

City of Coral Gables
Special City Commission Meeting
Agenda Item B-4
May 6, 2025
City Hall Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Rhonda Anderson

Commissioner Melissa Castro (Absent)

Commissioner Ariel Fernandez

Commissioner Richard D. Lara

City Staff

City Attorney, Cristina Suárez

City Manager, Alberto Parjus

City Clerk, Billy Urquia

Deputy City Attorney, Stephanie Throckmorton

Public Speaker(s)

Maria Cruz

Agenda Item B-4 [10:09 a.m.]

An Ordinance of the City Commission amending the City of Coral Gables Code by Creating Chapter 2 “Administration,” Article VII “Finance,” Division 1 “Generally,” Section 2-352 Fund Balance and Reserve Policy,” to codify the Fund Balance and Reserve Policy establish pursuant to Resolution No. 2016-34 and to require a four-fifths vote of the City Commission prior to spending general fund reserves, except during a declared State of Emergency, and to provide that the policy may be amended by ordinance approved by a four-fifths vote of the City Commission; providing for a repealer provision, severability clause, codification, and providing for an effective date. (Sponsored by Mayor Lago)

Mayor Lago: Moving to B-4. Thank you.

City Attorney Suarez: B-4 is an Ordinance of the City Commission amending the City of Coral Gables Code by Creating Chapter 2 “Administration,” Article VII “Finance,” Division 1

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“Generally,” Section 2-352 Fund Balance and Reserve Policy,” to codify the Fund Balance and Reserve Policy establish pursuant to Resolution No. 2016-34 and to require a four-fifths vote of the City Commission prior to spending general fund reserves, except during a declared State of Emergency, and to provide that the policy may be amended by ordinance approved by a four-fifths vote of the City Commission; providing for a repealer provision, severability clause, codification, and providing for an effective date.

Mayor Lago: Madam City Attorney.

Deputy City Attorney Throckmorton: Good morning again, Mayor, Vice Mayor, Commissioners. This item, as the City Attorney mentioned in the title codifies Resolution 2016-34, which is the City of Coral Gables Fund Balance and Reserve Policy, which was adopted by this body nine years ago. That fund balance is generally the 25 percent reserve requirement, along with a whole host of other details which would be included in the code. This ordinance provides that use of the reserves would require four-fifths vote via resolution unless there is a stated emergency and requires that any changes to this ordinance also requires a four-fifths vote.

Mayor Lago: Thank you, Madam City Attorney. Mr. Clerk.

City Clerk Urquia: Mrs. Maria Cruz.

Mrs. Cruz: Mrs. Maria Cruz, 1447 Miller Road. Once again, this is very interesting. Petition was open January 1, 2024, as of 4/24/25, 5,884 signatures were collected. The only valid signatures were 796, so there were 3,522 that were not certifiable. We talk about people speaking, I think it's clearly here that the people spoke, 796 out of 5,884. We only talk about people speaking when it's convenient. We assume that people spoke because of whatever, but they had an opportunity over a year to speak and they chose not to. So once again, what the emperor wants the emperor gets.

Mayor Lago: Mr. Clerk. I'll entertain a motion.

Vice Mayor Anderson: I'll move it. I do have some alternative ballot language for discussion purposes. This is something that we tried to do previously and had to fight back from spending our reserves. It was definitely an item I discussed with thousands of people when I knocked the doors that they don't want our reserves, which are for special emergency matters when we have hurricanes to be able to do clean up, to be used for other purposes that we need to balance our budget.

Mayor Lago: Can I get a second.

Commissioner Lara: Second.

Mayor Lago: Now let's have discussion. Anything further Madam Vice Mayor.

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Vice Mayor Anderson: Actually, is on the Inspector General.

Mayor Lago: No worries. You have anything you'd like to mention here on this item.

Vice Mayor Anderson: No. No.

Mayor Lago: Commissioner Lara.

Commissioner Lara: I'll be brief. I think it's a no-brainer. We have to protect our reserves. It would require exigent circumstances and a super majority. I think that makes all the sense in the world.

Mayor Lago: Commissioner Fernandez.

Commissioner Fernandez: I think the reserves are something that has been solid for this city for many years. In the past, we considered very briefly during our first budget in 2023, the possibility of doing what other municipalities have been doing, which is instead of basically keeping taxpayer dollars in the bank account, putting those taxpayer dollars to work while we take out a line of credit. So, it's the bank's money that's in the bank versus the taxpayer dollars. I believe that a four-fifths majority vote to remove money from the reserves takes power away from the residents, so I would not be supportive of that, and I think that money in the reserves should be maintained in the reserves. I agree with that policy unless we are able to find a way like other municipalities have in order to put that money to use on capital projects that have been failing for years and to address the needs of residents.

Mayor Lago: How did we get here. Mr. Clerk, can you roll the clip.

City Clerk Urquia: I will ask Cable TV to please share my screen.

[Video]

Mayor Lago: Let's start again, please.

[Video]

City Clerk Urquia: Its essentially Commissioner Fernandez saying what he just said which is about tapping into the reserves at 20 percent and going for a line of credit.

Mayor Lago: So let me advise you how reckless this is as a business owner in the private sector, which my colleague, Commissioner Fernandez, is not. We have, since I've worked as your Commissioner, as your Vice Mayor, and as your Mayor for 12 years, we have doubled our reserves. When I started, we had a double-double rated city. With the leadership of my colleagues on the Commission, through Mayor Cason, Mayor Valdes-Fauli, and my fellow colleagues on the Commission, we were able to get a triple-triple bond rating. We are one of three cities in the State

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of Florida. What does that allow us to do? That allows us to borrow at a much cheaper rate when we're doing projects. Case in point, the Public Safety Building, parking garages, renovations, that is the point of having a triple-triple bond rating. Speak to any finance professional that will tell you, if you tap into the reserves, it shows financial weakness and it puts us at risk, number one. Number two, Commissioner Fernandez also mentioned in the past, I was hoping we would be able to see it all, that we should stop underfunding the pension the way we've been funding it. When I started, our pension was funded to the tune of 51 percent, now we're almost at 80 percent. That has taken significant belt-tightening and putting a 13th check of over \$9 million dollars last year, which we could buy a lot of projects and a lot of goodwill with, but the appropriate thing and the fiduciary in me and the responsible businessperson in me requires that we do what's right by our employees and by our residents. Let me also remind you, which I did on the record, when Commissioner Fernandez spoke about this, on our last hurricane, why were we the first ones to be cleaned up, why were we the first ones out of the starting blocks in a position that we're in. We used money from our reserves. We did not have to go to the banks and get a credit line. We waited 6 to 7 years, as our Finance Director will tell you, to get paid back from the State of Florida. These are facts, you can't spin them, you can't spin it. Okay. Getting a line of credit and spending the reserves is one of the most foolishly ridiculous things I've ever heard in my life. Understand that right now, as a result of the money that we have in our reserves, we're making close to \$3 million dollars a year. If you were to spend that money on capital projects, which I've always said, you should budget for capital projects over a 4–5-year period. You should not under any circumstances feel the need to spend this money that is in reserves, just budget for projects. And if you can't do a project, then figure out a way to do it next year, but you should never ever spend your reserves, never. The \$2 ½ to \$3 million dollars that we make a year is money that we use for capital projects and that money is on interest on our reserves. If we've already used our reserves and go to the credit markets, right now our interest rates would be 7 to 8 percent. Think about how much money we would be spending. So, this is the type of reckless behavior why I'm bringing forward this piece of legislation. We need to protect our city. We need to do things the right way. This was never brought up or even considered in my first ten years in public office. This should never ever be brought up. We should have pride in being fiduciaries. We should take careful consideration when talking about the taxpayer's money, the voter's money, the resident's money. Mr. Clerk, I call a question.

Vice Mayor Anderson: Yes

Commissioner Fernandez: No

Commissioner Lara: Yes

Mayor Lago: Yes

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(Vote: 3-1)

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