

**CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD**

Meeting Minutes: Wednesday, February 7, 2018

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

MEMBERS	M	A	M	J	J	A	S	O	N	D	J	F	APPOINTED BY:
	17	17	17	17	17	17	17	17	17	17	18	18	
Tony A. Rivas	P	-	P	-	P	-	A	-	-	A	-	A	Mayor Valdes-Fauli
Erin Knight	E	-	P	-	-	-	-	-	-	A	-	A	Commissioner Jeanette Slesnick
Alex Menendez	E	-	A	-	P	-	P	-	-	P	-	A	Commissioner Vince Lago
John Holian	P	-	P	-	P	-	A	-	-	P	-	P	Commissioner Frank C. Quesada
Cheryl Goldstein	P	-	P	-	A	-	P	-	-	P	-	P	Commissioner Pat Keon
Francisco Paredes					P	-	P	-	-	P	-	P	Commissioner Mena
Rosa Bravo^										P	-	P	Mayor Valdes-Fauli

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

^- New Member

#- Special meeting

** - Resigned Member

Staff:

Diana Gomez, Finance Director

Keith Kleiman, Budget Director

Sally Ola Ola, Assistant Director

Minutes preparation and Recording Estela Valle, Bailey & Sanchez, Court Reporting, Inc.

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CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD MEETING
WEDNESDAY, March 21, 2018, 8:15 a.m.
FIRST FLOOR, CITY HALL
405 BILTMORE WAY, CORAL GABLES, FLORIDA

MEMBERS PRESENT:

CHERYL GOLDSTEIN, VICE CHAIR (via phone)
FRANK PAREDES
ROSA BRAVO

CITY STAFF PRESENT:

DIANA GOMEZ, FINANCE DIRECTOR
KEITH KLEIMAN, ASSISTANT FINANCE DIRECTOR FOR MANAGEMENT
AND BUDGET
SALLY OLA OLA, ASSISTANT FINANCE DIRECTOR FOR REPORTING
AND OPERATIONS

ALSO PRESENT:

DONNOVAN MAGINLEY
SARDU MARTELLUS (Phonetic)

1 THEREUPON:

2 (The following proceedings were had:)

3 MS. GOMEZ: Hi, Cheryl. This is Diana. You're on
4 the conference phone. We're going to get started in a
5 second. Alex still hasn't gotten here, but--

6 Is that him? No. So we're not going to have a
7 quorum, but we're still going to have the meeting for
8 discussion purposes, because we have the auditors here,
9 and Director Fernandez is here. We don't have anything
10 to be voted on anyway, so we should be fine, okay.

11 MS. GOLDSTEIN: Okay, great. So how many do we
12 need for a quorum?

13 MS. GOMEZ: We need a physical three for a quorum,
14 and we have Rosa and Frank now, so we need to-- maybe
15 Alex will join us.

16 MS. GOLDSTEIN: When Alex comes, then you would
17 have it, okay.

18 MS. GOMEZ: Yes. So real quick, the auditors are
19 here, RSM, as well as Director Fernandez. Do you want
20 to call the meeting to order, Cheryl, or do you want me
21 to call it to order?

22 MS. GOLDSTEIN: Sure, I'll call the meeting to
23 order.

24 MS. GOMEZ: Hold on one second. Are you there,
25 Cheryl?

1 MS. GOLDSTEIN: I am.

2 MS. GOMEZ: Okay. So I don't know if you have it
3 in front of you, Cheryl, so I will go ahead and do the
4 roll call, if that's okay with you?

5 MS. GOLDSTEIN: Yes, thank you.

6 MS. GOMEZ: We started the meeting at, what, 8:15?
7 Okay. So Alex is not here yet, absent.

8 Cheryl, by phone.

9 John Holian had called that he was not able to
10 make it.

11 Frank Paredes?

12 MR. PAREDES: Here.

13 MS. GOMEZ: Here. And Rosa Bravo?

14 MS. BRAVO: Here.

15 MS. GOMEZ: Okay. So I'm going to skip the
16 approval of the minutes since we don't have a quorum,
17 and we'll do that next time.

18 The first item on the Agenda is, as requested at
19 the last meeting, was to request that Director Fernandez
20 or somebody from Police come over and talk about the
21 Police overtime and the recruiting efforts.

22 So I'm going to turn it over to Director Fernandez
23 to kind of give an overview, and then whoever has any
24 questions, can go ahead and ask any questions.

25 MR. FERNANDEZ: We're at zero overtime. What

1 question do you have regarding overtime?

2 We're at zero vacancies. Zero vacancies. What
3 questions do you have on overtime?

4 MR. PAREDES: I don't know. We didn't get any
5 documents this time around.

6 MR. FERNANDEZ: No worries. No worries. I'm here
7 to answer questions.

8 MS. BRAVO: There's no vacancies?

9 MR. FERNANDEZ: Zero vacancies.

10 MS. BRAVO: There' a big sign on Ponce Circle
11 saying, "We're hiring."

12 MR. FERNANDEZ: Yeah, because it's called
13 attrition. People are going to leave, so we're going to
14 continue to hire. So we're going to continue to hire,
15 and our plan is to be plus two or minus two throughout
16 the year. That's our strategy.

17 MS. GOLDSTEIN: And I think that there's been a
18 lot of progress since that's been published, and that
19 I've read about since we had a big discussion about it,
20 but it seems to be a big topic at our meetings, and so
21 we thought we would get an update from you on, you know,
22 what are the things that you've done to be more
23 successful in recruiting. And I think that there was a
24 contract or some kind of Union negotiation, as it
25 related to filling the Operator positions, that may have

1 been resolved. So maybe you can just give us an update
2 status related to that.

3 MR. FERNANDEZ: No issues, no connection, no nexus
4 to contracts and filling vacancies for Communications.

5 I will first talk about our recruitment efforts.
6 We set out a three-year strategic plan to hire these
7 police officers-- these vacancies. Our Staff worked
8 diligently, and we put together a focus team. We met
9 every Friday at 9:00 a.m. to talk about the recruitment
10 efforts. Everyone had a task. We assigned every Staff
11 Member in the Police Department a region around the
12 country that they were to focus in on to ensure that
13 they reach out, contact law enforcement facilities,
14 training facilities throughout the country.

15 We've hit in excess of 158 locations throughout
16 the country that yielded several applicants from
17 throughout. And, again, we also put up message boards.
18 You had mentioned message boards that you have seen. We
19 put up messages on every recruitment platform you can
20 think of. So that three-year strategic plan, we cut it
21 down to about a year and two months through the efforts
22 of the Staff, and the team that we put forward in the HR
23 Department, Police, IT, through a citywide effort to
24 ensure that we get these vacancies filled.

25 Going forward, part of that strategic plan is to

1 understand, from a statistical perspective, what is the
2 attrition rate for the department. You can equate it to
3 about two per month, though, it's probably not going to
4 happen. It's probably half of that, but we're going to
5 recruit anticipating two vacancies per month.

6 Our strategic plan, going forward-- our
7 sustainment strategic plan is going to be, to be plus
8 two or minus two going forward. That means we're going
9 to overhire.

10 Today, we're actually plus one officer, because we
11 have one sergeant vacancy. So once that sergeant gets
12 filled, that officer fills that gap. So we mix and
13 match it, but we're actually plus one officer today.

14 MR. PAREDES: Do we have to pay relocation fees
15 for any of those people that come from out of town?

16 MR. FERNANDEZ: No, we do not. We have a signing
17 bonus.

18 As it relates to Communications Operators, we have
19 a Lean Six Sigma focus Team on that, utilizing DMAIC and
20 other strategies, to identify what are the key variables
21 that are causing systemic problems inside of the
22 Communications Unit.

23 This has been going on now for 20 plus years. We
24 have employees making about \$70,000 in overtime. That's
25 a huge concern. It's systemic. It's happened for many,

1 many, many years, and we are deeply focused on ensuring
2 that we address that issue immediately. This has gone
3 on for a long time. It first happened with police
4 officers utilizing that platform for overtime. Now it's
5 become an issue that they've had-- they've had five
6 vacancies for as long as anyone can recall.

7 I asked one employee inside of the Communications
8 Section, "How long have you had five vacancies?"

9 She said she got hired here 15 years ago, and when
10 she got hired, they had five vacancies, and we still
11 have five vacancies today. Actually, today, we're down
12 to three. It'll go back up and down.

13 Again, the goal of the Strategic Focus Team that
14 we put together, utilizing the Lean Six Sigma
15 strategies, is to identify the key variables that are
16 causing these issues, identify a strategy to address it,
17 and we've also put in a new position, a Communications
18 Manager. It's a salary position, not an hourly
19 position, and that person's focus will be to ensure that
20 we drive it forward. We're looking to civilianize the
21 entire section, no sworn positions inside of
22 Communications. So we eliminate the police officer
23 positions inside.

24 Any questions for me?

25 MS. GOMEZ: One of the--

1 MS. GOLDSTEIN: Sounds good.

2 MS. GOMEZ: Oh, go ahead, Cheryl.

3 MS. GOLDSTEIN: No. I was going to say that it's
4 quite a change from what we've seen, and I think that it
5 sounds good, and I congratulate you on that.

6 My question is more toward Diana's group on how
7 will you then forecast and see the numbers going forward
8 for the rest of the year, as it relates to overtime, and
9 how you budget different needs for next year, or do you
10 just see budgeting the same way and just having less
11 variances to budget?

12 MS. GOMEZ: You can talk as to overtime which, at
13 the last meeting, I guess, he had given the overtime
14 update, which is what prompted a lot of this.

15 MR. KLEIMAN: Right. So for the--

16 MS. GOLDSTEIN: Yeah.

17 MR. KLEIMAN: Go ahead, Cheryl.

18 MS. GOLDSTEIN: Yeah, sorry.

19 MR. KLEIMAN: Okay. So for the first quarter, the
20 overtime-- actually, I'm going to pass this over to you
21 so you can get a refresher, but it's by division. Take
22 a look at the top.

23 The bottom is Fire, the top is Police. Look over
24 to the right few columns, and you'll see the percentages
25 for each of the divisions, and we're at overall 39

1 percent for the first quarter which is high.
2 Specialized Enforcement is 95 percent, I believe. E911
3 and Technical Services were very, very high. So those
4 are the ones that spurred the comments here in the Board
5 meeting last time, and we're curious now, because the
6 numbers now for the vacancies are way, way down.

7 So I guess the concern from the Board was how is
8 the overtime going to go down now? Should it? Is it
9 something else that spikes the overtime?

10 MR. FERNANDEZ: It will not go down.

11 MR. KLEIMAN: It will not?

12 MR. FERNANDEZ: I'm going to give a reality. It
13 will not go down, because--

14 MR. PAREDES: Will it go at the same rate, 39
15 percent?

16 MR. FERNANDEZ: No. It will gradually decrease,
17 but it will not go down immediately. When you get
18 behind the eight ball in hiring police officers, you
19 have a three-year recovery period, guaranteed.

20 Number One, recruitment time.

21 Number Two, the time you have in the academy, FTO
22 time, training time. So by the time we get them out,
23 and we get them as a full fledged officers, you're
24 probably talking about two years. Two years of
25 overtime, maybe even more. So two-and-a-half years.

1 I'm going to give you roughly about three years.

2 MS. GOLDSTEIN: We're not saying that overtime is
3 bad. We're just saying that we--

4 MR. KLEIMAN: Cheryl, he's referring to
5 accelerated overtime, not the normal overtime.

6 MR. FERNANDEZ: Let me tell you, when you're
7 talking about coming down now that we have zero
8 vacancies, it'll take time, because they have to come
9 out of the academy, get trained. So once we get them on
10 board-- you know, we have sufficient officers that we
11 should not be creating any unforeseen overtime.

12 We're developing policies and procedures to make
13 sure that-- the department has a culture-- all
14 departments have it-- and they have systems. We have to
15 get them away from the system of overly depending on
16 overtime. That takes time, because they've been used to
17 this for years and years and years, that, "Oh don't
18 worry about it, just do overtime."

19 So they've been sending officers out to training,
20 and then to fill that gap in, they rely on overtime. So
21 now I'm telling them, "You can't do that anymore. You
22 have to budget appropriately. You know, one-tenth of
23 every unit is the max that you can take out for
24 training." Well, they're not used to that, because
25 they're used to saying, "Oh, you want to go to training,

1 go to training. We'll backfill with overtime." So,
2 systemically, I need to change that mindset so that
3 they're more mindful of how do you manage now having a
4 full-service police department, but that'll take time.

5 Overtime, I would say-- look, we had eight
6 graduates yesterday from the academy. So those eight
7 will take another four months before they're out on
8 their own. So then that starts decreasing that
9 additional overtime gradually.

10 You follow me on that?

11 So, again, mindfulness, cultural change, paradigm
12 shift, shift in how they manage overtime, time off,
13 policy changes so they know that only one-tenth of each
14 unit can be off at any given time. That's not what
15 they're used to. So it's a struggle, but we are driving
16 it in that direction, and there's great accountability.
17 I have, every two weeks, a meeting, and I look at these
18 budgets, and they have to provide me with a written
19 document on how they manage their budgets. I know when
20 they go over.

21 Technical Services, on the document you provided,
22 is Communications. If you go back in history, that is
23 the number one overtime generator in this Department.
24 That's a problem. So we're focusing in on that. I've
25 got people that are Lean Six Sigma certified. It's a

1 multi-discipline focus team. They're meeting every
2 Friday. Every Friday they have to come up with
3 different variables of what they're applying to address
4 those issues, and we're deeply focused on that.

5 If you want to come by, I invite anyone of you on
6 the Board to come by and sit in on one of these meetings
7 so that you can see how deep of a discussion we have,
8 and the accountability measure we put in place to ensure
9 transition. But make no mistake about it, the Technical
10 Services Unit, particularly the Communications Section,
11 is going through a transformation.

12 MR. PAREDES: Let me make sure I understand. We
13 budgeted for the first quarter. That should be 25
14 percent. We're at 39 percent. That's 14 points
15 unbudgeted. Is that 14 points going to, at the end of
16 the year, based on everything you just said and all, be
17 12 points, 10 points, or is the rate-- I'm concerned
18 more with the rate, because if we've been having these
19 issues for the last 20 years, we should know more or
20 less what to expect on a budget, and it seems like we're
21 still exceeding the budgeted overtime amount, and that
22 14 points is what caused that alarm last time. 14
23 should be 25 percent, fine. 14 points extra? Are we
24 looking at 14 points increase in the second quarter,
25 third quarter, and then all of a sudden we're down?

1 That's my thought.

2 MR. FERNANDEZ: No, I understand. I think we need
3 to understand that, from my perspective, I'm the
4 practitioner. You guys are the accountants, right. I'm
5 the practitioner. I've been doing this for a long time.
6 We need to understand that the Department has never ever
7 operated--

8 MR. PAREDES: On controlling budgets.

9 MR. FERNANDEZ: --On controlling budgets. And,
10 Number Two, they've never operated with a full staff.
11 Remember what I said about mindfulness, right? So now I
12 have to transition their mind and say, "Now, you need to
13 be more cautious about how you manage with the personnel
14 that you have for time off, for vacation, and anticipate
15 sick time." So we need to allow them an opportunity to
16 exercise this new platform, and then see what the
17 overtime, you know, really is. We don't know.

18 I can tell you that in Fire we're underbudgeting
19 the overtime necessary. So I've had them do a complete
20 analysis so that, this year, when we go to the Budget,
21 we're going to ask for the right amount of overtime.
22 But what I've asked them to do is to break down overtime
23 requests into sections. In other words, what are the
24 primary factors that cause overtime, and tell me what
25 percent of that total overtime budget you need, right?

1 Break it down for what percent of that is for each one
2 of those segments. So I have them more accountable to
3 keeping a watchful eye on why they're generating
4 overtime.

5 But, in both Police and Fire, they've been overly
6 dependent on overtime, because they know that they have
7 salary savings. That's salary savings on the vacant
8 positions. This is a complete paradigm shift, a
9 cultural change that is going to be tough for them.
10 It's great to have full staffing, but now your budget is
11 tight.

12 MS. GOMEZ: Tighter.

13 MR. FERNANDEZ: It's much tighter, so then they
14 have to understand--

15 MR. PAREDES: Okay. So the excess on the overtime
16 was being offset by the--

17 MS. GOMEZ: Yes, the savings.

18 MR. PAREDES: Okay.

19 MS. GOMEZ: So now there won't be as much savings
20 now that the vacancies are filled. There are still some
21 vacancies in Communications in some of the higher level
22 positions, not the officer positions.

23 MR. FERNANDEZ: No. We only have one Major, which
24 we're filling now, and one Sergeant. That's it.

25 MS. GOMEZ: And then on the Communications side,

1 they'll--

2 MR. KLEIMAN: And the Assistant Chief.

3 MR. FERNANDEZ: That one, we're not going to fill.

4 MS. GOMEZ: Right. So we have the savings from
5 that salary. So those salary savings from those
6 vacancies or partial vacancies is going to help offset
7 the overtime increase, as well as citywide savings that
8 wouldn't have to be applied to it to meet the budget at
9 the end of the year.

10 MR. FERNANDEZ: Let me answer the question
11 directly. Yes, you're going to see a gradual decrease
12 of that 39 percent going down. Naturally, it's going to
13 decrease. To what percent, I don't know, because I need
14 to look at the variables that are causing the overtime
15 outside of the cultural challenges that we have; that
16 they've been used to having this overtime to feed into
17 the system. But you're definitely going to see a
18 full-service Police Department that's going to operate
19 very efficiently.

20 And Fire, as well. Fire, we're full staff, but
21 their biggest cause of overtime right now is FMLA.
22 FMLA, and then firefighters that are injured, and then
23 they have to go to the doctor. So they take a day off
24 to go to the doctor. We're paying for that. So
25 workman's comp and those days off are causing the

1 overtime. Those are two driving factors in Fire.

2 MR. KLEIMAN: Right. We also acknowledge that
3 their normal overtime is underbudgeted. It's not at the
4 complete level.

5 MR. FERNANDEZ: Yes. We've done a complete study,
6 as you're aware, and Fire's budget has historically
7 underbudgeted, which is why they kept going over.

8 MR. PAREDES: But the net line has always been
9 overbudgeted, because they underbudgeted the overtime.
10 So, therefore, we've always incurred-- in the Fire
11 Department, because it's full, we've always had an over
12 the budget situation.

13 MR. KLEIMAN: In Fire.

14 MR. FERNANDEZ: I'll give you a quick break down
15 without any specific numbers. Roughly. If you go back
16 to 2007, '08 and '09, their budget, as I recall, was
17 about \$900,000. They were cut down to about 600,000 in
18 2013 or '12.

19 MR. PAREDES: And they incurred 900.

20 MR. FERNANDEZ: Yes, but the 900 were still there.
21 So every time I kept looking at the budget when I got
22 it-- it would've been over two-and-a-half years-- so I
23 looked at it, "Why are you consistently over budget?"
24 What I require is that if they go over 40 percent of
25 their budget-- I have 40 as a benchmark. If they go

1 over 40, they have to write a memorandum, outline
2 specifically why they're going over and where. So I'm
3 forcing them to write so that they can think, be mindful
4 as to why we're going over. We did find out that
5 they're going to go over in the first three months of
6 the year.

7 Historically, I went back, and I looked at the
8 first three months of the fiscal year, and they had
9 already gone over their budget. Why? Because it's
10 underbudgeted. So, now, the challenge for us is what is
11 the reasonable overtime? And we have done an analysis
12 that accounts for unforeseen situations. Unforeseen, to
13 me, is not training. It's sick time, FMLA, military
14 leave. Those are unforeseen that we don't know if
15 they're coming or not. So that's what overtime should
16 be there for, for some type of unforeseen event, such as
17 hurricanes, which we obviously budget for that
18 separately.

19 MR. PAREDES: We get reimbursed for that, don't
20 we?

21 MS. GOMEZ: The hurricane?

22 MR. PAREDES: Yes.

23 MS. GOMEZ: Yes, up to a certain percentage.

24 MR. FERNANDEZ: You'll get the reimbursement eight
25 years later.

1 MS. GOMEZ: Well, not eight years later.

2 MR. FERNANDEZ: You will. Yeah, it's eight years.

3 MS. GOMEZ: It's not eight years.

4 MR. FERNANDEZ: Yes, it is.

5 MS. GOMEZ: Two to three.

6 (Thereupon, there was simultaneous speaking.)

7 MS. GOMEZ: Before the final check comes in,
8 maybe, but we'll start getting some of it within two
9 years.

10 MR. FERNANDEZ: Cash in hand, in six to eight
11 years easily. I wouldn't say that that money is going
12 to come back right away, but, nonetheless, we are--

13 MR. PAREDES: So you're cognizant of the fact that
14 we need to work on the budgeting aspect?

15 MR. FERNANDEZ: Oh, there's no doubt. I want you
16 to know that we have a significant amount of oversight
17 procedures in place. We work very closely with Finance,
18 and Keith is aware of this and so is Diana Gomez. We
19 have great oversight. We're changing procedures,
20 changing policies to make sure that accountability and
21 oversights are in place at every step of the process
22 during the fiscal year. But Communications is
23 probably-- Fire, we believe we've got a good methodology
24 in place. And, Police, the methodology is being
25 cultivated.

1 In Communications, I would say that we're still in
2 the research model right now. We just can't tackle
3 everything at one time. So we're now at that phase in
4 Communications, but I believe in the team that we've put
5 together. We have Director Elajabarrieta, who is our
6 Chief Process Improvement Officer. She's put together a
7 team of Lean Six Sigma certified officials in the City,
8 and they're digging deep into the root causes of what
9 was generating overtime and other issues in
10 Communications.

11 MR. PAREDES: Let me ask you, you said that in
12 that operation you're going to make people civil people
13 or civil servants?

14 MR. FERNANDEZ: Civilianize. I can explain why.

15 MR. PAREDES: Okay. Would that increase your
16 liabilities or is there a consideration on that from
17 using officers who are sworn officers versus a 911
18 person gets something wrong?

19 MR. FERNANDEZ: No, zero liability. I'm going to
20 go back for a second. Let me explain the methodology
21 and the theme behind this. So I come, I started-- I
22 grew up in the City of Miami Police Department, did 25
23 years and retired. I was the youngest Deputy Chief in
24 the history of the Department, the longest standing.

25 In that command, I probably had the entire police

1 department reporting to me, including Communications, a
2 very large what we call PSAP. PSAP is also as a 911
3 center. It's the second largest in Miami-Dade. This
4 PSAP here is quite small.

5 From Miami, I went to Hollywood. When I got to
6 Hollywood, I had about a 340-man police department,
7 which had also a PSAP, a much larger PSAP than here in
8 Coral Gables. But, in Miami, that PSAP was run by a
9 major, several lieutenants-- six lieutenants and
10 numerous sergeants that ran the oversight of the
11 Communications Center. And so civilians are the ones
12 that are the technicians running, answering calls,
13 dispatching calls, but the sworn staff is looking at it
14 and overseeing it.

15 When I got to Hollywood, it was all civilians. It
16 was a shock to me. Wait a minute. What do you mean?
17 Is there a problem, because it's not what we're used to.
18 You know, what we're not used to, we challenge. We say,
19 "Wait a minute. That's not what I'm used to." So when
20 I got there, I'm challenging this process. I went over
21 to BSO. BSO is all civilian. I walk in, I say,
22 "Where's the Lieutenant. Where's the Sergeant?" That's
23 what I'm used to. I found out, through years of being
24 in Hollywood, that it's a much better system the way
25 they do it in BSO, Broward Sheriff's Office, and

1 Hollywood, because those civilians are permanent career
2 employees.

3 What they found is that when you put a Lieutenant
4 or Sergeant in-- and, in retrospect, I thought about
5 Miami. What was going on with us there is that they're
6 transient employees. They're coming through. In many
7 cases, people that get in trouble, they don't want them
8 out on the streets, so they throw them into the two most
9 high liability areas, Communications and Property,
10 right. So you have a problem with an employee, throw
11 them into Property or throw them into Communications.

12 BSO, Scott Israel, has it got it on the money.
13 It's all civilian. These are career professional 911
14 technicians, operators, managers. And they do a much,
15 much better job, because they know there's no way out.
16 But if you're a Sergeant, you do a good job, yeah, put
17 him back on Patrol. There's always a fall back plan.
18 There's no fall back plan if you're a civilian, and you
19 don't want to be in Communications. These are
20 professional people doing their job. The sworn
21 personnel are not professionals that are doing it.
22 They're not. They are temporary employees.

23 And the other thought behind this is that we need
24 more badges and authority out in the field, not inside.
25 So the theme that we're working on is, we need to push

1 as many uniforms out into the street, and we've done
2 that. We, today, have more officers out on patrol than
3 ever before in the history of this department from what
4 I can read, and what they tell me. The idea is to have
5 less civilianized sworn positions, more out in the
6 field. If you think about it, theoretically, if we
7 didn't hire them-- and the job specification talks about
8 law enforcement not being behind a desk, doing
9 administrative work, but that building, like other
10 police departments, has a very strong magnetic force. I
11 haven't been able to figure out where it's at, but I'm
12 still working on it; that it drags these officers into
13 the station, and they want to stay inside there. I
14 think I figured the theory out. It's weekends off.
15 It's in a controlled environment, nice a.c. You know,
16 they have scheduled lunch breaks, and breaks in between.
17 They get to socialize, and they're inside this
18 controlled environment versus being out on the street
19 where the temperature control is whatever you put the
20 window up and down, right, or the sun, if you can find a
21 tree, then you can get some shade. So the environment
22 is different.

23 Our focus is to get more of the uniforms and the
24 badges out to directly service the community, and having
25 professional people running these functions is the best

1 balance we can find. We also know that historically--
2 when we talk about overtime historically here in
3 Communications-- the amount of overtime that's been
4 generated by individuals working those positions is
5 quite high. So I'll give you one example.

6 One operator, theoretically, the overtime-- what
7 do you think the operators work at overtime, what rate,
8 40 an hour?

9 MS. GOMEZ: Probably.

10 MR. FERNANDEZ: So let's say 40 an hour, but when
11 they can't find someone, they'll pull a Fire personnel.
12 The Fire personnel is coming in sometimes at 100 an
13 hour. Now, does that seem logical that we would do
14 that? So there's no logic there. Why? That's two for
15 the price of one or one for the price-- I guess, for the
16 price that you get one, you can probably get two.

17 So we have to be mindful that there's better ways
18 of doing it. There's no liability. The dispatchers,
19 all they do is dispatch a call, provide resources. All
20 of that is a learned, technical skill that can be done
21 through standard operating procedures. We have
22 protocols that we follow-- these cards that tell them
23 what to do. It's quite-- I'm not going to say it's a
24 simple job, because it's a demanding job, but it's a
25 skill that can be learned quite easily. So that's the

1 theme we're considering and we're developing other
2 methodology how to operate the department.

3 Any concerns?

4 MS. BRAVO: Going back to the Operator vacancies,
5 the five. What's the plan for bringing that down?

6 MR. FERNANDEZ: Well, you know, it's interesting.
7 Recruitment is not a problem. We get about 100
8 applications a month. So part of Lean Six Sigma's focus
9 team is to look at why can't we find-- out of those 100,
10 why can't we find a couple a month. We've actually
11 streamlined the process now that when we find those
12 individuals, which we started now, we do a preliminary
13 background check, and we put them immediately into the
14 training, and then we continue the background check.

15 If something comes up, then we eliminate them, but
16 at least we get the ball rolling, and we start having
17 them answering calls, basic functions. We're also
18 looking at the training.

19 MR. KLEIMAN: You're also down to just two or
20 three now, I think

21 MR. FERNANDEZ: We're down to two, but it'll be up
22 because now I think one is going to the Academy. So we
23 took one from there, and put him in the Academy. The
24 idea is to be a full staff of 32.

25 Another question I'm asking the team is, is 32 the

1 number? What number do we need so we avoid overtime?
2 Now, many cities operate with--

3 MR. PAREDES: That's 24/7?

4 MR. FERNANDEZ: Absolutely. All peace ups are
5 24/7, not a single second off the clock. They have to
6 be on the money all of the time. It's a critical
7 operation that has to be properly manned, properly
8 managed and strict on the procedures. So you need
9 complete, complete, complete control of that.

10 But I was going to say, and I lost my train of
11 thought here, but--

12 MS. GOMEZ: What's the proper staffing, you were
13 at.

14 MR. FERNANDEZ: Thank you very much. So we have
15 32. I asked the question, "What is that proper staffing
16 that we need to make sure we avoid overtime?" Again,
17 unforeseen overtime is what I'm looking for, right. So
18 unforeseen, and they went back in history. They used to
19 have 35 positions, and they cut it back to 32. So that
20 could be one variable as to why we're generating
21 overtime or a percent of that overtime.

22 So the question for this team is to find out what
23 is that proper staffing so that we can come back to the
24 City Manager, and say, "I can't work with 32. I can
25 work with 35. We can stay at 32, but you're going to

1 generate overtime."

2 Now, some cities like to operate on this overtime
3 rate, because they believe they save on pensions; they
4 save on salaries. You know, there's all this whole
5 chemistry of how do we save money? You know, if we pay
6 overtime, then we save on the other costs of pensions.
7 And so we have to find what is that balance that we find
8 to make sure that we're operating efficiently, and we're
9 physically responsible in our operation.

10 Does that make sense?

11 MS. BRAVO: Yeah.

12 MR. FERNANDEZ: So I invite anyone of you to join
13 us. It's at 9:00 a.m. every Saturday-- I'm sorry, every
14 Friday. I lose track of these days, but every Friday,
15 9:00 a.m. Please let us know. Come on over. You can
16 see our process, specifically for Communications, how
17 we're digging through this through our focus team. And,
18 again, also, you can invite here, if you want, Director
19 Elejabarrieta, who can explain to you-- she's our Chief
20 Process Improvement Officer, among the other duties that
21 she has. She can explain to you the specifics on the
22 Lean Six Sigma Team.

23 MS. GOMEZ: Maybe once they get to a point that
24 they have some results.

25 MR. FERNANDEZ: Sure. I would encourage you to

1 invite her.

2 MS. GOMEZ: Thank you.

3 Any other questions for Director Fernandez?

4 MR. FERNANDEZ: I would ask from you, any
5 suggestions, anything you think that we can do better?
6 I'm always open for suggestions. We don't know
7 everything, so--

8 MR. PAREDES: I think attacking the unforeseen
9 overtime will straighten out the budgeting process and
10 the finances. At least give it accountability and
11 control. So if in the second quarter, we're running--
12 instead of 39, we're running at 40, it's going the wrong
13 way. But if it's 38, it will go in the right direction.

14 MR. FERNANDEZ: Absolutely.

15 MR. KLEIMAN: Right.

16 MR. FERNANDEZ: The Technical Services, the
17 Communications has been a concern. I mean, the
18 employees, they don't know if they're going to be
19 working eight hours or sixteen hours, and so they're
20 burnt out. And, for us, the liability comes in that
21 there are studies that once you get to 16 hour days, we
22 are sending employees home equivalent to a person
23 driving drunk. Those are studies that have been
24 completed; that have been done. So we have to be very
25 careful that we don't push those employees to the limit,

1 and then we're actually exposing them to a risk factor
2 when they're driving home. So their faculties are
3 impaired to the point equivalent to a person being under
4 the influence driving a motor vehicle. So we have to do
5 better for them. We need to decrease the number of
6 hours that they're working, but it's going to be a
7 challenge. You talk about a cultural shift? One
8 employee made \$76,000 in overtime.

9 MS. BRAVO: And what's their regular salary?

10 MR. FERNANDEZ: I'm going to say 50 something.

11 (Thereupon, there was simultaneous speaking.

12 MR. FERNANDEZ: So imagine when I come in and say,
13 "I'm going to cut overtime." That's a huge lifestyle
14 change. So we have to be aware that this could cause
15 some disruptions. And it is what it is. I didn't
16 create that, but we aim, as a team, to address it, but
17 understand the challenges that we're facing.

18 These are cultural. They have been developing for
19 a long time. I would say somebody started this fire a
20 long, long time ago, and it's been cultivating and
21 cooking there for a while, and then they call the cook,
22 "Can you make something of this?" And that's me, right?
23 So we put a team together to try to-- you know, I don't
24 do it myself. We have a team of very smart people.
25 Diana Gomez is one of them. Keith, as well, and we put

1 that team together to find out how can we be a better
2 more responsible city for our employees, for our
3 services that we provide, as well as leaders. But
4 anything you can think of, that I should consider?

5 MS. BRAVO: No, I don't have anything.

6 MR. FERNANDEZ: I don't know who's on the phone,
7 but--

8 MS. GOMEZ: Cheryl.

9 MS. GOLDSTEIN: No. I think that operationally
10 that's your expertise, and we appreciate all of your
11 efforts, and I think that, financially, we'll see--
12 we'll start to see the-- a better set of financial
13 statements because of the communication and the
14 understanding and the changes in the operation that
15 you're making.

16 MR. PAREDES: Keep our taxes low, services high.

17 MR. FERNANDEZ: I agree. I agree. Look, I think
18 we can always do better, but understand that there's a
19 strong culture in government. It's even stronger in the
20 Police Department and in Fire. So sometimes to break
21 that culture, it's just-- my methodology is, gentle
22 pressure relentlessly applied. That's how we do it. We
23 don't get there overnight, you know, from one day to the
24 next, but it's over time.

25 MR. PAREDES: Remember in baseball, three out of

1 ten is Hall of Fame.

2 MR. FERNANDEZ: I coach. I love baseball, and I
3 mention that all of the time, you know, but don't be
4 afraid to strike out, and just know that we may come
5 back with a 45, right? We may come back with a 45, but
6 just know that-- that's not my anticipation, but if we
7 do, just know that if we strike out, that just know that
8 we're not afraid to go to bat.

9 When Sammy Sosa went to bat, the concession
10 stands--

11 MR. PAREDES: Lost money.

12 MR. FERNANDEZ: They lost money. You know this,
13 right. They lost money all of the time. Do you know
14 why, because they wanted to see him hit a home run. So
15 they would all go out, and the concession stands are all
16 empty. They're all just watching, and he strikes out.
17 They all go back to the concession stand. But when he
18 hit that home run, wow, everybody got all-- so we aim to
19 hit a home run, but we're not afraid to strike out.

20 MR. PAREDES: When the Marlins were playing the
21 Cubs, I went to Wrigley field, and I saw Sammy Sosa hit
22 a home run, and by the time that ball sounded the bat,
23 he was already over safe.

24 MR. FERNANDEZ: It's incredible.

25 MR. PAREDES: "Coño", what happened?

1 MR. FERNANDEZ: "Ño Que Barrato." I haven't heard
2 that in a long time. The last time I heard that, it in
3 Little Havana.

4 MR. PAREDES: I had never seen anything like that.
5 By the time I heard the bat, the ball was over center
6 field, the bleachers, everything. It was amazing.

7 MR. FERNANDEZ: It's exciting, but it's an analogy
8 that-- I thank you for bringing it up-- that, you know,
9 we're trying to hit home runs here, but every now and
10 then we're going to get a base hit, a double. You know,
11 we may strike out, but the effort is there to make it
12 better, and we are working collectively as a team to
13 ensure accountability, responsible government, and
14 providing great services without having to increase
15 taxes. But I truly believe that we're doing a great job
16 getting to that point, driving it forward. As long as
17 we're taking steps in that direction, then we're on the
18 right path.

19 MS. BRAVO: It makes sense to make the changes
20 gradually. You can't do it all at one time. If you do
21 it too fast, you're just going to end up with a lot of
22 other problems in the departments.

23 MR. FERNANDEZ: Right, there is collateral
24 damage-- and thank you for bringing it up. Excuse me,
25 there is collateral damage, and you have to be cognizant

1 that you may solve one problem, but you cause three
2 other ones, and you have to spend that much more time
3 and effort, even money, to fix it. You know, if you
4 disrupt an organization to the point where--

5 MR. PAREDES: It's disruptive.

6 MR. FERNANDEZ: --It's disruptive, then I have to
7 bring experts to psychologically figure out how do I get
8 everything back in balance. So the money we save on
9 overtime, is the money that we spend on other areas.

10 So, again, going to Communications, the focus for
11 that team is not to go in there and hit hard, it's to go
12 in there and provide that gentle pressure but
13 relentlessly applied so that we make changes. But I
14 thank you for the opportunity to come before you today,
15 and I'm always open for suggestions. If you think of
16 anything-- I passed my cards out the last time, if not
17 I'll give them to you again-- call me or you can reach
18 out to the Finance Director or Assistant Director. I'm
19 more than happy to come here anytime you have any
20 questions or you can call me directly, however you feel
21 like, but I want to assure you that the team is working
22 very, very hard to ensure that we're physically
23 responsible and we're addressing these things
24 appropriately.

25 Thank you for your time.

1 MS. BRAVO: Thank you for the information.

2 MR. FERNANDEZ: I'll pass this down to you.

3 MR. KLEIMAN: Oh, that's fine.

4 MR. FERNANDEZ: Can I take it?

5 MR. KLEIMAN: You can, sure.

6 MR. FERNANDEZ: We aim to come back at zero.

7 MR. PAREDES: That's what you gave us the last
8 time?

9 MR. KLEIMAN: That was the last time, yeah. And I
10 think I sent Paula the last bunch of them, so she has
11 them for her records.

12 MR. FERNANDEZ: Oh, very good. And Ms. Rodriguez
13 is our Budget Analyst, so she's on top of all of the
14 Public Safety Departments.

15 MR. PAREDES: That's who you coordinate with?

16 MR. KLEIMAN: Sometimes. She actually is an
17 analyst on the--

18 MR. FERNANDEZ: On my side.

19 MR. KLEIMAN: --On the Security side.

20 MR. FERNANDEZ: On my side, and she's also there
21 specifically to assist me in many other areas, but I
22 also have her looking at the Budget. She has a good
23 background in budgets. So she supports the Finance
24 Department, making sure that we have another layer of
25 oversight over the budget. That's all it is.

1 Thank you very much. You all have a good day.
2 I'm sorry to have bored you guys.

3 MR. PAREDES: No. No. No.

4 MR. FERNANDEZ: I'm sure yours is much more
5 exciting.

6 (Thereupon, Mr. Fernandez left the room.)

7 MS. GOMEZ: The next item on the Agenda is
8 discussion regarding the Comprehensive Annual Financial
9 Report. We are in the process of issuing the Annual
10 Financial Statements. We hope to have it issued and
11 presented to the City Commission at Tuesday's meeting,
12 the 27th. We believe that we will get there. It's
13 still right now in draft form, but we are finalizing it.

14 So I have Donnavan Maginley and Sardu Martellus
15 (phonetic) with RSM, and they will talk about the
16 Financial Statement, any issues or concerns, and then he
17 would answer any questions anyone may have regarding the
18 financials.

19 MR. MAGINLEY: Good morning, everyone. I'm
20 Donnavan, as Diana eluded to. So, yes, hopefully you
21 have the Draft in front of you. At the end of the
22 process, our responsibility and objective is to issue an
23 opinion on the financial statements.

24 MR. PAREDES: Which wasn't included in here?

25 MR. MAGINLEY: It's not.

1 MS. GOMEZ: Because it's a Draft.

2 MR. PAREDES: But it's expected to be clean?

3 MR. MAGINLEY: That's the expectation.

4 MR. PAREDES: Signed by Tuesday?

5 MR. MAGINLEY: That's the plan.

6 MS. GOMEZ: We'll get there.

7 MR. MAGINLEY: There are a couple of speed bumps
8 out of the control of the City and us, but that's the
9 plan.

10 MS. GOMEZ: And worse case, we would just present
11 it to the Commission on April 10. If by chance we can't
12 get it by that Agenda, we'll just present it at the next
13 one. However, we really do want to present it at this
14 Agenda.

15 MR. MAGINLEY: Yes, that's the plan. And to your
16 point, there's a clean opinion that we anticipate
17 issuing. In the technical world, we use the word
18 unmodified, but clean is the right word that you eluded
19 to.

20 I always like to just at least go over a little
21 bit and recap the financial statement, how it's
22 structured and how it's, you know, put together.

23 The first section, the big section, you know, they
24 call it the Introductory Section, and there's a letter
25 that transmits the document, which is from Management,

1 and it talks a little bit about-- in terms of a little
2 bit about the flavor, the background of the City, some
3 of the highlights, the current environment that they're
4 working in, some of the prospects, anticipations, in
5 terms of big ticket items, and that's usually capsulated
6 in the transmittal letter.

7 The next section we call the Financial Section,
8 and that we introduce with our report typically. Our
9 report, which will be on there, is usually about two or
10 three pages, and it's followed by what's called the MDA,
11 which is Management Discussion Analysis. Now, that's a
12 very-- in this Rough Draft, it's--

13 MS. GOMEZ: It starts on Page 5.

14 MR. PAREDES: It's a lot of pages.

15 MR. MAGINLEY: Yeah. It starts on Page 5. Well,
16 we have a couple of--

17 MS. OLA OLA: Yeah, it's the back of both.

18 MR. MAGINLEY: So Page 5-- the center Page Number
19 5, sorry, and this is a good-- I always elude to this.
20 The MDA really serves as a good synopsis of what
21 occurred during the year for the City. It provides an
22 objective scenario as to variances, in terms of the
23 prior year, current year, in between the budget and
24 actual. So I think it's a really good read, and it
25 shows you--

1 MR. PAREDES: But you guys read it, and you guys
2 tighten it, and you guys make sure that the spin is not
3 out of line?

4 MR. MAGINLEY: Exactly, because this is actually
5 structured-- although it says, "Audit--" and I'm glad
6 you mentioned that. So our responsibility is to
7 ensure-- there's a requirement that it's not subjective,
8 it's not flavored. It's straight to the point, very
9 objective.

10 MS. GOMEZ: Just the facts.

11 MR. MAGINLEY: Just the facts.

12 MS. GOMEZ: Comparisons, and it has to be just
13 factual comparisons. If we want to give it a little
14 more, maybe what we call fluff, that will be in the
15 transmittal letter. But in the Management Discussion
16 Analysis, it really is purely just the facts.

17 MR. MAGINLEY: Yes. And I really encourage that
18 this is a really good read, in terms of giving you a
19 really good flavor as to how the City performs year in,
20 year out.

21 The Financial Statement starts after that, and so
22 there's two-- I call it-- there's two sets of financial
23 statements in a governmental report, and the first set
24 of financial statements that you'll see represent what
25 we call government-wide, and that's just a lingo in the

1 profession. The distinction here is that those
2 financial statements are prepared and reported on a full
3 accrual or financial statements that are similar to the
4 business type or commercial world. So it reflects all
5 of the assets of the City, and all of the liabilities of
6 the City, which differs from the funds statements you
7 will get to later.

8 So if you go to Page 5-- I'm sorry, Page 30, which
9 starts the-- we call it the Statement of Position,
10 there's two columns there that say governmental and
11 business type. The governmental are representative of
12 what we call the governmental fund, which is the general
13 fund, which is the main operating funds, capital
14 projects funds services, so forth.

15 The business type column are the funds that
16 reflect the proprietary type operations, such as
17 parking, storm water and utilities. So, again, take
18 away all of the debt, all of the-- well, first of all,
19 all of the assets are on the books, which includes
20 assets such as infrastructure, buildings. Everything
21 that the City owns or is titled to the City is reflected
22 there. All of the liabilities and the residual is at
23 the bottom, where it says, "Net Position," which equates
24 to areas analogous to equity for the commercial world.
25 So that's the equity section. That's the residual, and

1 that's there.

2 Following that, is what we call the Funds
3 Statements, and if we move to Page 33, the general fund
4 reflects the main operating funds of the City. And,
5 again, it's somewhat structured the same way. So we
6 have the assets, but these are operating assets. So
7 these don't include hard assets that we call capital
8 assets, such as buildings. So these are just basically
9 the operating assets, which consists of mainly cash,
10 accounts receivables and prepaid's.

11 And liabilities, again, I call it the operating
12 liabilities; accounts payable, payroll, accruals, and
13 those things that are liquidated within one year. So
14 this doesn't include your debt. It doesn't include the
15 outstanding pension costs, which I'll get to later, and
16 then the residual, which we call funds balance.

17 Now, that's the equity side. And, I guess, the
18 number that's usually of one good focus is where it
19 says-- at the bottom, it says, "Unassigned," and that
20 represents the funds balance. So that's what's
21 available for further appropriation or further budgeting
22 for future periods.

23 MR. PAREDES: But that 60 million is included in
24 the previous net position that I think I was looking
25 for. That's 95, right?

1 MR. MAGINLEY: Oh, yeah.

2 MR. PAREDES: So 60 is the current assets or
3 basically working assets, and 95 is your total net
4 worth?

5 MS. GOMEZ: 96, right.

6 MR. MAGINLEY: Yeah. So 95, back in the
7 previous--

8 MS. GOMEZ: Oh, yeah, sorry.

9 MR. MAGINLEY: Is your total net worth.

10 MR. PAREDES: Citywide?

11 MR. MAGINLEY: Citywide. However, you have to be
12 cautious when you go back to that, because inclusive of
13 that are certain restrictions-- certain things that are
14 already earmarked, you know. So you can't touch that
15 for operations.

16 But, again, it's hard for me to say this, but for
17 an operating government, the best measure is really
18 looking at the funds statements-- the general funds.

19 MR. PAREDES: That's the 60?

20 MR. MAGINLEY: Right.

21 MR. PAREDES: And that's the one that's supposed
22 to be 25 percent?

23 MS. GOMEZ: Right. So the unassigned is the
24 amount that should be the 25 percent. And, now,
25 technically, the 25 percent is about 42 million. So the

1 reason that it's only 38 is because as of September
2 30th, we had-- this fund is to be used for hurricane
3 expenditures, things like that. So there was about 5
4 million that we had to use for hurricane expenditures;
5 that as of 9/30--

6 MR. PAREDES: It'll take eight years to get back.

7 MS. GOMEZ: I don't think eight years, but there
8 was about 5 million in total as of 9/30. We estimated
9 that of that about 1 million is the City's
10 responsibility, so we funded that portion. And so
11 what's left here, the four something, is truly what is
12 going to come from FEMA.

13 So we've covered our portion with year-end
14 surpluses or other funds, and so now the 25 percent is
15 not met, and I'll say that with air quotes, because
16 we've used the unassigned funds balance for its intended
17 purpose. So it will be replenished once we receive the
18 reimbursements. And let's just argue that we don't get
19 the reimbursement for some reason, we will then continue
20 to fund it with surpluses or other means to actually
21 fund it to maintain our 25 percent requirement.

22 MR. PAREDES: But not ad valorem taxes?

23 MS. GOMEZ: Right, no. But to have it obtained,
24 and still have this receivable out there, it's very
25 difficult, you know, for us to have that much surplus or

1 assign, if that makes sense.

2 MR. MAGINLEY: Now, Diana, help me here. On the
3 assigned, is that inclusive in your calculation of that?

4 MS. GOMEZ: The assigned is not part of the
5 unassigned, right. So we still have assigned, and
6 assigned are amounts that are assigned by the City
7 Manager. They don't have legal commitments. So,
8 technically, we could repurpose some of that to fund our
9 requirement, but there are purposes assigned or intended
10 purposes assigned to those balances.

11 MR. PAREDES: Now, let me ask you just a question.
12 On the capital assets, are those based on historical
13 costs or are those on fair value, because it shows a net
14 investment in capital assets of 141 million, but the
15 fact of the matter is that some of that land is worth a
16 lot more.

17 MS. OLA OLA: Yes, those are historical.

18 MR. PAREDES: So in government accounting, we're
19 still using historical costs, as opposed to more or less
20 fair value accounting, which is moving in that direction
21 in the corporate world.

22 MR. MAGINLEY: Yeah, it's all historical costs,
23 which is right. So you have a lot of-- if you have any
24 sales or any disposals there, you probably have a huge
25 gain at certain times for purposes of land or buildings.

1 Usually when you sell vehicles, they're usually net book
2 value.

3 MR. PAREDES: Right. See, I was looking at the
4 land, that 52 million.

5 MS. BRAVO: It's a higher value, but it's not
6 anything that's going to generate anything for us,
7 because we're not going to sell it.

8 MR. PAREDES: Unless we have excess land.

9 MS. BRAVO: Right, but that's not likely to
10 generate--

11 MR. MAGINLEY: Right. And a City should not be
12 living that way.

13 MS. GOMEZ: Right, and we don't. We want to hold
14 on to our land. We want to try to get additional land
15 for our park lands, and things like that. Every once in
16 a while there is a parcel of land that it makes best
17 sense to sell, and that happens, but for the most part--

18 MR. MAGINLEY: Yeah.

19 MR. PAREDES: I read that at The Palace you did
20 lend them some land--

21 MS. GOMEZ: It's a lease.

22 MR. PAREDES: --For the parking.

23 MS. GOMEZ: Yes, a long-term lease.

24 MR. MAGINLEY: So the Balance Sheet we just talked
25 about. In terms of equity, which is a good number, the

1 City has its own discretion to set the goal of 25
2 percent, which exceeds-- I can say this as an editorial,
3 this exceeds the national or most cities levels of funds
4 balance. So this is good.

5 Following that, is what we call-- it's on Page 35,
6 which is the Statement of Revenues and Expenditures.
7 It's the P&L side of the Funds Statements. So this is a
8 quick notation. You can see what the total revenues
9 were. And, of course, taxes is the lion's share of that
10 revenue source. It shows your total expenditures, which
11 then drives down to what we call a net change in funds
12 balance, which is the equivalent to net income in the
13 corporate world.

14 And this here, your general fund-- again, the
15 focus is on the general fund-- it was \$3.2 million of
16 net income, to use those words, which then gets rolled
17 into our funds balance.

18 MS. BRAVO: On the Capital Project Column, what
19 was our budget? What were we budgeted at, because that
20 one I know-- I mean, it's basically capital outlay.

21 MR. MAGINLEY: Right.

22 MS. BRAVO: So what was the City budgeted for
23 that?

24 MR. KLEIMAN: Well, we budgeted-- in this year,
25 '17-- it was about \$23 million of new funds, but then we

1 reappropriate almost \$200 million. I mean, a lot. It's
2 significant. I forgot how much we reappropriate. A lot
3 coming into it. Actually, it was \$38 million the
4 previous year that we reappropriated into '17, but we
5 spend-- what this is in here as expenditures is actually
6 what went out of the door.

7 MS. GOMEZ: Because you won't see it in terms of
8 revenues coming in, but rather transfers coming in.

9 MS. BRAVO: Right. Right. Right.

10 MR. KLEIMAN: Yeah, it's not a revenue generated.

11 MS. GOMEZ: Right. There's very little revenue
12 coming into the--

13 MR. KLEIMAN: Interest is the only--

14 MS. GOMEZ: No, interest, there's the grant.

15 MR. KLEIMAN: Oh, grant, yeah. With some grants,
16 right.

17 MS. BRAVO: I guess the question is, how
18 overbudget were we in capital outlay or were we on
19 budget?

20 MR. KLEIMAN: There's no such thing as going
21 overbudget in capital.

22 MS. BRAVO: No?

23 MR. KLEIMAN: No, because you budget a project.

24 MS. BRAVO: Yeah, but projects can go over.

25 MR. KLEIMAN: Well, yeah, but typically--

1 (Thereupon, there was simultaneous speaking.)

2 MS. GOMEZ: Well, no. So if the project goes over
3 or it's expected to go-- if we budget \$1 million for
4 whatever, and it comes in at 1.2, we find the money at
5 the time, and then we budget it to the 1.2 so that the
6 money is there before we allow them to move forward.

7 MS. BRAVO: No. I know the money will appear.
8 The question is--

9 MR. KLEIMAN: No. The money doesn't just appear.

10 MS. BRAVO: Well, it comes from some other part.

11 MR. KLEIMAN: Well, that was some of the bad
12 practices from before. They were just taking from funds
13 balance. We don't do that.

14 As the Director mentioned, we're taking it from
15 other projects that either we're going to push down the
16 road or they may be overbudgeted and they have surplus.

17 MS. GOMEZ: So we're prioritizing.

18 MS. BRAVO: I understand, you'll defer other
19 projects to come in to keep it in line. But my question
20 is more, if we had budgeted ten projects to cost us \$20
21 million, did they cost us \$20 million or did they cost
22 us \$30 million? That's kind of my question.

23 MR. KLEIMAN: You'd have to look at each project
24 individually, because there are some that are huge like
25 Miracle Mile, which did go over budget, but we were

1 constantly adding funds to it once it was justified as
2 to what the needs were. And other projects, they come
3 in a little bit lower, usually much smaller projects.

4 MR. PAREDES: If I understood you correctly,
5 there's basically \$23 million right now for capital
6 improvement, whether we spend it or not, as Rosa was
7 saying, yet to be determined?

8 MR. KLEIMAN: In the last two years, '17 and '18,
9 there was around \$23 or \$24 million of new monies.

10 MS. GOMEZ: Each year.

11 MR. KLEIMAN: Yeah.

12 MS. GOMEZ: The whole capital improvement project
13 has \$200 million something.

14 MR. PAREDES: Okay. That's been approved, in
15 terms of projects?

16 MS. GOMEZ: Yes.

17 MR. KLEIMAN: Right. That's the five-year capital
18 improvement plan, yes.

19 MR. PAREDES: So it's 200 million?

20 MS. GOMEZ: The total capital, right. 20 million
21 is what we add every year.

22 From Operations, we fund every year \$20 to \$23
23 million each year.

24 MS. BRAVO: So we have about 200 million in the--

25 MS. GOMEZ: In the works, so to speak, or in the

1 plan.

2 MR. KLEIMAN: Right. Some of it is in the future,
3 but most of it is active right now.

4 MR. PAREDES: And that includes some IT
5 infrastructure, and some of what you guys explained at a
6 different time?

7 MR. KLEIMAN: Yes.

8 MR. MAGINLEY: Yes. So that's the core. Well,
9 obviously, this is a very lengthy document, but those
10 are core statements. At least, from a high level, I
11 would encourage everyone to kind of focus in on, in
12 terms of analyzing, assessing the results and stability
13 of the organization.

14 One other quick anecdote that I want to point to,
15 and it's been a hot topic the last couple of years, is
16 Pension. You heard the Director mention that before.
17 So just as a highlight-- and the Pension is reflected in
18 the total number on the previous statements I mentioned
19 before, Statement of Acquisitions Notes, it's grouped in
20 with it.

21 Just so you know, the pension costs, the pension
22 liability of the City, as of September 30th 2017, was
23 approximately 213 million. And for the most part, there
24 are some adds and deductions that get a little bit--
25 it's in the footnotes. So in the footnotes you'll see

1 what the number is, and I think my estimate--

2 MR. PAREDES: Well, these are the fiduciary funds.
3 That's the actual Pension Plan Fund. That's not what
4 the burden is on the City.

5 MS. GOMEZ: It would be the burden in the long
6 run, right. So the City is responsible for making sure
7 that the Pension is funded. We are the planned owner or
8 sponsor. So we would have to pay-- you know, should
9 everything shut down, then we would owe them \$200 some
10 odd million in order to fund-- to keep the pension
11 whole. But since we fund it on an annual basis based on
12 an amortization schedule, we just have a minimum
13 required payment each year.

14 MR. PAREDES: And then you fund the unfunded
15 liability based on some extra cash that you--

16 MS. GOMEZ: Right. We do send additional dollars
17 to--

18 MR. PAREDES: And that's been decreasing in the
19 last few years.

20 MS. GOMEZ: The total unfunded liability has been
21 decreasing; however, keep in mind that there are certain
22 things that happen in the Pension that sometimes will
23 increase. So most recently last year, we had a required
24 change in the mortality table, which caused an increase
25 to the unfunded liability.

1 Now, because we had sent more money, it was a net
2 zero. We actually gained some, but we would have had a
3 bigger decrease in the unfunded had that required change
4 not happened. In the upcoming year, we're going to
5 have--

6 MR. PAREDES: What's the mortality rate now?

7 MS. GOMEZ: Oh, I don't know. It's a table. It's
8 an FRS.

9 MR. PAREDES: After a certain level, that's an
10 important factor.

11 MS. GOMEZ: No. No. I get it. It's a required--
12 whatever the State uses for their FRS pension, they
13 require us to go to that same mortality table.

14 For the upcoming year-- the City, we settled a
15 cost of living lawsuit. It was a class action lawsuit,
16 and we will see that in the financial statements next
17 year, but that is going to cause our unfunded liability
18 to go up by about \$14.5 million. I don't think that one
19 we're going to see an increase, because the gains for
20 this past year were significant. So we may break even
21 there, but I think that's a little bit of wishful
22 thinking.

23 MR. PAREDES: More than the eight percent that
24 used to be the standard--

25 MS. GOMEZ: Right. So 775 is the required

1 contribution. Actually, now it's going to be 765,
2 because we did ask to reduce it to be more conservative,
3 but we did make, I think, upwards of 12 or 13 percent.
4 I don't remember right now. So there will be some gains
5 there. It will help offset the negative impact of the
6 COLA lawsuit implementation or settlement. But, you
7 now, there are things that happen every once in a while
8 that we can't predict necessarily. And the market does
9 dictate a lot of it.

10 MR. MAGINLEY: So this is a point, again, that's a
11 big lion that every-- not just the City here, but every
12 municipality across the country for the most part is
13 dealing with. Even municipalities that are involved in
14 the FRS system, they're in the same boat, but it's
15 something that is going to be a big issue.

16 The other issue is what we call OPEB, which is
17 Other Post Employment Benefits. I think the City-- the
18 liability-- what's reflected right now is only 10
19 million. That's going to change big next year.

20 MR. PAREDES: Okay. That was the question I had.
21 On your future accounting pronouncements, it talks about
22 that one, and it did seem like it would have an impact,
23 but most of those statements don't say anything; it's
24 expected-- and I have seen it before-- it's expected
25 that it won't affect the City; it's expected that it

1 will affect the City. I was just wondering about the
2 conclusions on those footnotes, because I think that
3 other pension-- OPEB is effective now for this. Just,
4 as you said, next year it will be a bigger number.

5 MR. MAGINLEY: Right. It's going to be a bigger
6 number.

7 MR. PAREDES: And maybe it should say that in the
8 footnote.

9 MS. BRAVO: What footnote talks about this?

10 MR. PAREDES: Toward the end, Summary of
11 Significant-- no.

12 MS. OLA OLA: Pronouncements issued but not yet
13 adopted.

14 MR. PAREDES: Toward the end.

15 MS. OLA OLA: Note 17 on Page 99.

16 MR. PAREDES: Note 17. Page, what?

17 MS. GOMEZ: 99 is where it starts.

18 MR. PAREDES: Pronouncements issued but not yet
19 adopted. GASB 75, establishes new accounting and
20 financial reporting requirements for OPEB. Provision 75
21 are effective for fiscal year June 15, 2017.

22 It doesn't give the reader-- that's a fact.
23 That's a statement of fact, but it doesn't give the
24 reader that next year it's going to be impactful for the
25 City or could be, and it only talks about when it

1 becomes effective, not--

2 MS. GOMEZ: Right. And if you go to the last
3 sentence in that section, it says, "The City's
4 management has not determined the effect these
5 pronouncements will have on the City's financial
6 statements." So we have not yet really predicted--

7 MR. PAREDES: Where is that at?

8 MS. GOMEZ: The last sentence right before Note
9 18. So we have not implemented it yet, so we don't
10 know-- right before Note 18-- we don't know yet what the
11 effect will be, so we don't--

12 MR. PAREDES: That's the only one because all of
13 the other ones are future years, I think. That's the
14 only one that, when I read it, I realized, "Oh, man.
15 This is already in effect."

16 MS. GOMEZ: Right. So it's not in these
17 statements. It will be in the next statements, correct.
18 It's currently in effect. So in the fiscal year '18--

19 MR. PAREDES: So it will increase the liability 14
20 million, give or take?

21 MS. GOMEZ: No. No. That was the COLA lawsuit,
22 the cost of living. That's going to be next years, as
23 well, because the actuarial report is the year behind.

24 MR. PAREDES: 2015 is the last actuarial report we
25 got?

1 MS. GOMEZ: 2016 is in this one. So the '17 will
2 be the in the '18 financial statements.

3 MS. BRAVO: I'm going to ask the unintelligent
4 question here just because I'm not a gap person.
5 What benefits is this GASB 75 addressing?

6 MR. MAGINLEY: So the benefit is usually-- well,
7 you're talking about that disclosure or the overall GASB
8 75?

9 MS. BRAVO: Well, the overall--

10 MR. MAGINLEY: The overall 75?

11 MS. BRAVO: Yeah.

12 MR. MAGINLEY: So as a City, we provide post
13 employment benefits either through healthcare--

14 MS. BRAVO: So you're referring to healthcare,
15 vacation?

16 MR. MAGINLEY: Not vacation, but healthcare--
17 mostly healthcare.

18 MS. GOMEZ: It's a subsidy for healthcare. So
19 when you leave the City, you have the right to continue
20 to pay. You have to pay 100 percent of the premiums,
21 but there's an implied subsidy, right, because you're on
22 part of our group plan. Even your 100 percent premium
23 doesn't cover the full cost of the City. So we are, in
24 a sense, subsidizing that portion of it.

25 MR. MAGINLEY: Conceptually what that means is, if

1 that group was outside of the pool, the cost to the City
2 would be much lower, but because the pool is engaged in
3 a much bigger and older population, there is a cost that
4 every one is sharing, and the City is part of that
5 shared cost.

6 MS. BRAVO: It's an estimate of the increase in
7 the cost of the health insurance, because the pool is
8 that much bigger, and those people tend to be older. So
9 this is like a total actuarial computation?

10 MR. MAGINLEY: Yes.

11 MR. PAREDES: So if you retire at 60, and you live
12 through 85, that's 25 years of--

13 MS. BRAVO: Yeah, but does this go for 25 years?

14 MS. GOMEZ: It goes for as long as you pay for the
15 premiums.

16 MS. BRAVO: Oh, really?

17 MS. GOMEZ: So if you're paying 100 percent of the
18 premiums, the City does not-- some cities actually give
19 you-- even if you only pay 75 percent of the premium or
20 50 percent or zero, sometimes cities cover it 100
21 percent. Not anymore, but they used to. Not here. I
22 don't think here. So here you pay 100 percent of
23 premiums, but you have the right to get onto the plan.

24 MR. MAGINLEY: I think it's a state law that
25 mandates that.

1 MS. GOMEZ: But I think if you don't choose to,
2 you cannot come back into it later on. Like you have to
3 make that decision when you retire if you're going to
4 continue to pay.

5 MR. KLEIMAN: So what happens when Medicare kicks
6 in?

7 MS. GOMEZ: I think they can still do it if they
8 wanted to, but most people don't want to pay the high
9 premium. Think about it, you're paying a full premium.
10 Most people don't want to pay the full premium once they
11 hit Medicare. They think the Medicare is enough.

12 MR. PAREDES: And you get into Medica, and you get
13 into all of those other programs.

14 MS. GOMEZ: So usually they drop off, I think,
15 once they hit Medicare.

16 MR. PAREDES: Just so that you guys know, because
17 I've been there, after 65, it is the law. Whether you
18 need it or not, it is the law to get on Medicare.

19 MS. BRAVO: There's a penalty if you don't get on
20 it.

21 MR. KLEIMAN: Right, that's true.

22 MR. MAGINLEY: Okay.

23 MR. PAREDES: That's why I was interested in the
24 actuarial life.

25 MR. MAGINLEY: This is a fairly new-- the OPEB

1 thing kind of started maybe about five years ago. The
2 new OPEB that's coming on, obviously is new. So the
3 actuarial study that is part of that study is how many
4 people stay on the program. So actuaries are actually
5 just using-- I don't want to use the word, wild
6 guesses-- but very educated guesses as to how long
7 someone is going to stay on with the City, as Diana
8 eluded to, you know, paying the high premium versus
9 going on a spousal premium somewhere else, private or
10 just Medicare.

11 MS. GOMEZ: Right.

12 MS. MAGINLEY: So this is not-- I mean this is
13 going to be a big number next year-- a bigger number,
14 but the real lion in the room is the Pension.

15 MS. BRAVO: Right, but this is more an actuarial
16 thing. It's not--

17 MS. GOMEZ: It doesn't affect our day-to-day
18 operation, because we're still pay as you go. You pay
19 it as you need to pay it. It will be on the
20 government-wide financial statement. So the
21 liabilities-- if you're looking at that statement, the
22 liabilities will go up just like it did when the pension
23 was required to come on to the government-wide
24 statements. So it is a concern, obviously, but it's not
25 a day-to-day operating concern.

1 MS. BRAVO: Cash.

2 MS. GOMEZ: Right. It's not an operating concern.
3 The general fund operations will not be affected. We
4 budget for it. We pay every year.

5 MR. PAREDES: Each year it increases, because the
6 population ages, and because there's more medical--

7 MS. GOMEZ: Right, but then more people go on to
8 Medicare, and they choose probably to come off of this
9 plan, and we are making all of the strides we can
10 responsibly make to limit the pension, and reduce that
11 as quickly as possible. The Commission has been very
12 proactive in that regard.

13 MS. BRAVO: How does our-- I don't know if you
14 know the answer to this-- our unfunded pension compare
15 as to other cities as far as percentage-wise?

16 MS. GOMEZ: So we are not in a good position
17 there. In terms of our funded ratio, it's 62 percent.
18 The actuaries tell us that's low. We need to, you
19 know--

20 MR. PAREDES: But is that a comparison nationwide
21 or Florida wide?

22 MS. GOMEZ: Florida wide.

23 MR. PAREDES: Florida wide, wow, but not Dade
24 County wide, right? I have to believe in Dade County.

25 MS. GOMEZ: We're not in a good funding position I

1 must admit.

2 MR. PAREDES: Is that right?

3 MR. KLEIMAN: You want to be 80 and above, I
4 think.

5 MS. GOMEZ: Yeah. A lot of them in Miami are in
6 FRS. They're funded, and they don't have that unfunded
7 liability. So it's only the cities that have their own
8 pensions. And so a lot of them are 80 percent or above.

9 MR. MAGINLEY: FRS is 87. Two years ago, they
10 were in the 90s.

11 MS. GOMEZ: I mean, we are making the strides in
12 the right direction. We are doing everything we can to
13 fund extra, reduce the amount of time that it's going to
14 take us to get fully funded, be responsible with our
15 actuarial assumptions. It's just going to take time,
16 and, you know, we have-- again, as I said, the
17 Commission is steadfast in their resolve to get this at
18 a better funding position. It's just that there's a lot
19 of variables.

20 Ms. BRAVO: Over what period of years is our goal
21 to get more to this 80?

22 MS. GOMEZ: It used to be that the amortization
23 was 30 years, and then the Pension Board changed it to
24 25 years. Now, we just recently changed it to 20 years.
25 So all things remaining consistent and constant, within

1 20 years it will be fully funded, but it's a moving 20
2 years, right, because every year there's a new-- so we,
3 the City, we've been trying, in our efforts-- again, the
4 COLA lawsuit was not considered timely. We were going
5 to be there within 16 to 17 years in making the
6 additional payments, in indexing that upwards every
7 year, and trying to fund actuarial hits, you know, at
8 the time that they occur. We were going to try to get
9 there between 16, 17 years.

10 The COLA lawsuit, I don't know what it's going to
11 look like yet. We just got settled. I'm crossing my
12 fingers that it will be like maybe we don't get
13 anything. You know, no gain or no loss. I doubt it,
14 but that's what I'm hoping for so that we can still stay
15 on our more accelerated schedule, but it's a large hit
16 in one year. But officially it is now a 20-year
17 amortization, which is good. It's conservative. The
18 State allows up to 30 years, but we felt that it was too
19 long. We don't want to amortize it so long, so we're
20 going to try our best to condense that.

21 MR. MAGINLEY: Just a few other points that I
22 think I should share with this Board. As part of our
23 professional standards, we're required to mention if
24 there's-- through the audit, we had full access to
25 management, and to all of the records that we requested.

1 If that was to the contrary, we would report that to
2 you, that we had problems. We didn't experience that
3 issue. We had no disagreement with Management. Usually
4 if there's a disagreement, in terms of the application
5 of an accounting principle or audit technique, we would
6 have to report that to you, also, but we didn't have
7 that. Every one was cooperative, and we felt that the
8 audit went smoothly.

9 As you can see, the document is growing because of
10 the new standards, and it's very onerous sometimes, but
11 we felt we had a very good comfortable audit.

12 MR. PAREDES: Is the financial statement mostly
13 Management?

14 MR. MAGINLEY: This is Management.

15 MR. PAREDES: And from what I gather, it's pretty
16 much drafted-- you guys draft this?

17 MS. GOMEZ: We do it, and they just attest that
18 it's fairly presented.

19 MR. MAGINLEY: Yes. In 170 something pages in
20 here, we have two pages, which is our opinion-- three
21 pages.

22 MS. GOMEZ: It's three pages.

23 MR. MAGINLEY: So this is Management, yeah. This
24 is all there. So we had no significant difficulties or
25 anything in the execution of our audit, and we expect

1 this to be the Final Draft. I think the speed bump--
2 and I don't know if you want to go on the record with
3 that-- I think you're still waiting on one of the
4 Pension plans to get issued.

5 MS. GOMEZ: Yes. The pension plan financial
6 statement has not yet been issued.

7 MR. PAREDES: And those are audited by different
8 people?

9 MS. GOMEZ: Yes. And it was promised to us quite
10 some time ago, so we're not very happy with them.

11 MR. PAREDES: Can you rely on that information?

12 MS. GOMEZ: Yeah, they have to. So we're hoping
13 to get it today or tomorrow.

14 MS. BRAVO: That's the speed bump that we're
15 waiting on.

16 MS. GOMEZ: They cannot issue without that being
17 issued and in order, and we also have the deadline for
18 making the Commission Agenda. Right now I'm putting the
19 draft on the Commission Agenda, because the deadline is
20 tomorrow to submit. If I have to pull it, because they
21 haven't issued it or whatever, then I will pull it.

22 MR. PAREDES: Will that affect your certificate?

23 MS. GOMEZ: No, because technically our
24 Commission-- our City Code doesn't require that the
25 Commission approve it. We just report to them. So we

1 will submit-- as long as we're done by the 31st, we will
2 submit to the GFOA, and then we will take it to the
3 Commission just for informational purposes to report to
4 them on the April 10th meeting, worse case scenario.

5 MS. BRAVO: Who's doing the Pension Board
6 financials?

7 MS. GOMEZ: PDO.

8 MR. MAGINLEY: At the end of this formalized
9 document, that sort of summarizes what was just
10 mentioned. Inclusive in that, you will see what
11 Management has represented to us, because that's part of
12 our audit evidence. You will see the different points.
13 Nothing extraordinary.

14 MS. BRAVO: The Management Rep letter?

15 MR. MAGINLEY: Yes, the Management Rep letter.

16 MS. BRAVO: Is it in here?

17 MR. MAGINLEY: No. You'll see it in the final
18 document.

19 MS. GOMEZ: We will forward you the final document
20 once it's been issued in PDF.

21 MS. BRAVO: Okay.

22 MR. MAGINLEY: Yes. We will issue a final
23 document that we will circulate to you all, also. So
24 that's it in a nutshell, and I'll entertain any further
25 dialogue or questions.

1 MR. PAREDES: Do we need a motion or anything?

2 MS. GOMEZ: No, because we don't have a quorum.
3 Cheryl, are you still there?

4 MS. GOLDSTEIN: I'm still here. I can come by
5 there later today and cast my vote.

6 MS. GOMEZ: No, it's fine. We don't need a vote.
7 I will just mention at the Commission meeting that we
8 did have a discussion with the Budget and Audit Advisory
9 Board, and that there were no questions or concerns.

10 Am I okay to say that?

11 MR. PAREDES: Yes, that's fine.

12 MS. GOLDSTEIN: Yes.

13 MS. GOMEZ: And then that will also be in the
14 minutes, because we're taking the minutes of the
15 meeting. So I just wanted to make sure, and the City
16 Manager wanted to make sure that this Board had a chance
17 to get the information in advance, have the auditor
18 discuss it, answer any questions. If by chance, your
19 Commissioners reach out to you-- when they get there
20 Agenda on Thursday, if they have any questions,
21 obviously we would have already gone over it, and that
22 way you can speak as to it, if need be. So that's
23 really the whole intension for that, and I appreciate
24 you guys being here.

25 MS. GOLDSTEIN: Thank you.

1 MS. GOMEZ: So I think that's it.

2 MS. GOLDSTEIN: And I appreciate seeing it before
3 the Commissioners.

4 MS. GOMEZ: Yes.

5 MS. GOLDSTEIN: You have made a lot of
6 improvements on that timing.

7 MS. GOMEZ: Yes. Yes, we're trying. The only
8 other item on the Agenda is any other discussion items.
9 We don't have anything or do you?

10 MR. KLEIMAN: Cheryl had asked where we were with
11 the internal audit.

12 (Thereupon, the RSM representatives left the
13 room.)

14 MS. GOLDSTEIN: Well, you know what, this meeting
15 has gone really long so we can address it next time.

16 MS. GOMEZ: Okay. So we'll do that next time.
17 We'll put that on the Agenda for the next time.

18 MS. GOLDSTEIN: I'm going to run.

19 MS. GOMEZ: Okay. So Yvette will send out an
20 email as to the scheduling. I'm not sure if we can go
21 back to our regular schedule or not. I know there's
22 Spring Break for some people. So we will try to--

23 MR. PAREDES: April 4 is within a week.

24 MS. GOMEZ: Yeah, I know. So we may push it,
25 then, because there may not be a need to do anything

1 before then. So I will work with Yvette to get a
2 different date, and then we can make sure that we have a
3 couple of items on the Agenda.

4 MR. KLEIMAN: If you do it toward the end of
5 April, then the quarterly overtime report for the second
6 quarter will be ready.

7 MS. GOMEZ: As well as the quarterly financial,
8 okay. Thank you, Cheryl, very much. You can go ahead
9 and hang up. I really appreciate you being on the
10 phone.

11 (Thereupon, Ms. Goldstein ended the conference
12 call.)

13 MS. GOMEZ: Did she already hang up? She hung up
14 already, okay.

15 MR. PAREDES: April and May are slow months.

16 MS. GOMEZ: Exactly. So we will try to find some
17 time that works. So we may skip April, and then go to
18 May. So that may work.

19 Thank you very much. We're now going to adjourn
20 it officially, because it was not officially started.
21 Technically it was a Sunshine meeting, for lack of a
22 better term.

23 (Thereupon, the proceedings were concluded at 9:30
24 a.m.)

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CERTIFICATE

STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

I, ESTELA L. VALLE, Shorthand Reporter and Notary Public for the State of Florida, do hereby certify that I was authorized to, and did stenographically report the foregoing proceedings, and that the transcript is a true and complete record of my stenographic notes.

DATED this 9th of April, 2018.

Estela L. Valle
Shorthand Reporter and Notary Public