK, is this the portion he gives back to the General Fund?- is this...

Mr. Nelson: This just shows the expenditure side, what you don't see is the revenue side, which more than offset the \$30,000 expense.

City Clerk Foeman: Which also includes a part-timer that we hired.

Commissioner Cabrera: But I wanted the public to know that this is something that you initiated a number of years ago, and it continues to be a revenue generator, at the same time it's a valuable service that you provide the citizenry, so that's the only reason I was bringing that up.

Mr. Nelson: Very good.

Commissioner Cabrera: Thank you.

Mr. Nelson: Capital Projects - you can see the city funds through its General Fund \$2,030,000 for capital projects, and the list of capital projects above are public safety repairs, very necessary repairs to our public safety building, which is on Salzedo, which is the Police and Fire building, to put capital improvements to that building, much needed; built back in 1972, also the Miracle Mile marquee for the theater to renovate the marquee and keep that a historic site, \$225,000. We also required to repair the warehouses out at 72nd Avenue, there are two warehouses out there that we need to repair, Warehouse 1 and Warehouse 3, we also have the radio shop relocation, which is out at 72nd, they are in one of those warehouses and we are going to relocate them

into the automotive bay, which is also at 72nd Avenue and make it more efficient. Parking Garage 6, building improvements, again total capital improvement funding \$2 million. Roadway Improvements - we are going to provide \$797,000, this comes from the Roadway Gas Tax that goes directly into funding direct paving of residential streets and commercial streets in Coral Gables, and also the curbing, making pavement improvements, resurfacing improvements to the roadways in Coral Gables, direct from the Gas Tax, its dedicated for that purpose. Storm Water Improvements - \$200,000, this is for dedicated storm water that residents and commercial pay through to Miami-Dade Water and Sewer, however it comes back to Coral Gables to provide for drainage improvements throughout Coral Gables; and Sanitary Sewer Improvements of \$1.4 million. Total capital projects \$4.4 million funding.

Vice Mayor Kerdyk: Don, in the Capital Improvements on the upper portion of this, its all necessary, there is nothing that we can delay until next year?

Mr. Nelson: Very necessary, in fact you will be receiving a Capital Improvement Five Year plan at your next meeting, which is required to do a five year projection. There are probably hundreds of capital projects necessary to do, we go through this with a Capital Improvement Committee and prioritize the needs of these. There are many other projects that we could fund and we should, but we are limited, so these are the most necessary. So you are going to see a five year plan of projects that we would like to do for future funding.

Commissioner Anderson: Its my understanding, correct me, the Miracle Mile marquee, its just not, there's structural stuff that needs to be done, its not just aesthetic.

Mr. Nelson: No, its not aesthetic, its actual structural.

Commissioner Anderson: Because I think it makes a difference for folks just thinking its cosmetic versus needed repair.

Mr. Nelson: Its true. Over the years it has been determined that the internal structure of the marquee is deficient, and it needs to be structurally sound, and that is why this is being funded, very, very important project to be funded; and again we work from top priority down, these are our top priorities in order to fund these very necessary to fund these capital projects and keep the city the way it looks, very, very important to maintain this city, the infrastructure. Employees - you can see the ten year history of employees, and going back to 2001 we were at 825 total employees, and today we are at 791 total employees; and you can see our Police Officers have increased over the years maintaining our Police Officers in the current year, the proposed year 2011 compared to 2010 of 183 Police Officers; Firefighters have maintained the same amount, and general employees have decreased and you can see a reduction from the last two years in a number of full-time employees to a current 791 proposed for next

year.

Commissioner Cabrera: OK, you have 183 uniformed Police Officers...

Mr. Nelson: Yes.

Commissioner Cabrera: Is that the actual number of Police Officers today?

Mr. Nelson: The 183 are the number of budget positions...

Commissioner Cabrera: OK.

Mr. Nelson:...We are at this point 7 Police Officers vacant and two Lieutenants.

Commissioner Cabrera: OK, and I'm on the website, or I was a couple of minutes ago, because I was looking at the other positions that we are hiring, it's the only way I can really learn what we are hiring like the rest of the citizenry by going on the website. You don't have Police Officers that are positions that are being advertised, and you know, or I think you know, because you've been around long enough to know that a Police Officer goes through a fairly long recruitment process, whether its checking backgrounds, and all the things that goes along with becoming a Police Officer in the city, so you know it's a 3-6-9 month process, but yet we are not even hiring Police Officers. So how do we have 183 and then we actually have, what's the number?

City Manager Salerno: Let me deal with that.

Mr. Nelson: Well we have 183 budgeted...

Commissioner Cabrera: Budgeted so what's the actual number?

Mr. Nelson: So what I'm doing is we are funding, but its important that out of that currently we have 7 vacancies...

Commissioner Cabrera: Seven...

Mr. Nelson:....Police Officers, yes, and two Lieutenants. Now those vacancies...

Commissioner Cabrera: Seven Officers and two Lieutenants...

City Manager Salerno: That's correct.

Commissioner Cabrera: Five Officers and two Lieutenants?

Mr. Nelson: Seven Officers...

Commissioner Cabrera: Seven Officers...

Mr. Nelson: Two Lieutenants.

Commissioner Cabrera: Two Lieutenants.

Mr. Nelson: Total nine.

Commissioner Cabrera: OK.

Mr. Nelson: Nine vacancies out of the total 183.

Commissioner Cabrera: OK. So we've got nine vacancies and yet we are not recruiting for new Police Officers according to the website. If I wanted to become a cop in Coral Gables, and go into www.coralgables.com, I can apply for Assistant Parking Director, I can apply for Assistant Director Asset Manager, and I can apply for Assistant Parks and Rec. Director, but you're all about \$90,000 on the high side, but I can't apply to be a Police Officer in Coral Gables, because you are not hiring Police Officers in Coral Gables.

City Manager Salerno: Let me deal with that, OK, Commissioner.

Commissioner Cabrera: Yes, go ahead.

City Manager Salerno: We have a list of individuals that were interested in being Police Officers, within the last two weeks or so. I authorized the HR Director and the Police Chief to fill two of those Police Officer positions, and they are taking them from the list of people that have already gone through the process and have been checked out, we have to do certain updating on one or two items of their backgrounds. So they are in the process of taking two Police Officers from the list, a waitlist of qualified folks that have gone through our process, and they will be...they are certified officers and we hope to be bringing them on board shortly. So that will be two fewer than that number that Don has there, so we are proceeding with two right now, that's what we are freeing up at this moment.

Commissioner Cabrera: OK, so that leaves five to be hired between now and the end of the budget year.

City Manager Salerno: Well - no.

Commissioner Cabrera: Well...

Mayor Slesnick: You have five to be hired at some point in time.

Mr. Nelson: At some point during the year.

City Manager Salerno: At some point, but not by the end of this year.

Mayor Slesnick: Since you brought it up Ralph, let me just say that I certainly don't want to reduce the number of budgeted spots, and I am very, very intent, and the Manager knows my feelings, he may know everyone's feelings, that Police Officers are critically important to have the full number, the full compliment...

Commissioner Cabrera: More so today with the economy with the way it is...

Mayor Slesnick: So I'm hoping that we move into this new year that, that will be one of our goals, would be to fill the Department and...

Commissioner Cabrera: But remember a couple of years ago when we really ran into a shortage of Officers and you personally made a big issue out of this, and Mr. Brown and Chief Hammerschmidt worked feverishly with Marj Adler to recruit those Officers, do you recall that it took almost a 9-10 month process in order to....

Mayor Slesnick: It was.

Commissioner Cabrera:....and we recruited Officers from other cities at that time; I remember we got an Officer from Pinecrest, maybe Homestead, a couple of other cities. So you know, and given the fact that you are a labor attorney and you work with the Fraternal Order of Police, you know that it's a very long process, and I'm just so afraid given the economic downturn and the rise in petty crime, and the rise of break-ins in our communities that more than ever Police Officers are a tremendous demand for any municipality.

Mayor Slesnick: I couldn't agree more. I absolutely agree, and in fact he's probably tired, and everytime I see the Manager we talk about that.

City Manager Salerno: Mayor, if I could just add. I recall, and it didn't matter where you were in the State of Florida, two years plus it was hard to get Police Officers; Departments were recruiting nationwide to get Police Officers. You couldn't get a Police Officer to come, typically in the past there had been a pattern of Police Officers in Northern Florida and Central Florida, looking to come to South Florida; why?- South Florida paid more than Central and North Florida Departments, that was the pattern for a decade. What shifted is when the housing boom occurred and housing prices went up, people from Central Florida and North Florida weren't going to make

the shift even though the salaries were higher in South Florida, it wasn't adequate enough to cover the increasing cost from their housing to South Florida. So two years ago, two-plus years ago, when those circumstances were occurring, you were lucky to find Police Officers to fill within six months or nine months. Those circumstances as you all recall with the current economic conditions are just the opposite. There are Police Officers coming out of academies right now, etc., they can't get jobs. So it's a totally different environment today as far as the demand for Police Officers, Fire Fighters; there are many of them looking for employment and they just can't get it right now. So, I think that would have a mitigating factor certainly on the timeframe, but as I said, we are going from the list we have, and we are taking the certified Officers first, and they are in the process and have been for two weeks or so.

Vice Mayor Kerdyk: I have some questions to ask after you finish Commissioner.

Commissioner Cabrera: I'm done.

Vice Mayor Kerdyk: You're done on this. The 791, which are the total of the employees which includes your Police Officers of 183, Fire Fighters 139, and general employees 469, total of 791, those are budgeted positions which are in the budget. Of those budgeted positions how many are vacant right now?-I guess, including the 9 Police Officers that we just talked about?

Mr. Nelson: The number of vacant positions currently today, there are 44 vacant positions today.

Vice Mayor Kerdyk: 44.

Mr. Nelson: We did a count and that includes the 9 Officers that I've already mentioned, in that 44 vacant positions.

Vice Mayor Kerdyk: Any idea of how much money is in the budget, taken into account those 44 salaried positions, plus benefit packages?- how much is in the budget?- a guestimate - guestimate on the low side, give me just a figure.

Mr. Nelson: What I can tell you is that as you know we budget one hundred percent of the salaries, we do not take a discount factor, and there are reasons for that, however, during the year when there are vacancies we don't know the timing of the hiring of those positions. They could be hired next week, and they could be full for the remainder of the year. So its very difficult to give a projection of dollars of how much those 44 positions....

Vice Mayor Kerdyk: I'm sure I could figure it out...

City Manager Salerno: But the problem you can't tell is when they are going to get filled. As the Mayor just said, and he encourages me to and I pay attention to that, and that's why we freed up two Police Officers and two Fire Fighters right now; but if I listen to, if I follow through and I believe we are at a stage if we were financially stable, and I filled those positions, they are gone, there are no savings at all from that. Those 9 Officers equate to probably \$500,000-\$600,000 in direct cost, but at the same sense if the direction is to fill them, and a lot of these positions are, we are trying - we are still in a precarious situation, and for us to assume we have to do things that are not normal in this economy; these are the things that we are doing to make sure that when we've got revenues that are not coming in as we anticipated, the fortunate thing is we held positions vacant so that we'll have sufficient revenues by the end of the year, we believe, to be fine; if we don't do this, that's just a problem...if we had good reserves, I would not feel that way, but our reserves are a fraction of what they ought to be.

Commissioner Cabrera: What are they?

City Manager Salerno: \$4.5 million as was discussed at the last budget and Don gave a report at the last...the third quarter statement, Don gave you an estimate of \$4.5 million, since that time as you all know we have an obligation to FEMA of approximately \$1.2 million, so that may mean we have \$3.3 million left. Frankly, it's not adequate if we face a hurricane of any consequence.

Vice Mayor Kerdyk: I'm not criticizing, I'm just trying to critique, and I'm just trying to critique from the standpoint of the fact, historically - let me just answer my own question then, since I'm not getting an answer, the fact is that we have 44 positions, I would say that the average position probably with benefits would be close to \$70,000, \$50,000 plus benefits, whatever, if you want to average down to \$50,000, I don't care, its \$2.2 million there. Traditionally, in the city whether we are going through economic tough times or not, we've always had vacancies in the city...

Commissioner Cabrera: There is always a slush fund.

Vice Mayor Kerdyk: Well, I don't know if it's a slush fund, but the fact is that we do have this money in the budget and we are going through a tough time with the residents of the City of Coral Gables, and I'm just trying to come up with some way that we can mitigate the budget increase by knowing that there are some other avenues to look at, that will help balance our budget should we not increase the budget.

City Manager Salerno: The budget is balanced.

Vice Mayor Kerdyk: I know, but...

City Manager Salerno: I think it's important...the budget is balanced and its balanced

substantially below as I said, this is the first time in a decade that the city is considering adopting \$3 million less, and when you start playing that game, if a city ever plays that game and partially budgets it, I would tell you in good times its almost...you start on a path that you don't get out of; in bad times like this its froth with problems, its risky, its rolling the dice, that we are not going to have a hurricane, that some of the estimates that the economy is going to stabilize and it will start going the other way, those are things that you can't do with the \$3.3 million fund balance and still have a substantial portion of the hurricane season left. The main thing is that's not a good policy, long term, we have been - this Commission has I've been proposing to you fiscal policies that will over the long term put this organization in a financially sound position. I just need to caution, that is one of those - cities that go down that path always regret it, and in these times you're just, you are on borrowed time, its going to catch up with you, and it makes it a hole you have to dig out of next year. That's what we are trying not to do even though these decisions have been significant, I just need to caution as a policy, its not a path that is good policy in the long term.

Vice Mayor Kerdyk: Just one last question and then I will follow up with comments later on, point of information here. The 44 positions that we have, that includes the layoffs are a portion of that and then the add-ons of how many new positions have we created, 17 or 15, what have we created?

Mr. Nelson: We added 13.

Vice Mayor Kerdyk: 13. Alright, I'll follow up with other question later on regarding this matter, I just want to get some facts.

Commissioner Cabrera: Because you are gathering facts.

Vice Mayor Kerdyk: Yes.

Commissioner Cabrera: I am going to ask for something that might help both you and I and the rest of the members of the Commission. Between First and Second Reading would it be too much to ask to get a listing of those 44 positions, their titles, and their salary ranges?

Mr. Nelson: Yes, we can do that.

Commissioner Cabrera: You can do that?

Mr. Nelson: Yes.

Commissioner Cabrera: And when can you do that by?

Mr. Nelson: I can have that for you between the First and Second Reading.

Commissioner Cabrera: The morning of the meeting?- the evening prior to the meeting?- two hours before the meeting?

Mr. Nelson: No, no...

City Manager Salerno: A couple days before should be no problem.

Commissioner Cabrera: Two days before the meeting, so that's Sunday, so let's just say by that Friday prior to the Tuesday. I really have to define it this way, I make many requests and I have to do it this way.

Mr. Nelson: It will be included in your agenda package, if that's OK.

Commissioner Cabrera: If that's possible, if its not too much to ask.

Mr. Nelson: Yes.

Commissioner Cabrera: That would be great. I think that will help us, Mr. Kerdyk, you would be comfortable with that?

Vice Mayor Kerdyk: Yes, but I'm going to have some other things.

Commissioner Cabrera: I bet you are.

Mayor Slesnick: Let me say that, first of all let me just talk about something about personnel since this is somewhat informational gathering and instructional. You know we give the Police Officers their due, we list them separately, we give the Firefighters their due, we list them separately, any openings in the Fire Department?

Mr. Nelson: Yes, there are 4; 4 vacancies right now out of the 139.

Mayor Slesnick: OK, so Bill, did you hear that?- there are 4 vacancies in the Fire Department, I think that's important to note that now we've got 7 and 4 in the public safety areas.

City Manager Salerno: We are in the process of filling those too.

Commissioner Cabrera: These are straight Fire Fighters, not the high ranking...

City Manager Salerno: Fire Fighters.

Commissioner Cabrera: OK. So, no Battalion Chiefs, no Captains, no Lieutenants.

Mayor Slesnick: Well we don't hire them, we promote them.

Commissioner Cabrera: I know that, but the general public doesn't know this, they don't know. Do you know, OK, you all know, you are a smart bunch.

Mayor Slesnick: What I think, we do a disservice to our employees and to the public's understanding of what this city is all about, is we lump together general employees 469, whatever it says over there; you know, general employees chief cooks and bottle washers as far as the public understands. Within there, and I think the public needs to understand, and maybe we should break it down some time, we have Communication Operators, one of the most stressful jobs in the nation, and one of the most critical jobs in the nation, there would be no use to have much of our Fire and Police if it weren't for our Communication Operators. We have the people who go out and pick up the garbage twice a week, we have the trash collectors for once a week, we have the recycling collectors, we have people out there cutting the grass and keeping the city, I mean, we have all kinds of people that needs to be understood, so when people say Oh, general employees, I mean, those are lots of hard working dedicated individuals, and interestingly enough, a lot of their jobs nobody would volunteer to do if we didn't have them to do it. So, you know, we have great people all the way from the left column all the way to the right column, and sometimes people just get off easy by saying general employees, they don't need something. Well, they are important people as they all are.

Commissioner Cabrera: That's why I was interested in seeing the vacant positions, where they are coming from?-but I would also be interested in see, since I'm making so many requests....

Ms. Bolton: Speak up, I can't hear you.

Commissioner Cabrera: I'm sorry Ms. Bolton. What I would also be interested in seeing is of the positions that are being eliminated, I would be interested in seeing those position titles, and the salary ranges because, I mean, let's face it, come October 1st, I know certain people in this organization that have no idea whether they are going to have a job or not, its all based upon what we approve tonight and on the Second Hearing. So, I would really like to bring the human factor in and see it because again, to address the issue about the website, I know we are hiring people because I just went down the list, and I was pleased to see that we are not hiring, or maybe we did, did we hire an Assistant Director to HR already?

Mr. Nelson: We did, yes.

Commissioner Cabrera: Oh, you did. Alright, I thought maybe we were being prudent and decided not to hire another senior position. So we hired an Assistant HR Director, so we now only have to hire three more Assistant Directors, a total salary for the three of them at the high end, which we have been doing quite a bit of, we've been hiring people on the high end of \$271,000, that's salary that doesn't include benefits, OK.

City Manager Salerno: In each case, if I could add Mayor, in each case you are talking about those - those are positions that were eliminated and positions that are simply vacant; the Assistant Parks and Recreation Director left to take a position in North Florida, we are just simply filling a vacant position; in the case of HR a position was eliminated that was not considered to be as important as an Assistant Director's position. So one position was cut, a different position was added, that's what has happened in each of those instances; position was eliminated, a different position was created, and overall as Don has given me the number going back over the last two years, we have the net effect of those reductions was multi-millions of dollars in reductions as to the net to that extent. So these should not be characterized or understood by the Commission as simply additional positions, we haven't done that.

Commissioner Cabrera: Well let me rephrase it. These are positions that are being hired as we speak; there are three positions that are being hired, Assistant Director/Asset Manager, Assistant Parking Director, and Assistant Parks and Rec. Director. These positions all have a minimum starting salary, each position, of \$65,977.00 with a high end of \$90,625.00. So if my math serves me correctly, if we were to hire the best and the brightest at the highest salary, which we've been kind of doing since I've been watching what's been going on, I'm looking at \$271,875 without benefits, I'm not even calculating benefits, I'm just calculating payroll. Now where did I mislead anyone here?

Mayor Slesnick: No that is clear.

Commissioner Cabrera: OK. I just want to make sure...

Mayor Slesnick: I just thought that someone might think when you first said it that we were hiring somebody at \$275,000.

Commissioner Cabrera: No, if you folks thought that I was saying that we were hiring each person at \$271,000, that was not the case, I was saying that we were hiring 3 people; and here is the irony, the irony is during the budget workshop, something happened that was very interesting when I criticized this process one of my colleagues said that you know there is a shift in corporate America where we are hiring more chiefs and maybe less Indians and possibly subcontracting for services outside the organization and having that senior person, you know kind of managing it and I think that I framed it as best as I could, but interestingly enough in the Economic

Development Department, I am sorry it is called Economic Sustainability we are hiring an Assistant Director/Asset Manager, but we are eliminating a lower end employee from what I understand. It just makes no sense to me, it absolutely makes no sense to me and it should not make any sense to you.

Commissioner Withers: Hey Don can I address something?

City Manager Salerno: That is the point that I was making.

Commissioner Withers: And I want to address two points, because Ralph I just feel all of this negative stuff projected at me and stuff like that on this.

Commissioner Cabrera: Oh no.

Commissioner Withers: No, just let me talk. You know budgeting 101 and since I have been on the Commission for 20 years it has been the same principle followed every single year, you budget for the maximum number of positions you have and you hit it whether you call it a slush fund or a rainy day fund or surplus fund a lot of times that is unfortunately how you end up budgeting and balancing your budget by year end by not filling those positions we have been doing it every year. Now, I think the City Manager and the Finance Director would say we won't fill those 44 positions if you Commission give us 3 million dollars out there in an account, go and fund it now and just go ahead and make sure we have it there in case we need to hire those positions, but this Commission has never, I don't know if I am willing to just say, here is 3 million dollars to stick in a rainy day fund. We don't do that, so I understand where Bill is coming from and I understand where you are coming from on unfilled positions, but it is just basic finance how we balance the budget at the end of every fiscal year since I have been here. I think we both kind of agree on this.

Commissioner Cabrera: I do, I agree and if I project negativity toward you, it was not my...

Commissioner Withers: I mean it is just the whole process.

Commissioner Cabrera: Oh yes, but I am always...

Commissioner Withers: You are being a little sarcastic. I know you; you know I have known you for 10 years.

Commissioner Cabrera: Yes, but I am sarcastic because I am angry about today's Commission Meeting.

Commissioner Withers: I know you are.

Commissioner Cabrera: You know I got smacked around.

Commissioner Withers: And I am OK with that.

Commissioner Cabrera: But I am not. I am not that OK with that.

Commissioner Withers: I am. I have known you long enough where it doesn't bother me.

Commissioner Cabrera: Absolutely. Since I was 15 years old. And you were 52 I think.

Commissioner Withers: And you were in jail and I had to bail you out.

[Laughter]

Commissioner Cabrera: Remember those days.

Commissioner Withers: Yes, I remember those days. It was the underage drinking...

Commissioner Cabrera: It was that incident with the dog that got me in trouble. Anyways.

Commissioner Withers: Anyways, so that is point one, and I know it is kind of difficult more maybe the watching public to understand that, but yeah whether it is how people budget, whether it is how city's budget, whether it is how City Manager's budget, I think we all kind of know what goes on.

Commissioner Cabrera: Yes. You are right, but let me tell you what my problem is, I do understand what is going on in terms of, and forgive me Mr. Kerdyk said it is really, I am not sure it is a slush fund, whatever the rainy day fund, the rainy day fund. I am OK with that, I know that this is the way it works, I haven't been on the Commission as long as you, but you know 9 1/2 years the problem that I have is given the economic downturn that this country is undergoing, why in the world are we looking to hire senior personnel and to, let me finish, and to substantiate my argument I got kind of excited when I went on the website and saw "hey, we took off one of them," no we hired them.

Commissioner Withers: OK.

Commissioner Cabrera: We hired them and we are to let go of fine, fine people that

are much lower in salary, much lower in benefits and are very much needed. That's my point.

Commissioner Withers: OK. And that is my second point, the second thing I wanted to address, I think when Pat got here. It might have been during budget, this is your second budget season with us right?

City Manager Salerno: Yes.

Commissioner Withers: And that big fat notebook that we got about six months ago, there is an incredible realignment going on within this City, I mean you look at, look at the Directors that have left in the last 3 or 4 months, I mean it is really some senior, senior management that has left this City.

Commissioner Cabrera: And they have been replaced.

Commissioner Withers: And they are being replaced, now to me...

Commissioner Cabrera: At higher salaries.

Commissioner Withers: OK. But...

City Manager Salerno: In some instances yes, in some instances no.

Commissioner Withers: I am going to hold him accountable on this comment in a second and ask him for something for the next budget hearing, but he made a comment that even though we have replaced an assistant youth center director, which I don't know if it is a new position or not.

Commissioner Cabrera: It doesn't matter, to me it doesn't matter, it just means a position, let's be private sector guys.

Commissioner Withers: OK. Let's say it is a new position, in the defense of the City Manager he is saying, well OK I did hire that assistant, but I have had savings in other areas that supersede what I am paying that higher salary. I think that is what I have heard.

Commissioner Cabrera: And that is fine, but that makes for a top heavy organization, at a time that our Country is really undergoing some difficult times.

Commissioner Withers: And here is where I am going to challenge the City Manager. Is that, is it really top heavy?-or is it a realignment in a way that makes the most economic sense for this city to run?

City Manager Salerno: Commissioner let me respond.

Commissioner Withers: I mean I think that is the question. I for 5, 6, 7, 8, 10 years, have said we should have an asset manager, we should have someone that...

Commissioner Anderson: You have been saying that pretty routinely, since I have been on the Commission.

Commissioner Withers: Not against the City Attorney, not against the City Manager, not against the Finance Department, but I said we should hire a top level CFO (Chief Financial Officer) type that would do nothing but manage our contracts and verify our enterprise zones and look at...

Commissioner Cabrera: But in defense of the argument you made during the budget workshop, and if I framed what you said incorrectly please correct me, but what I remember you saying to me was. Hey look, private sector has shifted the way they hire people and what the trend seems to be is that private sector employees are hiring higher senior level people and having them manage contracts whether subcontracted, however it is done, but having less Indians and more chiefs would that be as fair.

Commissioner Withers: I am saying you can get senior people for less money than you could before.

Commissioner Cabrera: I don't disagree, but we are hiring at the top levels.

Commissioner Withers: I know, but so far...keep going, keep going.

Commissioner Cabrera: Let's be really specific on this one. Economic Sustainability, potentially there is going to be a person in Economic Sustainability that will be gone come October 1, because that position will be eliminated, but there will be an asset manager as you pointed out, why not do the prudent thing and not hire that senior manager and perhaps, just perhaps hire an outside firm to provide asset management and provide them a contract that is performance based, based upon the performance, in fact that has already happened, wait, wait, let me finish, we had a very well renowned, respectable firm come to our city to provide services like that and we decided no, we want to hire and have that person do it ourselves, not now, right now is not the time to do that, I can't hire people in my company right now, I can't do it, I can't afford my car right now, I am trying to find somebody to take over my lease because I can't afford it, everybody in this country is undergoing the same effects that I am outlining for you right now. So why in the world can we talk about realignment?-and realignment is all about senior personnel, I just can't as a private sector guy, not as a politician, as a private sector guy, I can't justify it.

City Manager Salerno: I need to answer.

Commissioner Withers: One second, because here is what I am going to ask you to do, Mr. City Manager, over the past 700 days or 800 days I am sure there has been a flowchart that has changed, an organizational chart that has had positions eliminated, and positions added, and positions absorb, and positions moved around, and I would bet that over the past two years that there have been savings, and positions eliminated and new positions created, because that is what Pat has told us has happened.

Commissioner Cabrera: Well he only has been here since April of 2009.

Commissioner Withers: That is what I am saying, since the last budget, and I would like to see what that number is, because I think that you are going to see that yes it sounds like \$270,000 in salaries.

Commissioner Cabrera: OK. Let's say that is true, let's say it is true, because I am not going to debate that with you, I pretty sure that it will come back the way you predict, but there is still the concern that I am outlining right now, that we are undergoing right now as a community, as a country , it is serious, and I am sorry to say, it is not going to get better, I really am sorry to say that for all of us, and therefore now is the time to tighten the belt.

Commissioner Withers: OK. But let me ask you a question Ralph, If you can put your City in a position to weather the storm to improve your margins and eliminating other people, isn't now the prudent time to do that?

Commissioner Cabrera: Not at the senior level, because that is the most costly level, that is the most costly level we have in our city.

Commissioner Withers: But what I am saying what about if it is reducing costs?-we just differ philosophically.

Commissioner Cabrera: We really don't, we really don't because I think in your business you don't do that. You didn't replace David when he left, when David your partner left, you didn't replace him.

Mayor Slesnick: I just read an article in the Harvard...

Commissioner Withers: I couldn't afford to, that's the problem.

Commissioner Cabrera: There you go. You couldn't afford to.

Commissioner Withers: Because I was still paying him.

Commissioner Cabrera: Well, let's say you weren't, you can't replace a top person right now, I just know it, and I don't mean to be disrespectful to you, I am really not.

Commissioner Withers: I understand.

Commissioner Cabrera: And last, but certainly not least, personally if you feel negativity from me toward you, it is not.

Commissioner Withers: No, I just meant to the process, you just seemed like you were angry.

Commissioner Anderson: I am always angry.

Mayor Slesnick: The two things that you raised Ralph that I would like to make a comment on is that one, I just was reading the Harvard Business Review article speaking of the private sector talking about how companies are in fact using this downturn to attract some of the best talent at their top positions. Now while they can afford them and get them because when the market starts up again, they won't be able to, so there is a set of philosophical writings on that exact position, number two is all four or five of us are private sector people in other lives, I mean I guess some people must think that we grew up in the public sector, well we are private sector, you know I try to run a small law firm which has been tough for the last five years and so forth, but the fact of the matter is the private sector doesn't exactly set the best examples all of the time I don't know exactly who we would model ourselves after we want to model BP maybe or Countrywide Mortgage and so forth, I mean there is a whole...no I am serious Ralph everybody is willing to throw out this thing we should model ourselves after the private sector.

Commissioner Cabrera: I am not saying that, but all of your life you have been a labor attorney.

Mayor Slesnick: Well excuse me.

Commissioner Cabrera: I have been in the private sector my whole life, I haven't been a labor attorney, I haven't been working with unions, I have been working in the private sector.

Mayor Slesnick: Excuse me, Excuse me Ralph. As a private law firm I have to do the same things you do and that is find clients, bill clients, and pay the bottom line that is what my job is, it doesn't matter who I represent or what I do, I have to find and bill clients and pay my bills that is what I do and it is tough in this day and age.

Commissioner Cabrera: It is tough all around.

Mayor Slesnick: But the fact is that as I look around, my private sector, I am not sure there is a whole lot of great examples out there from the last few years that we shouldn't be very proud of how the public sector works, the public sector for better or for worse and whether we all agree when we leave here tonight, we do something that no private sector company does and that is that we hold our budget hearings and our private discussions about what we should do in the public and ask for their presentations and their comments. I mean that is a whole different thing than the private sector does and that is a very honorable thing we do that and we make sure that what we do is accountable to the public and we account to the public so anyways.

Commissioner Anderson: Really quick, I just want to make a comment one, of the things that we may be overlooking or may not matter is my point of view is that we are looking to reorganize this city and the way it does business and there may be things that we have to do now that don't actually make sense from a financial perspective, but it may be needed so that is how I view it and my perspective is if we are looking at a culture change and an organizational change.

City Manager Salerno: I would characterize what we are in the process of doing is "rightsizing" this organization, OK. And why that was needed and is still needed and we are not done is when you start on board and 10 days later you find out that an offer was made to the general employees that was going to increase their pay and I have to go to them and say I am sorry but we don't have the money that we told you a week ago that we had and you have to cancel your election because we don't have the money. We didn't know that we didn't have the money, we didn't have adequate staff in our budget operation, there was no analysis going on, we had one person in that operation, a technician, who is very dedicated and hardworking, but he is not charged with the analysis we needed that, we could have made that decision two days difference we would have spent a million and a half dollars more than we didn't even have OK. Following that was at the same time was the decision to give management the same pay increases on top of that, that was going to be another half a million $\frac{3}{4}$ of a million dollars, so two million dollars would have been spent because we didn't know, we didn't have the management information to make the right decision.

Commissioner Cabrera: No because we had a knuckle head, we had a knuckle head running the city that is why it happened. That is why it happened it wasn't the management, the management is only as good as the senior person, the management is only as good as the CEO.

City Manager Salerno: Commissioner, but what I am trying to explain also, I am not going to talk about former management. I am talking about the organizational structure

was deficient when you had one person that is a technician overlooking a budget with 1,000 employees and 150 million dollars who is trained, you have to have technicians in the budget process and you have to have people that have analytical skills. There was nobody within this organization that had the analytical skills to do that work. Now, I am not that person, but as part of being a new manager, you come in and analyze everything real quick to find out where you are, particularly when there is an offer made I didn't want to go to those general employees and say whoops, they couldn't even believe that I was telling them the truth, OK. They thought that I was probably lying to them, it was a management tactic to save a million and-a-half dollars, but it wasn't anything but a fact and we are changing that, we now have a person that has the analytical skills, so we don't repeat that mistake and spend two million dollars that we don't have. So, those are the kinds of things that "rightsizing" does for you, those are the kinds of things that keep you from making the same mistakes of the past. OK. We have some very dedicated hard working employees, but in some cases we have gaps in this organization, there was a total gap in the management and oversight of all of our leases properties, it exists today because we are getting a handle on it. The director is doing getting into that, but there are issues there that because there wasn't a person skilled in reading leases, understanding leases and knowing how to manage our properties, we lost hundreds of thousands of dollars over the past few years, hundreds of thousands of dollars. OK. More than the cost of the salary for the individual that we will replace, that we will add, and all of the forgone opportunities, forget about what we lost because we didn't collect the revenue, I mean that is why you need an asset manager, that is why we moved the property management function from the Public Works Department which builds roads to a place that manages properties and cares about it, it was not properly aligned. We are "rightsizing" and realigning tasks to people that have the skills, so we don't keep making those mistakes, so those are just two examples I could go down the list for a long time that is not prudent, that is going backwards. I am not interested in doing that, but as I find these issues I am sharing them with you, and you know what I am talking about, so this is just prudent business to have you know a six million dollar operation, or you are spending six and-a-half million in Parks and Recreation and one real management person of six and-a-half million dollars. I don't think that is a wise decision and I think that is why the previous manager had an Assistant Parks and Recreation Director because you need more than one person to oversee that, that is just prudent, but we are in that process as Commissioner Anderson said, we are "rightsizing," we are reorganizing and we are trying, we will make better decisions as an organization in the long run. You will have the dollars, more dollars because of those decisions to staff this organization properly. Commissioner you asked me, are we over staffed at the top end? Absolutely not, absolutely not, but the City has paid a price for that over the years by not having, I am not talking about abilities here, I am talking about the right number of people to adequately oversee this operation, you can't fix the past now, OK. We can't cure those decisions that were made, or decisions that weren't acted upon, we can't fix those now, but I can see what is going to happen if we don't address them. We will

continue to have those issues, I know that everyone that I have talked to and shared with my believes we need to adjust the way we are doing business. I have given you many examples of those things that we have come across in the last year. We are overpaying some of our employees, we are underpaying some of our employees, it is costing us money, why, we are not organized properly, we need to rightsize we need to put the right jobs, the right skillsets in those areas. That is an ongoing effort we are not through with that effort, but that is what happens when you don't have an organization capable of doing things properly, whether it is the private sector or the public sector these are just basics, we need the right amount of people for planning to occur, for departments to organize the work, to direct, to control and coordinate those functions have not been done the way they should be done in an organization that maximizes the return for its residents. Those may sound like simple minded platitudes, but they are not, they are real and that is what we have been about for 15 months, it is hard to find talented, capable, dedicated staff I could have filled everyone of those jobs six months ago, but I won't fill them unless I believe that they have the right perspective to doing the job. That their motivations aren't a paycheck, it is easy to find people that are motivated by their paycheck I am looking for people who are motivated because they know the difference between a good job and a bad job and they want to make a difference, that is why a lot of the positions are vacant right now. I wish I had several more of them filled because we are still not getting to everything that we need to get to, to get this organization fully in the right direction. I feel very strongly that we have made significant progress over the past several months, but I can give countless examples of where we are going to repeat the mistakes that we made in the past if we don't make these changes and these are mistakes that will cost us countless more dollars than the small dollars than we are talking about in these reorganizations, because the net number of jobs, just look up there, it is down, that means savings. We don't approach the financial health of this organization haphazardly. Every step that we are making, it is intended and leads to a better day for this future, every single decision I make is not focusing on what is best for the moment, every single decision I am making this budget as you have it before you, is intended to put this city on the right path, so that soon we will be able to not be concerned about hurricanes, so that we will soon be able to give our employees wages, wage increases that are deserved and we won't have to be taking benefits back from them, that we won't have to be adjusting for pensions that they have been promised, but that takes all of the things that we are doing not just one, not just two, it is everything that we are doing that is intended...I frankly appreciate very much this Commission's support. Last budget year you made some tough decisions, and when I meet with employees like I do every month, I tell them that this Commission stood tall, this Commission took the right decisions to get this organization in the right track, but it took everybody contributing. That is what I tell them, because that is what I honestly believe, you have made the right decisions and we are on the right path, we shouldn't deviate from it, organizations that get off track and zigzag back and forth never get to where they need to be and in this economy it is 10 times tougher to accomplish what we are talking

about financial stability help with this organization can treat its employees fairly. I have never had to go to a bargaining unit two days before the vote and say we don't have the money to make that commitment, I have never even heard of it. Frankly in my career that we had to do it, and we would have been doomed to do it again and again, unless we made the choices and the changes that we are making here, so we are changing skill sets, we are taking people that had different functions today and we are trying and we are replacing them with people that have the skillsets that can take this organization for the next 10 years, so we can really make a difference in the quality of life for the people that live here, that is what I think municipalities are. They have one mission, make the lives better for the residents that they serve, but we have to fix our organization first if we are going to be able to reach out and help the community. I wanted to say thank you because you have made those tough decisions along the way. I know they are not easy, and on the surface they could be criticized, anything could be criticized, but I am willing to stand up and defend any single change that we have made from a staffing organization because I think everyone of those is what is necessary for this organization to move forward, so that it is one that everybody in this community looks to and says the City of Coral Gables makes a real difference in the quality of my life. That is what the goal here I believe is and that is what each of you have communicated that we are in the business of making people's lives better, so that is a lot of long winded discussion, but I thought it was necessary to fill you in on, you know we don't want to keep making, following the past path, that path was one that we are still dealing with, but it is also one that I am confident if we stick to our principles we will get out of. That is all I have Mayor.

Mayor Slesnick: Thank you Mr. Manager. Don.

Finance Director Nelson: Yes sir, thank you. The next page we are going to cover scheduled taxable value, this is a lot of numbers however on the right column in the very bottom, it is the most significant number, which is a one billion dollar decrease in property value, the residential and commercial value of properties in Coral Gables decreased one billion dollars in true value, have we not had a new construction of one hundred and forty two million dollars that number would have been a billion dollar loss. When we go to the next page, how does that react to the average assessed value?-and as we all know in going back in history, 2006, 2007, 2008 property values were increasing; however, 2009 they took a turn and they were dropping and in 2010, it is no different. We can see a 2.7 percent decrease in the 2010 average assessed value. Again, a declining trend looking at the 10 year property tax history, going back to 2001, we were at 5.5 and the 2010-2011 Budget has a range of 6.072 to 6.189. If you remember at our budget workshop on July 13th, we adopted a millage rate which was the 6.189 rate. This is the roll back rate, and this is the rate that produces 0 growth of revenue, the roll back rate as property tax value is decrease the rate goes up producing the same property tax revenue and that is the 6.189, that is the rate that was advertised and transferred to the property owners in Coral Gables as well as all of the other proposed rates by the other entities. How does that rate calculate in an

average assessed home?-and you can see that the average assessed home went from \$571,000 this year to \$555,000 for next year a decrease in value of the current rate of 5.895 property tax rate equals a Coral Gables property tax of \$3,074. If you adopt at 6.189, it would be \$3,130 or a \$56 dollar increase in annual tax. How do we rank with 35 cities throughout the county? Miami-Dade County has 35 cities of course one county, we are 25th to the lowest, this is where you want to be at the bottom and you don't want to be at the top. This is \$21.82 when you look to the far right in Coral Gables that means \$21.82 for every thousand dollars of value is paid. However, I am going to show you another chart that says.

Mayor Slesnick: Well just tell them, just tell them right now.

Finance Director Nelson: Out of that only 28 cents or 28 percent comes back to Coral Gables, and I have a great chart that will be coming up.

Mayor Slesnick: Just make it clear now, no suspense; the majority of that money goes to the County and to the school board.

Finance Director Nelson: Yes.

Mayor Slesnick: Thank you, let's make that clear.

Commissioner Withers: And how many are full service cities?

Finance Director Nelson: Yes, if you look below Coral Gables, all of those cities except for one Bal Harbor, who has been around a long time, all of those are newly annexed cities, they are not fully serviced cities. We have been around a lot longer than those cities below us, we are full service.

Commissioner Anderson: And police, fire?

Finance Director Nelson: Police, fire we have all of the services of an incredible City at a rate of 25th ranking compared to those that are below us that are not full service or that contracted the police, or don't their own fire department, and don't provide an emergency rescue service like we do, so very important, when you rank our city...

Mayor Slesnick: What is the proposed tax rate for the County this year?

Finance Director Nelson: Now, these are the actual proposed tax rates based on their First Hearing.

Mayor Slesnick: What is the County?- I can't read it.

Finance Director Nelson: 6.72. Compared to the city.

Mayor Slesnick: Let me, OK. I don't like to sit around making political statements, but the fact of the matter is, it disturbs me and I think should disturb other citizens that this cannot be cured overnight or not right now, we are one city that appreciates our relationship with the County, I always sit up here and talk about the things that the County does for the citizens of Dade County and how we treasure those things, but I can never understand how the County can charge citizens more than the City does, because if you look at what they get from the County and what we get, I get from the County versus what we get, I get from the City, it is just no comparison and it is one thing to charge us for what it costs to be members of this County, it is another thing, I think to have a tax rate above our tax rate, and so that is one thing I think for the long term because people should be concerned with and should speak out about, so thank you.

Finance Director Nelson: The next chart exactly Mayor, is probably the best chart in this entire presentation and this is where you see 28 cents of every dollar coming back to Coral Gables only, the majority to the other agencies, 31 cents going to Dade County or 75 million dollars of the tax base goes to Dade County compared to our 69.5 million to Coral Gables, the State, the School Board of course at 38 cents for every dollar going to the School Board we are the lowest other than the State in receiving it share in here. Coral Gables provides all of the services to its residents compared to Miami-Dade County. For your consideration tonight, this is the first hearing and part of that is to adopt a millage rate by Ordinance. Of course, it takes two readings, two hearings we will be back again two weeks from tonight, we adopted at the Budget Workshop on July 13th, a rate of 6.189, that is the rate that was advertised by the County that is what went to the property owners and you can see in order to adopt that it would require 4 out of 5 Commissioners to adopt that, a 3 out of 5 would require a maximum millage rate of 6.072 and of course we cannot exceed a mileage rate of 6.189.

Vice Mayor Kerdyk: What is this budget prepared on? What is this budget that you presented prepared on? The 6.072 or 6.189?

Finance Director Nelson: 6.072.

City Manager Salerno: But it leaves some things out.

Vice Mayor Kerdyk: I know, I know.

Finance Director Nelson: And that is my presentation and I will be glad to answer any questions.

Mayor Slesnick: Thank you Don.

Finance Director Nelson: Thank you.

Mayor Slesnick: We will probably be back to you. Do we have cards? Speaker cards please. Is there anything you all would like to ask before we start?

Commissioner Withers: Don, I just have one question about the assessed value. I am assuming that, that assumes the 3 percent automatic increase for the "Save Our Homes?"

Finance Director Nelson: Yes.

Commissioner Withers: And being an older community, I am assuming that the majority of our residential real estate is probably under that program.

Finance Director Nelson: That is a great question. This year, if your home is homesteaded of course you get a \$50,000 homestead exemption and the rate, the increase, the maximum is 2.7%, it cannot be greater than 3% or the CPI, the CPI this year was 2.7%, so if you have are in your homesteaded property and your property value, your assessed value was below the market value then you will have up to a 2.7% increase on your homestead, these take consideration in aggregate all of the properties that the average accessed value throughout the City for a residential property decrease 2.7% and that includes lowering the market value...

Mayor Slesnick: That is correct, the "Save Our Homes," I think this is important because some people who e-mail us, if you have been in a home for 10 or more years let's say, your value of your property for tax purposes never took that sky rocket during the 2004, 2005, 2006, 2007 it went up 3 percent per year or less, the CPI was I think higher did I say 2, 3 percent per year...I mean I'll give you the example of my home, we have been in our home 25 years and our taxable amount is still half of what the market value is, thank heavens for us, but that is what happens when you have been in your home a long time under "Save Our Homes." Now you can argue whether "Save Our Homes" is good or bad, that is a legislative program, not a city program, but it has been adapted by the legislature through the constitution to help people who are long term residents in their homes and it skewers, so you see it skewers the whole thing when the property value skyrocketed, everybody says well what did you do with all of that extra money?-well it impacted new homes, I mean not new homes, but homes that were bought on the market, it did produce more income for us for those homes, but for our "Save Our Homes", which are the majority of our homes. It was still going up 3 percent a year, so yes it was new money, I just want to make sure everybody understands this, because I get e-mails where it is not very clear. It is a very confused situation and as you know the state has looked at trying to

straighten out the tax situation in the State of Florida several times, has never come back with a solution, we had our every 10 year tax commission, when was it last year or the year before and they ended up doing very little if anything. So, you have people who have homes that are newer purchases, they are going to be taxed at the value of the market value and then you have got the older homes that are still catching up to market value and probably will never catch up before they are sold the way it is going. So, thank you.

Finance Director Nelson: Thank you Mayor.

Mayor Slesnick: OK. We have speakers. Maria?

Commissioner Anderson: No, thank you.

Mayor Slesnick: We have speaker cards and I am going to go through them, Don can you move the little lights in the middle there, could I ask again, when you come forward, no turn it that way, no that is good I just want to make sure they see it. We would ask you to try to stay to about 3 minutes per person that is our goal, Ms. Roxcy Bolton, 124 Cadima. Ms. Bolton, good evening.

Ms. Bolton: First thing, I want to talk about is the cellphones; we are talking to much man.

Mayor Slesnick: Ms. Bolton?

Ms. Bolton: Yes.

Mayor Slesnick: Just pull the mike down toward your mouth, so we could hear you.

Ms. Bolton: I know you want to hear what I have to say.

Mayor Slesnick: Well no, we do, and there you go, perfect. Thank you.

Ms. Bolton: Thank you. I noticed Building and Zoning has 32 telephones that is a lot of telephones, now what is the Building and Zoning population up there now?

Mayor Slesnick: What is the...We will get it to you, but let's say it is around 32, I mean I don't know, it is probably.

Ms. Bolton: I noticed that the Fire Department has reduced their cell phones to fifteen. Fifteen cell phones according to your records.

Mayor Slesnick: I don't understand that.

Ms. Bolton: I don't understand it...it means that the Fire Department is trying to do the right thing by the citizens and not be extravagant with their cell phones. When you compare those two, I think we should have an answer by the next meeting.

Mayor Slesnick: Okay, we will.

Ms. Bolton: It's outrageous. Rescue is on the run. We have to think first about our Fire Department first, before we think about Building and Zoning.

Mayor Slesnick: Ms. Bolton, first of all let me say this, as you know, our Fire and Police Department all have radios, that's number one. They all have emergency radio connections, but I'm not quite sure that the fifteen is an accurate number or not for cell phone for the Fire Department. I would have to check on that, and we will before it's all over, and we will have the figure for you.

Ms. Bolton: There are 254 cell phones out there for in City of Coral Gables, that's just too much talking man. You have to reduce it.

Mayor Slesnick: OK.

Ms. Bolton: I'm really sad when I hear you talking about the Police Department. You know we have been so extravagant in so many things: the Biltmore, the Coral Gables Country Club, and those darn PP Cards...that everyone had a PP Card. Someone took out Chip out to lunch, no the former City Manager took him out to lunch, and spent \$100.00

Vice Mayor Kerdyk: That was his meal alone... (Laughs)

Commissioner Withers: That was my meal alone... (Laughs)

Ms. Bolton: Don't defend him.

Commissioner Withers: There were four people at that lunch.

Mayor Slesnick: And they are not PP cards, they are P Cards... (Laughs)

Ms. Bolton: I'm sorry I put too much P on it. Chip, I think that perhaps you are thinking, as I noticed that you and Commissioner Cabrera made a very valid point, that everyone that everyone that lives in Coral Gables is a millionaire. It's a very affluent City and we are very proud of this City. But when you have three bankers on the Commission, it makes me kind of shutter, because you all know how bankers act and think. And you render your decisions on according to what you're thinking in your

head. Commissioner Cabrera made a very valid point when he was speaking about the people needing to know, and they have a right to know, and you spanked him too hard man.

Commissioner Withers: You think I spanked Ralph?

Commissioner Cabrera: You've been spanking me since I was fifteen years old...
(Laughs)

Ms. Bolton: The reason we are in such bad shape is because of poor management. We had the worst management as those P Cards were wasted. I remember David Brown telling me one day: Roxcy I am going to pay the City back \$35,000.00 for the ones he took out and wined and dined and never paid a penny. Nr. Nelson where is he...is he hiding? Mr. Nelson, did David Brown ever pay back the City the \$35,000.00?

Commissioner Anderson: That's ancient history.

Ms. Bolton: Now wait, this is important. Your manager articulated all of the points of employment up to the top, well we need to think about the people at the bottom; they are the ones that keep this City going. Would you like your garbage to wait a month? No you wouldn't. You represented them, you know how tough it is, it is the toughest job. We can't always think about moving these positions and reorienting Coral Gables to the top. You don't ever have to worry about the people at the top; they will take care of themselves. And I disagree with the City Manager, he ran off when I started to speak. The bottom line is what he said must be looked at over a long period of time and Commissioner Withers you still have not acknowledged that you tried to stomp on Ralph when he was making a point on behalf of the people. He represents the people, just like you represent the people at the bank man.

Commissioner Withers: I'm sorry, what did you say?

Mayor Slesnick: I'm sorry Ms. Bolton your time is up.

Ms. Bolton: You've been telling me that for years ... (Laughs)

Commissioner Withers: It never works... (Laughs)

Ms. Bolton: Remember Chip, you asked me the other day why I didn't run for Mayor? You told me you would pay for my entrance fee.

Commissioner Cabrera: Entrance fee.

Commissioner Withers: I would pay your entrance fee.

Ms. Bolton: And I would win big time man, don't you think I wouldn't. Thank you for your generous time...and stay off Commissioner Cabrera.

Mayor Slesnick: Thank you Ms. Bolton.

Mayor Slesnick: Richard Namon, 5555 Oakwood Lane.

Richard Namon: Mr. Mayor and Commissioners...two things separate one from the other. My property tax bill is going up about twenty-six percent. I still work, so I can afford to pay the twenty-six percent more, but there are a lot of retired people here in Coral Gables, and I hope that when you are considering the millage rate that you think of them, besides the employees and the overall structure of the City. Twenty-six percent is a lot for people on a fixed income. I don't judge a budget by the appearance of its cover, but by the content. And with no offense intended to the City Manager, this is a budget that I don't think is transparent, and it is an issue that I brought up before. It has to do with the disclosure of where the money goes regarding the pension. Under debt service for \$6,947,000.00 obligation to the state's Sunshine Fund, however much larger, is the amount of money that is paid in interest to the debt on the pension fund. It is amazing to me that a four hundred fifty some odd page budget, in its full form is unable to present the same information that the state requires from the City in its annual report, that at least breaks down some of what the budget includes regarding the pension fund. Some were already added up under the area of employee benefits retirement, is huge amounts of interest and compensation for an underfunded pension fund. The budget problems today are the same ones that have been caused for quite a number of years and it is a pension fund which structurally unsound. It does not make any different how you change the contributions from employees. Unless this pension fund is completely redone or replaced, it will continue to suck money from the City, and the services that the residents get. I don't blame the employees and I don't blame anybody particularly, but without some kind of a structural change, that pension plan will do to us, what it did to General Motors and Chrysler. Thank you.

Mayor Slesnick: Thank you Mr. Namon.Mr. Namon that the face of the matter is that, I wanted to make sure that you read the Ordinance that was passed today, and it may not be all that you would want, and I'm not suggesting it is, and I'm saying because you've made the point that only asking the employees to pay more money doesn't solve the problem, but there have been structural changes made effective.

Mr. Namon: It's that seven and three quarter percent.

Mayor Slesnick: That is a terrible thing that we are under the burden of and the

trouble is that if we lower it, we will have to pay more. You're right, we have issues.

Mr. Namon: Unless seven and three quarter percent is changed, the pension fund will always lose money.

Mayor Slesnick: It's true.

Mr. Namon: At the time that change was made, I was not living in the City, and I claim not having any influence, but there was no reason to ever assume a rate of rate of return of seven and three quarter percent at that time.

Mayor Slesnick: It was nine something and we lowered it some years ago.

Mr. Namon: Well, that was a good choice, but it still doesn't work.

Mayor Slesnick: Ms. Barbara Reese, 840 Coral Way

Ms. Reese: Mayor Slesnick, Commissioners, my name is Barbara Reese, and I have been a resident of Coral Gables for thirty-five years, and I am listening today to all this discussion about our budget. I am very well aware of the economic issues that are facing our country and our City. As all of you know, that our sitting here today, that I feel passionate about something, I speak up about it. So I know this may seem trivial comparing to what we have been discussing concerning the major issues of the budget, but I'm here today to discuss the budget cancelling the Santa Park. I read in the Miami Herald Neighbors Section...

Mayor Slesnick: She is talking about the Christmas/Holiday Village across the street.

Barbara Reese: Holiday Park, however you want to call it. It's a \$100,000.00 to put on that beautiful display, and I really believe and truly believe that \$100,000 is outrageous, but I really think that we need to do something. I do not think that you need to put something at that high level. I chair events here in the City, The Merrick House event, and we do not have a budget but we are going to have a very lovely event. I do other events without budgets, I think you can curtail that and still give the residents and non-residents, something that they really look forward to every year here in the City Beautiful. I know my children, they are thirty and twenty-six now, and they have been enjoyed going there many, many years. So, I really hope that you think about this, and I know that this is very difficult for you Commissioners, to sit there and to tell your children, and Mayor Slesnick your grandchildren, that Santa cannot come to Coral Gables anymore. I hope that you will be able to dig into your pockets and your hearts, and keep the holiday spirit alive here in the City of Coral Gables.

Mayor Slesnick: Thank you Barbara.

Mayor Slesnick: Jonathan Fisher, 1425 Giralda.

Mr. Fisher: Thank you. For perspective these comments are from a twenty-two year taxpayer and resident in Coral Gables, who is now seeing in the face of drastically reduced property values, and I know I am not alone...drastically reduced household income, decimated retirement accounts. To see an 8.2 percent increase in my Coral Gables property taxed was a shock and I'm not including \$50 Fire Assessment, which by any other word is a tax, so if I toss that in it's an 11.1% increase. Listening here today, I'm not a regular attendee here, so this has been instructive, and I have certainly come to appreciate the complexities of what you are dealing with. Clearly, the Commission has begun taking some steps, to do what needs to be done in the face of what's going on, but at the same time, and I didn't do my homework in terms of what may have been on the website, just doing some thumbnail calculations here, and clearly you've made some needed cuts in the City head count. Yes, it would seem that the percentage of total salaries is way below that, so fewer people still getting raises. There aren't a whole lot of places in this country, I'm not talking about cities, I'm talking about real world places in this country where that happens. People are glad to have a job. I can appreciate you all looking out for your employees, I'm sure they are good people, and on the other hand, I have trusted all this time that this body is here as the steward of the citizen and taxpayer. Mr. Cabrera, you've made some very interesting comments and I commend your train of thinking and some of the thoughts you've expressed. I frankly find it a bit disappointing, clinging to old paradigms, a denial, it's certainly nice to talk about the nice to haves and Mr. Manager you talked about the way things have been done, and the way it is prudent to do, and those were old times, and this is the here and now, and it is not "business as usual", and to look back on what was done whenever and what would be nice to do, those are luxuries that aren't here now and may never return and I would be the last one to advocate irresponsible budgeting decisions, but the rest of the real world here in this County is operating under a whole different principle of financial business management and it's evident the City needs to go another full step in that direction, despite the good things you've done up too now. Thank you.

Mayor Slesnick: Thank you... Mary Naccarato of 3500 Segovia.

Ms. Naccarato: Can you hear me?

Mayor Slesnick: Yes... just pull down the microphone a little bit more.

Ms. Naccarato: I live at 3500 Segovia and I have been there since the 80's, and I'm just here tonight to see if there is anything you can do to keep my property taxes lower, please help me. I have been out of work since the end of 2000...I left when I was 76. I'm having problems with my back, my feet, my head etc...plus food and

taking care of my cat, she's a luxury. It costs money, it keeps costing, and if there is anything you can do to help me please do so. I grew up during the Depression, and I knew what it was like not to eat, honest to God. I was born and raised in New York City, and there were times I went around the curbs looking for food, because we didn't have any. Then fortunately Roosevelt and he opened a tent city in New York City, Riverside Drive, these were for people who lost their homes. I went there and asked for a piece of bread and a potato. I finally got food because of Roosevelt, so all in all, help this oxygenarian, I can use it. Does anyone want to know what that means?

Mayor Slesnick: It means you've lived a good long life.

Ms. Naccarato: Fortunately, it's going to remain the same for a while.

Mayor Slesnick: Thank you, always good to see you Mary.

Mayor Slesnick: Charlie Girtman 744 Tibidabo.

Mr. Girtman: Good afternoon. How are you all today? I want to give you just a bit of trivia that I have already given to some of you. When this City was founded and they were making the positions: Mayor, Street Sweeper etc., one of them was, we needed a Chief of Police. Today, we have on the payroll, depending on how you count, between five and eight Chiefs of Police, one of them is here with us today. I figure it was over a million dollars regarding their pay, Don said no it was between \$650,000 and \$700,000.00. So for that one job, Chief of Police we have to pay \$700,000.00 today. I won't read you who they are, unless you really quiz me on it. I understand that at today's Commission Meeting, you did some really hard, good work on changing the future, which is very good, because over the past ten years, I've watched salaries damn near double. We are going down a road that if it continues, we will have only Policeman, Garbage Collectors, and one guy to write them the checks. I know that no one in Coral Gables wants that...we want our Christmas Trees and our yards kept etc. When it comes down to pay, I remember the Mayor saying he wanted to pay a significant amount to Mr. Salerno, because and I quote, "We want him to live like an executive." I don't think that's quite true, I just think it's because we want him to pull our chestnuts out of the fire. All of us are sitting here thinking I hope he can do it, and I hope he can do it, and I think he can do it I think that with the help of the five elected officials, we are going to get through this, and the City in the next few years will be on a fine financial road. I wish you all Godspeed in getting all this done. That said, I will be remised if I did not add this...I pay my taxes without regret, because this is the greatest City to live in, and I thank God everyday that I live here, and anything that any of us in this audience can do to help you, I'm sure we will, thank you.

Mayor Slesnick: Thank you very much Charlie.

Mayor Slesnick: Jorge and Martha Salazar 401 Hardee.

Commissioner Withers: I cannot hear you.

Mr. Salazar: I am a homeowner in Coral Gables for twenty years, on Hardee Road and the corner of Granada, and I am concerned about the situation that's going on. First of all, I am very proud to live in Coral Gables, it is a very nice City. I have all the advantages to be an old citizen. I have homeowners discount, but in spite of that, the situation for the homeowners, especially for the older people, is real bad. So I am urging you, all the elected officers, to try to do something, because if every year I have a \$1,000.00 increase in property taxes, I will have to sell the house. A lot of increases in expenditures and all the expenses have to be cut. We are in a difficult moment in our nation, and all the elected officials have to be aware of that. You cannot increase anything in the budget and you have to be very careful in all of this. I urge you to do that and thank you very much for your time.

Mayor Slesnick: Mr. Salazar, we first met after Hurricane Katrina on Hardee and your tree had come down...so it's good to see you.

Mayor Slesnick: Sandra Murado, 1503 Granada Blvd.

Ms. Murado: Hi I'm Sandra Murado and I live at 1503 Granada Blvd., and I wanted to thank you for giving me the opportunity to speak to the Commission and in front of my neighbors, and I want to thank you all, because I know what you do is not easy..I thank you for your public service and I know it's not easy. You listen to problems and people complain and I'm sure you don't hear thank you very much or appreciation. And I want to say thank you because your job is not easy and God knows your pay is not commensurate with the level of anxiety and complaints that you hear. I wasn't going to speak today because I know it's more of the same, it doesn't take a rocket scientist to know what's going on in our economy and more of I want to make a commentary. I'm a mom, someone's daughter, a lawyer by trait, that's my profession, I've worked for the State Attorney's Office, 11th Judicial Circuit, I've worked in private practice, and I have my own practice, so I've run the spectrum of what you can do and I understand. I guess what I wanted to bring up and all of you understand this because all of you have your own households, is that when you are a divorce lawyer and you're determining alimony, it is based on need and ability to pay, that's what the dissolution of marriage statute says. I now represent American companies before the U.S. Department of Labor, U.S. Department of Homeland Security, and the U.S. Department of State, and I have to prove that, that company has the need and the ability to pay the salary to a foreign national. So I have a rhetorical question, which is do we have a need for all the needs for all the jobs that we have?- and we have the ability to pay? Then the questions I ask, and this has been an educational process in the last year, because this is some interest to me, and I feel you can't

complain and not do something about it. So you have to educate yourself, and talk to neighbors and try to do the best as a citizen, because that is our duty, because we are blessed in this country, and God knows we are blessed to live in what people call an affluent City. The one question I have, and I am not trying to be facetious, but there are three levels of government: federal, state, and local government. My mother was a social worker for over thirty years for the state of Florida and she was responsible for supervising people so that the elderly wouldn't be abused, food stamps program, and she was one of three social workers out on Krome when the Mariel boatlift, and she never made more than \$26,000.00, ever, and she took that job knowing that in the end she would have two things: job security and a pension. When I look at some of these salaries, as it is my job representing these companies before the Department of Labor, I have to tell them you cannot abuse the American worker and you cannot take advantage of a foreigner and these are the pay grades and it is based on education and level of experience and what the job entails. I read some of these salaries and I scratch my head and said, wow, I should've come work for the City, but you have to follow your passion and I have respect for what people do. And when people say they do the jobs that no one else wants to do, what jobs are we talking about? I love the people and come and say hello to them and take my garbage, and I am very pleased with the work that they do, and I do not know what job it is that people are doing that no one else is willing to do. My question is, or my commentary is, why is it that at the federal government there are pay grades based on the level of experience and education required for a job and the state has the same thing. My mother has more than a bachelor's degree and levels of experience, so why don't we have pay grades at the local level commensurate with the work required and experience required? Just to give you an example, and I know my time is up, and I appreciate it. Last comment and I'm not attacking the City Attorney's Department, but if we look at page fifty-eight of the budget, the Assistant City Attorney, who I'm not sure takes any cases to trial, makes over \$84,000.00. You know something my best friend, and I could put her name on the record, is the Assistant District Legal Counsel for the Department of Children and Families and makes the same amount of money and has forty people working under her. So why don't we have pay grades at the local level? And it's not just Coral Gables. Thank you for your time.

Mayor Slesnick: Thank you.

Mayor Slesnick: Enrique Lopez 102 Sorolla Avenue.

Enrique Lopez: Good evening Mr. Mayor, Vice Mayor, Commissioners, City Manager, City Attorney, City Clerk, and my fellow residents of the City Beautiful. Tonight's proposed budget is headed in the right direction, however it needs to go deeper and deeper in the cuts in areas that will have a significant impact on our budget on our City's ability to continue to correct its course. One of those areas which we seem to overlook every year is that of the Drop program participants funding. This account was close to five million dollars a year for many of our employees, many of

which I will state are “RIP” retired in place, cashing in their bank accounts, just passing time until the big day, and stagnating our departments, basically disallowing new blood and energy to move their respective departments forward and costing all of us millions. Mr. Manager you have faced many a challenge in your short tenure here, and responded to me, and I applaud you and support you, however this one area cannot go unnoticed for another year. You know who is producing, who is playing ball with you, and who is literally against what we ask you to do, and just like millions in America, this is no news to anybody here, we heard it for the last three years, except that this time we must act, and Americans have had to face the music. The time has come for these people to be looked at, reviewed, and honorably leave the City. This like the pension is too much to continue to bear. On the issue of cultural funding, for a City who has a rich cultural history, we are poor in funding the very same thing we are all so very proud of...our cultural heritage and events and this cannot be allowed, and as it is the funding is so minute that it does not even resemble a commitment we claim to have. Mr. Manger, I ask you to please review that funding cut. To propose the funding cut of the Christmas Park and holiday event, it is not acceptable. I'll give you a solution, and I'll tell you right to the point, because I will share with you why. The immediate section of a new Police Chief, with honorable retirement with the present interim Police Chief, will more than cover for this event. This will eliminate the present position monthly Drop participation to the tune of \$9,700.00 a month, annualized at \$116,000.00. Not to mention the fact of the positive impact it will have on the moral and productivity of our fine young men and women, who are going nowhere with true Lame Duck leadership. And I'll tell you why I shared this, as I saw page 264-266 of the Crime Investigation Division, I'll be to the point. I was a victim of crime, and I got a call from the Crime Investigation Division, who is asking us for close to a quarter of a million dollars in overtime, and asking that gentleman for \$1.2 million overall department, two weeks after that fact that I was called, do you have any leads? Obviously, I'm not law enforcement and I do not wear the badge, and the bottom line is that the person could not meet with me, and some of you are aware of this, because I shared this out of frustration, because they were on a 9 am to 5 pm schedule, no overtime. I wish to ask the Chief, if he is here, where is that funding going? Because obviously, this was not a major time, Manager knows about it and Mr. Mayor knows about it, but to me it seems that we have a lot of inefficiencies in process. I put to question, because as we look we talk about 183 officers, well, there are only 160 that are physically doing the nasty work. There are many who sit in an office, we must stop, if we are really serious about cutting, we must stop the favoritism and the nepotism, and the questionable business in law enforcement practices in our City. For two years there have been too long, the young men and women who risk their lives daily on the streets be served better. Mr. Manger, I please ask you to exercise your proposed realignment in Building and Zoning and Planning, that is a very real need, and I have had the opportunity to review that report, and I think it meets its purposes and moves us in the right direction, and cuts many of the inefficiencies in those departments that now exist. There are still too many Chiefs, and I applaud and I support what Mr.

Cabrera says, there are still too many Chiefs that are sitting behind desks, and not necessarily for those you claim are being hired or not, but that should be out there. After all, and this is for real, and I think you all have heard this many times, they still have a job. And that is something that millions and millions of Americans cannot say today. Thank you.

Mayo Slesnick: Thank you...that closes our public hearing. Let me just offer a few thoughts, while it is fresh in our minds what some people said. This is not rebuttal by the way, because I hope that you understand that my notes are because I listen to everyone and this is just my thoughts about a couple of things that were said. Understand that no matter what this Commission does tonight, and the next week, no matter what we do, we will be lowering the income to our City. Even if we take the tax rate to 6.18, whatever it is that we advertise, we will be lowering the income to our City, and if we do anything less than that, and lower it more we will be taking a burden on our taxpayers. The rate obviously has to be looked at with the assessed values and so forth, and so the state allows us to call a roll back rate, the exact rate that will bring in the exact dollars as last year, and that is 6.18. Except there is a little flaw this year, for whatever reason, and I still haven't had it fully explained to me, if we go to 6.18, we still fall about a million dollars short, of what we brought in last year, I'm not quite sure how that works, because it's supposed to be an exact formula. So no matter what we do, we are lowering the tax burden on our citizens. No matter what we adopt tonight, we are lowering the tax burden on our citizens. The thing that I ask you to still concentrate on is that you are looking at higher taxes and so forth, I don't have school aged children anymore, and about school aged grandchildren in about five years, but the school board is going up, so if you're looking at a higher tax bill, and I'm a big fan of public education, but I'm telling you that's the case, they are going up. Last night the county adopted a higher rate also as you saw. I don't know what they will do on their Second Reading, but they adopted a higher rate. This is a very complex thing, so the money that were doing, and then I look at Mary, and she is a good friend, and I look and listen to her plea as an oxygenarian , and I look at my mother, we just celebrated her 88th birthday the other day., so I have nothing but compassion for you Mary, but what I'd like you to understand, is that we're going down, and I want you to value what you're to City and for what you're paying for what you pay to the City, and I'm not going to repeat them again, we do all those things. I doubt, except for the fact that you live near the public library, that there are very many things that your County tax dollars do that you have a daily experience with. Now there are some valuable things that they do, but not daily experience, but every day, every hour of the day, you are served by the City of Coral Gables, and I just want to make that plea to understand, that what we charge you for is direct services to you. We don't have any social programs in this City, we do try to fund some cultural events, things that return value of quality of life to our citizens, but we don't have any social programs. I guess you could call our senior center, sort of a social pogrom, but it's not a direct aid to people. Even the City of Miami, which is a bigger City

government, has hot meal programs, programs for people who are below the poverty line, drug treatment programs, and we don't do those kinds of things. Jonathan said something that was very valuable, I just want to drive home the point, and I heard something different from the Manager, he said we need to shuck the old paradigms, new ways to do things, but I think that's what the Manager is talking about. Maybe what he said is not categorized in what you would like to hear, but what I heard from the Manager is that he is looking for new ways to approach things and manage the City, and to go forward in a new day. Finally, Sandra and I have lots of conversations; we talk a lot about these things. I represent by the way, as Mr. Cabrera has pointed out, I represent about five thousand state healthcare workers, the nurses, the registered nurses, the dentists and others, and they are in every place, in the prisons in the health departments, and they are the worst paid employees in the state of Florida. Sandra knows that the State Attorneys are the worst paid attorneys in the State of Florida. The state is just not someone we want to model ourselves after, and I feel so sorry for those people, because they do have jobs and some benefits that are good, but they are literally, if you take and compare across the lines their salary scales versus the comparable people in others places, so I hate to use, and I feel bad that your mother never made it past \$26,000.00, and I hate to use them as an example, but I want to assure Sandra one thing. What you're urging us to do at the local level we do, but we may not do it the way you would like to see us to do it, and we would like your input on that, but I can assure you, that City's do establish pay scales based on education and experience and responsibilities and so forth, and we do have pay grades and we try to get them all straight, and we look to our professional nature, our people to do that. And again your input on how to do that better is always appreciated, but no one will reject the idea that there should be pay scales and should be comparable and based on education, experience, and responsibilities, so your point is well taken. So I hope you understand that, that's what we attempt to do. So those are just some of my thoughts.

Commissioner Withers: Can I make a comment?

Mayor Slesnick: Yes

Commissioner Withers: Someone said something about continuing to get raises and increased salaries, and I don't remember who it was, and I've been on this Commission for almost twenty years, and this will be my last budget hearing, and I can tell you, and Dorothy you were on the Commission with me for a long time. This past year we have reduced wages, in fact people are actually paying money back, taking wage reductions, some people are contributing five and ten percent of their pension back into the City, which has never happened, the automatic increases that people would get on merit steps were basically cut in half, from I believe from five to two and half percent. The factor that people would get three percent a year for every year they have worked here for their pension allotment, the general employees reduced that

significantly and it's the first time that I have been on this Commission where there has been such incredible wage takebacks, and a lot of them voluntary.

Commissioner Withers: Can I make a comment too, Don? And I usually... because something was said tonight by someone about continuing to get raises, people are still continuing to get increased salaries in Coral Gables. I don't remember who it was, but I've been on this Commission for almost 20 years, and this is going to be my last budget hearing. And I can tell you, and Dorothy, you were on the Commission with me for a long time; this past year we have reduced wages, in fact people are actually paying money back, taking wage reductions. Some people are contributing 5 and 10 percent of their pensions back into the City which has never happened. The automatic increases that people would get on merit steps were basically cut in half, I believe from 5 to 2 and a half?

Commissioner Anderson: Two and-a-half percent.

Commissioner Withers: The factor that people would get 3 percent a year for every year they worked here for their pension allowance. The general employees reduce that significantly, and it's the first time that I have been on this Commission, where there have been such incredible wage take-backs, and a lot of them even voluntary. I mean a lot of the unions and a lot of the folks stepped up and said you don't have to mandate it; we're going to do it. And so, there is a huge misconception that the wages and salaries in the City of Coral Gables are increasing, and increasing, and increasing; and you know, this past year or two years, I think each one of us will tell you that it just isn't happening, I mean, the wages are not going through the roof here in Coral Gables. And the bargaining units have sat with zero wage increase now for a couple years, so. If you're hearing that or reading that I encourage you to really get involved in what is going on with the pension reform here, and also with the salary reform, because it's just not happening.

Mayor Slesnick: Can I add one thing to that?

Commissioner Withers: Yes, please, please.

Mayor Slesnick: There was an article in the paper that dredged up an old fact again too about, some people retiring and such money. I think it's an example in the paper, there was a communications operator retiring at \$66,000; and by the way, I don't know what would be appropriate, 66 could be, but that is extremely high for our communications operators to retire at. There was a moment in time, I want to make sure you understand this because you know when people are trying to make a point, they dig up things. There was a moment in time during the 90's, when the new communications center was opened, and in order to staff the communication center, there were communications operators, and police sergeants who were assigned double

shifts, because they were short. You know, whether it was the wisest thing to do or not doesn't matter; but there were a few extra ordinary circumstances as people retired after serving several years of double shifts, where people retired at rates that appeared to be way out of whack to anyone that was watching what was happening. That's not a common experience here and we don't have people doing double shifts now, and we didn't, and by the way those double shifts stopped about 2001 when we all got together in this Commission. So it's just, those figures are just not exemplary of what people retire at here, and it was for a really unusual reason. It's not to go into whether that reason was good or bad, it's just that, that's the facts so...OK, do we have any other questions for the Manager and Don?- and if we don't have any more questions we can go into discussion... I see Mr. Kerdyk's...

Commissioner Withers: Well I just have one thing.

Mayor Slesnick: OK.

Commissioner Withers: City Manager, you know usually I accept pretty much your direction on stuff, but never ask you to...[Inaudible]...the budget.

Vice Mayor Kerdyk: I need to say something, yes, go ahead.

Commissioner Withers: But I think we need to figure out a way to come do that tree lighting, Christmas Park or whatever, is there anything we could look at? I don't know how you all feel about it, but... that's my only put back into the budget. Now, if we need to go out and find corporate sponsors, I'll tell you, I'll help carry that sled to do that. We need to, that seems to be the one thing that the City...

Vice Mayor Kerdyk: I agree with that.

Mayor Slesnick: I also think that we need to take another hard look, and we do this each year, so people who we've been kind of dilettante about it, if that's the right word? We need to look at the 4th of July again too.

Commissioner Withers: What?

Mayor Slesnick: The 4th of July

Commissioner Withers: OK, well...

Mayor Slesnick: I mean, you know, as the Titanic sank, the orchestra played (laughter).

Commissioner Withers: I don't know if that's a good analogy (laughter).

Commissioner Anderson: Oh, man.

Commissioner Withers: How about when Rome was burning?

Mayor Slesnick: Right, the point...well I mean, you know, I guess I'm going against any political advice I got, you know never make a sound byte that you'll regret later (laughter); but the fact of the matter is that spirits need to be lifted at all times. We need to lift people's spirits, and I think that certainly giving up our small, and they are small ladies and gentlemen, because remember, think about how many people we have living in this City, 40... We haven't gotten the exact figures yet, but let's say give or take 45,000, plus our tourists that come here contribute to our welfare. It is a very small amount of money if you think about those 45,000 people and our tourists contributing toward the little bit we spend on our Holiday Park, and our Christmas Tree Lighting, and things like the 4th of July, and you know, we gave up the 4th of July a couple of years ago as a budget issue, as a nod toward the fact that we were tearing up the golf course, but recently the Manager had discussions with the Biltmore that maybe there is a way we can bring it back, and save the golf course; but it takes a little money. All I am saying is, Chip I agree with you, and I think that we don't want to give up our total quality of life, and it's like the small budget that we have for cultural groups that put on events, put on concerts, put on the different things that happen in our streets, and so forth. We've had a budget of \$150,000 for the last 7 or 8 years, and in the budget is cut to \$75,000 to help those groups make it, and I hope you all understand that since the kings of...well going back a long way the royal houses had to support artists and culture or else it was not going to be any because it's not a profit making situation. And so, what we could do there, I'm sorry we have to cut it back in half and maybe we could expand a little bit. We had an item today where we saw the number of cultural groups that came to our workshop about the grants that we could give out from that money. Something, there must have been for 40 or 50 groups that want to do things in the City of Coral Gables, for the people of Coral Gables. So...that's two things. Mr. Manager there are two things that I would like you to take a look at, I don't mean to make any big political statement or raise anything, but I would feel very badly if I didn't raise these; and I'd like you to look at them between now, and the second hearing; number one is, the expansion of the parking fee meters, from 10 p.m. to 12 a.m., it's two hours a night. And you know, what I understand that rather than asking the taxpayers to query our parking system Downtown, it's probably best that we ask people that park at the meters to pay for their service there; but you know at 10 p.m. at night, in our city you're not catching new parkers. What you're doing is, you're catching people who have been at restaurants, who have been at plays, and been in things and they are not back to their car yet. I know it's a budget item, but I think that... and I'd like you to look at that, that's all I'm going to say, no big political speech. -The second thing is, in sort of the same vain as Commissioner Cabrera, and Mr. Lopez raised this, actually although he supported it. I really would like you to take

a look, and I'd like to talk to you more, and if any other Commissioner would like to talk to you more about the proposed Super Senior Director of the Planning, Building and Zoning, and so forth.

Commissioner Cabrera: What's there to talk about on that issue?

Mayor Slesnick: Well, what's there to talk about is that I may not support having that person. That's what there is to talk about.

Commissioner Cabrera: Well, I'm not trying to be confrontational.

Mayor Slesnick: No, no I know but that's... I said in the same vein, you know I accept... by the way you know I accept the Manager; believe me the Manager and I... I spend a good deal of time talking to the Manager, and the Manager and I have had conversations about all this. I understand his goals, I understand what he is trying to accomplish, I haven't supported everything he has brought to us. I think I have supported the overwhelming majority of things, but in this particular case we have one position that troubles me. I see the realignment, and I see the three departments, and so forth, I just, that's one area, Mr. Manager, I'd like to talk more about, and I'd like to look at.

Commissioner Cabrera: But what's ironic is that we're going to approve a budget that's going to allow for this re-organization to take place.

Mayor Slesnick: Well no, if... in the end Ralph I may vote, or I may ask to amend but that's what I'm saying; but I'm giving the Manager a chance in the next two weeks to talk it out with everybody.

Commissioner Cabrera: No, well maybe I need to do a better job of explaining myself. The point I'm trying to make is, we're reorganizing the Building and Zoning Department and the Planning Department, for those of you that don't know this. We've had no discussions other than you know a report from an outside consultant, that's it. So that report from the outside consultant has justified the re-organization of two very large, important departments. I am not trying to be confrontational with you, I'm trying to make a point, and the point is that this budget cycle will allow for that; and there has been no vetting of this, there has been no discussion on this, we're doing it. To this day I can't say for sure whether the re-organization of these two departments will yield a reduction, a net affecting reduction on full time employees. I can't tell you that, and you hired me to represent you. I have no clue as to that, and you could say, well "why don't you have your clue? Don't you do your homework?" I do my homework ladies and gentlemen; I do my homework on every issue that is important to the citizens of Coral Gables. But I have no clue what's in store; I can't tell you if the result is going to yield less employees, more employees, a higher payroll, a lower

payroll, I can't tell you... I don't know.

Mayor Slesnick: OK, let me finish.

Commissioner Cabrera: Oh good then go ahead and tell me.

Mayor Slesnick: Wait, wait.

Commissioner Cabrera: Tell me, I want to know.

Commissioner Withers: It's 6 employees; it goes from 68 to 61?

Mayor Slesnick: OK, could I...

Commissioner Cabrera: I'm glad you know, and I'm glad you're sharing that with me.

City Manager Salerno: It's in the book.

Mayor Slesnick: Could I...well could I just...

Commissioner Cabrera: I'm sure it's in the book, but I deserve more than just getting a book handed to me the day before a budget hearing. I deserve a lot more than that, because I represent these people out here. I don't represent you, I represent them.

Mayor Slesnick: OK...if I could just finish I haven't finished.

Commissioner Anderson: No problem go ahead finish and I'll...

Mayor Slesnick: If I could finish my comment. Mr. Manager...

City Manager Salerno: Yes sir.

Mayor Slesnick: This is important to me because I'd like to...I have studied the budget book, and I have studied the reorganization proposal, and you and I have actually talked about a few details in it. I appreciate some, a lot of what you are doing in that, and there's a lot that has nothing to do with what I am talking about. I think that you can almost extinguish what I'm talking about with some of the things that you are re-organizing within the framework of the areas of Code Enforcement, Building and Zoning, Zoning or Building or whatever, and Planning. I think that there could be a conversation which has all the elements of your plan, and yet distinguishes the appointment of one super director that... Mr. Manager, I am not putting you on the spot, I am not asking you for any kind of response tonight. I have asked for some kind of give and take during the next two weeks, and if any of the other Commissioners are

even interested in it, they may get to you also, and if they're not, then you certainly know that I am isolated in my thoughts so.

Vice Mayor Kerdyk: That was one of the areas that I was going to mention during my time, and you know the organizational chart that you proposed to us, the restructuring, I am for it. I am for doing it, but the issue is that everybody knows that building is down now, and would be down next year. I just wanted to see, or have a discussion with you in the two week time period, is there any way that we can phase in and try to save some money with regard to some of these positions? Phase in the Building Department when we know that it's down as far as building permits. We know what is going to happen over the next year, and that's one of the discussions I want to have with you regarding that matter.

City Manager Salerno: OK.

Mayor Slesnick: Maria.

Vice Mayor Kerdyk: I'm sorry.

Commissioner Anderson: Well, I am probably going to be the "Grinch that stole Christmas".

Commissioner Withers: Uh-Oh.

Commissioner Anderson: We just reduced our employees, and stuff and we posed a lot of things. I think that we should just...you know I don't support \$100,000 dollars, I mean I would support somebody getting sponsorship, but I don't think that hundred thousand dollars should come out of the budget. I am not against a Holiday Park, but I'm not supportive of us, the budget handling that. The re-organization of the Building Department has been needed for a heck of a long time. I think there are some really good people who are probably very frustrated up there, because they are not working as efficiently under that. I think that the unification of the Planning and Zoning is the right and proper thing to do. We live at odds with one decision, one person says one thing, the other person says the other, and we can't get anything done. And until we really actually shake it up a bit, whether we do it with 61 employees, 68 employees, 59 employees, the change has got to happen. I mean, I am not quibbling about numbers, but that the change has got to happen...it doesn't work, and we've been saying that for 9 years, and finally we have a plan to change that. Finally we made some issues on pension reform happen, more to do. And you know what? I feel really bad about the cultural things, but you know what? I can't see us putting money back into the cultural... I mean we cut it back, because we just took from somebody else too. It's nice maybe we could put it back like we did when we started, but you know those are nice to have, and we just made some big significant changes that have

impacted our employees. Those are just my thoughts but...

Mayor Slesnick: Well Maria, but one thing please consider is that, we lose some of those things only if we go down to 6.072.

Commissioner Anderson: I understand that.

Mayor Slesnick: If we go a little bit above that, we cover some of those things too.

Commissioner Anderson: But we're only going to... you know we are not going to get to the 6.1. You know that (laughter).

Vice Mayor Kerdyk: We've already talked about that; we don't have to go that far. (Inaudible)

Commissioner Anderson: It's just the math isn't there (laughter).

Vice Mayor Kerdyk: Oh, yes the math isn't there.

Commissioner Anderson: But you know I respect that, but you know....and those are just my thoughts, and like I said, I'm not against the Holiday Park, but if we need it we need to have sponsorships.

Vice Mayor Kerdyk: Yes.

Commissioner Anderson: I just can't, you know...

Vice Mayor Kerdyk: I am for giving, trying to get sponsorships, I think that's a good way. If I have to donate money I'll do that. I feel it's very important to try to get sponsorships for it. I will tell you, Mr. City Manager, I've supported your plans, your re-structuring plans; I've supported your pension plans. I've been a big advocate for you, but I understand that people are really hurting in this country, and more specifically in this City. I've said it on our budget workshops; we have approximately 16,000 households in the City of Coral Gables, maybe another thousand of commercial units. There is a website in Miami-Dade County that will show pre-foreclosures. Now, I don't know exactly what a pre-foreclosure is, it might be 90 days late? But there are over a thousand of those 17,000 units that are in pre-foreclosure in the City of Coral Gables. So people are hurting, and the fact is that we have raised taxes, other types of taxes. We've raised Fire Protection Tax for the residents, garbage fees, parking fees, development fees, and recreation fees. So there have been some other taxes that have been raised. I cannot support the 6.072, you know, millage rate proposal, or I guess the 6.189 at this....6.072; it's one of those; and because I feel the pain every day, I go into my real-estate office, and see what's going

on from the real-estate perspective. I never thought that we'd see this in the City of Coral Gables or in this country, but we do, so that's my brief.

Mayor Slesnick: OK, but Bill, if you tie the hands of this City to make this a first class City, you'll feel more pain in the end; and you as a realtor ought to understand that more than anyone. You know what?- our services start to decline, our ability to serve the public starts to decline, our streets don't look as good, our security is in question. You can forget home values. Right now, and you know this Bill, the home values maintained better value in the City of Coral Gables than any other place in Dade County. I don't know about Golden Beach or anything, but more so than any place, and had stabilized now more quickly than any other place; and I think in part it's not just the bricks and mortar of the houses... I'm giving this big real-estate speech for you. -it's not just the bricks and mortar it is the quality of the City the house is found in. You can take your house to some other city, and this is not a knock on other cities, they are wonderful places, and the value of your house is going to go down. And guess what?-in many cases the taxes will go up. Move your house to Miami, the value may go down, your taxes go up. You move your house to a number of the other cities, 24 other cities if the value stays the same, your taxes will go up. It could even go down a little bit; your taxes will go up, because we're below them. So listen, first of all, all we publicize was the rollback rate, that's the first thing. The second thing is, if we go to 6.072, we accomplish the budget presented to us. For every little tenth of a mill if we go to 6.082 or 6.092. We can take care of a lot of the loose ends and the rough ends that we've talked about tonight, and it's not just the people who are here it's the emails we've gotten, and some of the people that have spoken out about losing those kinds of benefits they have from living in Coral Gables. With that we are at a position of accepting a motion. I'll certainly...the floor is open for a motion. We have before us, if I could find it; we have before us the proposed ordinance of the First Budget Hearing. This is the First Reading, an ordinance adopting the Annual Budget of estimated revenues and expenditures the City of Coral Gables, Florida for Fiscal Year 2010-2011. We have whereas clauses, but let me just summarize here and say that section 1 is the following summary of estimated revenues and expenditures for the fiscal year commencing in October 1, 2010 and ending September 3, 2011, is hereby agreed upon and adopted along with this recording data. And this is the budget as presented and it is to the level of 6.072. If I have a motion for that or if I have a motion for something other.

Commissioner Anderson: I'll make a motion for 6.072, which is less than what we advertised right?

Mayor Slesnick: It's a good bit less than what we advertised for. I have a motion at 6 point...

Commissioner Withers: I second that.

Mayor Slesnick: OK, it's been moved and seconded by Mr. Withers.

Commissioner Cabrera: Discussion?

Commissioner Withers: I mean, I think the reality is, you know respecting both Ralph and Bill, it's not going above that.

Commissioner Anderson: Yes.

Commissioner Cabrera: Right.

Commissioner Withers: 6.072.

Commissioner Anderson: Yes because it's...(inaudible)...do the math (laughter).

Commissioner Cabrera: What? I'm looking at you I...

Mayor Slesnick: I'm sorry; let me ask you this...OK, if we well let me say this...

(Inaudible)

Mayor Slesnick: Let me just suggest, I know that and we're all doing...I know that, we're all struggling with the same exact thing. If we go below 6 point, first of all everyone's tax bill is based on 6.18...

Commissioner Withers: Yes.

Mayor Slesnick: OK, so anything we below...

Commissioner Withers: It's going to go down.

Mayor Slesnick:...lowers your tax bill from even what we publicized, and for many people that were not "Save Our Homes", their tax bill is already down. People that are not "Save Our Homes", their tax bill is down. So that's kind of an equaling out process here; but if we're...we can always go down next time. We cannot go back up...

Commissioner Anderson: Right.

Mayor Slesnick:...and if we considered at least a couple of tenths, I was just showing, I think I was showing Mr. Kerdyk for every tenth of a tenth of a mill 0 point, .01 we raise about a hundred and...

City Manager Salerno: That's a hundredth...

Mayor Slesnick: A hundred and something, \$118,000.

City Attorney Hernandez: By going to the rollback rate you would need, Vice Mayor Kerdyk by going to the rollback rate, you can then meet with the Manager so he can answer your questions.

Mayor Slesnick: Well, I mean I've given up on the rollback rate

Commissioner Anderson: Forget it then.

Mayor Slesnick: Let's not push our luck here (laughter).

City Attorney Hernandez: I tried here.

(Inaudible)

Mayor Slesnick: And again, I think I need to say this, because I'm sitting here you know and I'm pushing for us to consider a lightly high rate. If you look at what this Commission has done in the last few meetings, and what the City employees have done to contribute for the future of this city and for the taxpayers. There has been an awful lot done, and a lot accomplished. I'm telling you, this is not just somebody sitting up here saying "Oh yeah, well pay a little bit more and we get..." majority of citizens, I mean, a big number of citizens going to pay less if you are paying a little bit more it's because you are on "Save Our Homes", which means you are paying taxes on a amount far less than the market value of your house, and for the small amounts that I am talking about it just seems to me that I want to live in the greatest city in the State of Florida, and my request would be at least to consider publishing...

City Manager Salerno: Mayor?

Mayor Slesnick: Well could I just finish?

City Manager Salerno: Yes, I'm sorry Mayor.

Mayor Slesnick: If we could consider publishing at least 6.092, that would give us a little bit of flexibility for some of the things that we are having to drop out of the budget, and its 2 tenths...

City Manager Salerno: No, no Mayor, that's what I was trying to help you with. It's not tenth you're talking about hundredths.

Mayor Slesnick: Yes, OK, I....Thank you. That's two one-hundredths of a mil, 6.092

as opposed to 6.072 raises an extra...

Commissioner Cabrera: You know, I'm not going to talk, because if I talk I am going to get a 10 minute response, and I don't feel like you know.

Mayor Slesnick: OK. Well, we have a motion on the floor, I would urge somebody to consider....

Commissioner Anderson: Mayor, is this .09 you are talking about requires four, right?

Mayor Slesnick: Yes it does require four.

Commissioner Anderson: Realistically, you know it's just not going to happen. I mean, I would support, but if I knew it was going to pass, and it's not. It really isn't going to...it's not to be contrary because you know...

(Inaudible)

Commissioner Cabrera: No, no.

Mayor Slesnick: OK.

Commissioner Cabrera: I've got to live with myself.

Mayor Slesnick: Well and I do too and that's why...

Commissioner Cabrera: You know, and I respect you for that, but I can't...don't make me talk because then I've got to sit there and listen for 10 minutes.

Mayor Slesnick: We have a motion on the floor to pass the ordinance at a level, which is in fact the Trim rate of 6.072, which means the elimination of some of the programs that I wish we weren't. Any other discussion? I will by the way join my colleagues in voting for it, there is not that much sense in protesting. I'm sorry we're going this low, but Mr. Clerk.

Commissioner Anderson: Yes

Commissioner Cabrera: No

Vice Mayor Kerdyk: No

Commissioner Withers: Yes

Mayor Slesnick: Yes

(Vote: 3-2)

Mayor Slesnick: OK. This ordinance will be now the ordinance which we will work off

of on our Second Reading in two weeks, and we do not address the Capital Budget tonight, that's next time?

Commissioner Anderson: Next time.

Mayor Slesnick: OK. So for those of you that have spent your evening with us we thank you for that. We thank you for your input, and understand when you walk out...let me just finish one thing...

(Inaudible)

City Manager Salerno: One more Mayor.

Mayor Slesnick: OK. We have one other thing to do, but I just want to make the point clear that as you go home tonight, when you walked in the door our published rate was 6.18 and as you walk out the door its 6.07 so we're back down.

(Applause)

Mayor Slesnick: Mr. Manager?

City Manager Salerno: Mayor one more item as a four on the agenda.

Mayor Slesnick: OK. Item Number 4 on the agenda, OK, the estimated revenues and expenditures, do we have that? I've got it, but I don't have the item. Where is the item? Oh, here it is. OK. We have item, well actually I read from Item Number 4,OK; let's go back I want to make sure we get it right, I don't want any legal challenges. Ms. Anderson, would you be willing to move Item Number 3 on the agenda?

Commissioner Anderson: Yes I would.

Mayor Slesnick: OK, Mr. Withers you'll second that?

Commissioner Withers: I will second Item 3.

Mayor Slesnick: Item Number 3, is in fact the ordinance providing for the levy of taxes for the fiscal year beginning October 1, 2010 to September 3, fixing the rate of such taxes and providing for such taxes and providing for segregation and application of proceeds in several levy's providing for the separate billing, the provisions hereof and providing this ordinance to become effective October 1, 2010. In section 1-A, it provides for millage rate of 6.076 mills, which is a 1.89 percent change from the roll back rate decrease. Mr. Clerk would you call the roll on Item 3 which I just read?

Commissioner Anderson: Yes

Commissioner Cabrera: No

Vice Mayor Kerdyk: No

Commissioner Withers: Yes

Mayor Slesnick: Yes

(Vote: 3-2)

Mayor Slesnick: Now on Item 4, I'd like a motion Ms. Anderson on Item 4.

Commissioner Anderson: Yes absolutely.

Mayor Slesnick: OK, Mr. Withers? Second that?

Commissioner Withers: I will second that.

Mayor Slesnick: The Item 4, by the way to assure everyone I think that we can, this is an item adopting the Annual Budget of Estimated Revenues and Expenditures of the City of Coral Gables, and this is outlined as the adopting in the estimated revenues and expenditures which have been set forth in part on the slides tonight and are before us in full here, on Item 4. Mr. Clerk would you call the roll on Item 4?

Commissioner Cabrera: No

Vice Mayor Kerdyk: No

Commissioner Withers: Yes

Commissioner Anderson: Yes

Mayor Slesnick: Yes

(Vote: 3-2)

Mayor Slesnick: Ladies and gentlemen, thank you for your participation and your budget procedure for this year, and we'll be back in two weeks to finalize this.

ADJOURNMENT

[Note for the Record: There being no further business on the Budget Hearing Agenda. The Commission of the City of Coral Gables adjourned its meeting at 7:38 pm on September 14, 2010. The next City Commission Budget Hearing has been scheduled for September 28, 2010, beginning 5:01 p.m.]

DONALD D. SLESNICK
MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK