

**City of Coral Gables City Commission Meeting
Budget Presentation
July 2, 2025
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Vince Lago
Vice Mayor Rhonda Anderson
Commissioner Melissa Castro
Commissioner Ariel Fernandez
Commissioner Richard D. Lara**

City Staff

**City Manager, Peter Iglesias
City Attorney, Cristina Suárez
City Clerk, Billy Urquia
Finance Director, Diana Gomez
Assistant Finance Director, Paula Rodriguez**

Public Speaker(s)

**Darrell Payne
Thomas Parker
Luciana Gonzalez
Paul Savage
Maria Cruz
Evelyn Diaz**

Budget Presentation [9:00 a.m.]

A Presentation of Fiscal Year 2025-2026 Budget Estimate.

A Resolution of the City Commission setting a tentative Millage Rate of 5.559 Mills for the Fiscal Year 2025-2026 Annual Operating Budget to be submitted as a

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Budget Presentation - Presentation of Fiscal Year 2025-2026 Budget Estimate and Resolution of the City Commission setting a tentative Millage Rate of 5.559 Mills for the Fiscal Year 2025-2026 Annual Operating Budget to be submitted as a preliminary disclosure to the Miami-Dade County Property Appraiser.

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Mayor Lago: Good morning. I'd like to thank everyone for being here for the July 2nd budget hearing. Today is an important day. Today we'll be setting the millage rate and moving forward throughout the budget process. As I've always said before, I want to thank especially our employees and the Manager's office and the Finance Department, and all the employees who always play a key role in delivering the budget and delivering what the City needs on behalf of the residents and the business community. And I want to thank you for your hard work. I know that many of you stayed up late after yesterday's Commission meeting that ended at 7 o'clock at night. I know that the Manager and the Finance team were here 'til late making sure that the budget -- that this presentation was delivered for your -- for your review. We're not required, as I spoke with the City Attorney, to allow for public comment, but I will allow for public comment today after the budget hearing. I just ask you to please be concise, three minutes on an item, and make sure that you discuss or mention what we're discussing here today, which is our budget. So, as we begin, thank you very much, Paula, and I'd like to start with the Pledge of Allegiance, if possible. Madam Vice Mayor, will you lead us in the pledge?

Vice Mayor Anderson: Thank you. Put your hand over your heart. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Mayor Lago: Madam Assistant Finance Director, good morning.

Assistant Finance Director Rodriguez: Good morning.

Mayor Lago: And the floor is yours.

Assistant Finance Director Rodriguez: Thank you. Paula Rodriguez, Assistant Finance Director for Management, Budget, and Compliance. Thank you, Mayor, Vice Mayor, Commissioners for your time this morning. As you know, that today is going to be the meeting where we review our budget estimate. Our last meeting, we discussed the proposed capital projects and funding, and so today we will be reviewing our budget estimate and setting a millage which will go on the property tax notice to all of our residents. That does need to be certified by August 4th, and so what you do here today is very important and will determine what our budget looks like next year. First, as always,

I'd like to thank our staff. This is not an effort of mine alone. This is a culmination of all of the department directors and their staff, as well as the leadership from the City Manager, our Deputy City Manager, and ACM, as well as my budget staff who is here today, and Diana Gomez, our Finance Director, who had a pre-planned conference prior to this date being changed, so she is joining us by Zoom as well. And so, thank you all for being here. So, I'm going to try and keep this as brief as possible, but this is also the opportunity for you to ask any questions that you may have. You also received your July 1 budget estimate, which is required to be delivered by charter, and so you received those last night. The printed copies were delivered to you this morning. As you go through those documents and over the summer, through the Manager's office, we're always available to answer any questions or provide more information as you need it. So, I'm going to go ahead and get started. So, our budget process is outlined in the first slide. As you all know, we start this process early in February. We start working with departments to develop estimates and start looking at what is needed for the next fiscal year, taking the input from the community and the Commission. And so, I'm just going to go through very quickly our budget schedule. We had meetings with the Commissioners on capital in May. We met as a Commission to discuss capital on June 11th. On June 1st, we received our first set of property values from the property appraiser, and yesterday, we received our final property values, which I'll go over with you today as we go through the presentation. We -- as -- we provided the budget estimate on July 1, and today, here we are at the budget workshop to set our millage, which will go on the tax notices. Throughout the summer, we will continue to refine revenues, and then in September, we will have two hearings to set the final budget. Both of those will be after 5 p.m. And those are scheduled for September 10th and September 25th, and those dates will also be published on the tax notices that go out after August 4th. Budget estimate. So, this is our current budget estimate, our July 1 budget estimate. This budget estimate is based on the property values that we received on June 1st. Those property values were \$25.9 million. Since then -- and that generated an extra approximately \$7 million in revenue based on the current millage, which we are also proposing today of 5.559. Since then, yesterday we received revised budget value -- property values of \$26 billion. That \$26 billion in property values will generate \$7.588 million in property tax revenue, a \$578,000 increase from the budget that's being presented to you today. I will also talk to you about where that additional 578 may go throughout the summer. So, our operating revenues, as you see on the slide here, is \$281 million. In addition, we have transfers from reserve that we are planning to use for the Fiscal Year '26 budget. The general Capital Improvement Reserve, so we're bringing in \$8.6 million, which is a result of prior year surpluses that were brought in from the General Fund to the Capital Fund from two years prior. We've had this discussion before where we take the

'24 surpluses and use those to plan the '26 budget. And so, that's what we're doing here, \$8.6 million, which transferred to the General Capital Improvement Fund. We're also bringing in \$10 million from the General Fund Reserve. That \$10 million includes a million dollars that we're bringing in from prior year fund balances for pension stabilization, which I'll also mention in a later slide. Those \$10 million are being used for one-time expenses in the Fiscal Year '26 budget. In addition, we're bringing in \$237,000 from the Art in Public Places Fund that will be used for art purposes. The Coral Gables Capital Impact Fee Fund, we've had several conversations about how those are revenues that are generated from permits, and so those impact fees are restricted to be used for certain projects for -- that have to do with the increase of capacity, and so we're bringing in \$870,000 of impact fees for capital projects. General Fund Building Reserve. And so, we've had a lot of conversation. Yesterday you adopted a resolution to add 20 positions to the Building Department. Those positions are built into this '26 estimate that we're going over with you today. And we are bringing in just under \$3.6 million in the '26 budget for one-time items and to fund increases in the Building Department. Fire Inspection Reserve is also another restricted fee which comes from fire permitting revenue, and so we're bringing in \$65,000 to fund one-time items in the Fire Division which manages the permit process. Roadway Improvement Fund. We're bringing in \$90,000 from prior year available funds for roadway projects and capital. The Parking Fund. So, the Parking Fund, we are bringing in just under \$3.4 million. That is going to be used towards one-time items both in the parking system, so improvements to garages and lots, as well as in the trolley system. And so, we began to discuss this last year that the trolley -- the trolley and Freebee, the division where trolley and Freebee are funded from is primarily funded from CITT revenue. However, the level of CITT revenue that we are currently bringing in does not cover the full cost of both the trolley and the Freebee system, and so the parking fund is subsidizing the trolley system now. And so, we are bringing in \$3.3 million. Much of that is going towards the purchase of new trolleys, purchase of a vehicle, and some other one-time items in the trolley system as well as in the parking system. Sanitary Sewer Fund. You know that these are restricted to be used in that system, and so we're bringing in \$4.4 million to fund projects and one-time items in the Sanitary Sewer Fund. Neighborhood Renaissance, \$807. This is a program that has a little bit of funding left over and so we always put it towards capital projects.

Commissioner Castro: Excuse me.

Assistant Finance Director Rodriguez: Yes.

Commissioner Castro: I'm so sorry for interrupting. Is the Parking Fund restricted?

Assistant Finance Director Rodriguez: The Parking Fund is not restricted. The Parking Fund can be used to fund any -- any operations in the City.

Commissioner Castro: So, like if it's the general fund practically?

Assistant Finance Director Rodriguez: It's practically like the general fund, and the Parking Fund does contribute to the general fund each year.

Commissioner Castro: Thank you.

Mayor Lago: I ask my colleagues, and I remind my colleagues, let's have all communication through the Mayor, please. Thank you.

Assistant Finance Director Rodriguez: Thank you, sir. So, total transfers of \$31.2 million for a total revenue estimate for Fiscal Year '26 of \$312,552,000 for next year. Now, on the flip side, our expenditures. Our expenditures -- our operating expenditures are estimated to be \$245.5 million. Our capital expenditures are estimated to be \$52 million, and our debt service for prior debt is estimated to be just above \$10.5 million. I will note that our capital budget currently includes the two appropriations that were vetoed by the Governor, and so this number will be reduced slightly by that \$875,000 that we won't be receiving. And that will be seen in September.

Mayor Lago: Madam Finance -- Assistant Finance Director.

Assistant Finance Director Rodriguez: Yes, sir.

Mayor Lago: For the record, how much debt does the City have -- currently have right now? This is a critical piece of information that needs to be reiterated at every budget hearing...

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: To ensure that we remind people that we almost put another \$160 million of debt on the City, and we recently just put a \$20 million piece of debt on the City in regards to our COLA that we funded last year. So, I want to make sure that everybody understands

that we're paying over \$10 million in debt payments. And my goal continues -- my goal continues -- and I have voted against COLAs, and I have voted against additional debt, not once but twice. First time, it was \$160 million; the second time, it was \$80 million. We need to pay down our debts. The faster we pay down our debts -- the faster we pay down our debts, the more money you're going to have to spend on projects. Case in point, the unfunded liability. When I got here, it was 51 percent. We're nearing over 80 percent. When we accepted this COLA for \$20 million, we set ourselves back significantly, correct?

Assistant Finance Director Rodriguez: 1.875.

Mayor Lago: 1.875 a year, which is money that we could have used for additional capital projects or a litany of other things, like paying down more debt. So, please, for the record, how much debt does the City have?

Assistant Finance Director Rodriguez: So, just for everybody's benefit, the debt schedule is included in the budget book that was delivered. It's on page 69. It starts on page 69. And so, we currently have in principle \$99.5 million. The total debt with interest is \$132.8 million.

Mayor Lago: Perfect. No city will ever run with zero debt. It's understandable. You have to leverage -- you have to leverage the capital markets, and that's understandable. But think about going from \$130 million to \$300 million if we would have accepted \$160 million bond issuance. So, at the end of the day, we have to be very thoughtful and be very methodical, because at the end of the day, once we're no longer here, that debt is there for the next 20 or 30 years, potentially even more. So, just like that COLA, that COLA will not be paid off in two years. It will be paid off in the next 10 years. So, next time we do have a COLA that comes before the Commission, we have to be very, very, very careful because every time they accept a COLA, it basically reduces our effectiveness. How did we pay for that COLA? You know how we paid for that COLA? So, it wouldn't affect our capital improvement projects, what we did was we stopped giving more money to overfund the unfunded liability. So, instead of giving nine and a half...

Assistant Finance Director Rodriguez: (INAUDIBLE).

Mayor Lago: And instead of giving a what, nine and a half million dollars a year of additional payments to pay down the unfunded liability faster, how much are we giving this year?

Assistant Finance Director Rodriguez: We will be paying 7.6; what's budgeted is 7.2.

Mayor Lago: Yes. So, we were reducing. We're still giving more than what's required, but at the end of the day, I just want you to understand, when we started doing this 10 years ago, we gave payment of \$500,000, and we've increased that. We've belt tightened as a Commission, but for the first time, this Commission has loosened the belt, and it's not going to be as effective, in my opinion. Like it or not, I want less debt, and I want to have less taxes. And we can do that by taking out and being very thoughtful and being very methodical. Thank you, Madam.

Commissioner Castro: Through the Mayor?

Mayor Lago: Yes.

Commissioner Castro: I want to reiterate, you want less taxes, right? That means lower the millage? Let's work on that today and let's do it.

Mayor Lago: Okay.

Commissioner Castro: Let's finish the workshop.

Mayor Lago: So, my point is, my point is, we're being less effective with our money as a result of giving a \$20 million COLA, and we shouldn't have given it. If we wouldn't have given that COLA, I would be more than willing to lower the millage rate. At the end of the day, we're handcuffed as a result of your vote, which is very clear. And at the end of the day, I can't overturn that COLA, correct? That COLA is part of a collective bargaining agreement, so our hands are tied. I pleaded and I begged you to not vote for that \$20 million and you did. That's a 10-year tail that's going to affect the City. So, we can ponder -- we can -- we can -- we can posture all we want in regards to the millage rate, but at the end of the day, the -- the -- you know, we've already made the \$20 million decision as a Commission, and now we have to pay the consequences for it.

Commissioner Castro: Through the Mayor?

Mayor Lago: Yes.

Commissioner Castro: Let's stop the political theater. Let's work together. Let's lower the millage rate. Let's work together. That's it. Stop -- let's stop this drama. Let's continue this workshop.

Mayor Lago: Okay. So, if I may, it's not drama, and it's not political theater. These are facts. Anybody that says a COLA for \$20 million is political theater is either inept or incompetent, and I'm tired of hiding behind this ridiculous show that we've been dealing with for the last two years. I dealt with it for two years, where I was on the losing end of salary increases, car allowances, hiring incompetent city managers, hiring more employees than were needed. You know, addressing issues, for example, the shoring that we paid over \$500,000 in the city, we wasted the money; a COLA of \$20 million. And I'm not going to allow anybody to tell me that was political theater. We spent 10 months where the City was atrophy, okay? So, you can call it whatever you want. At the end of the day, we move forward here in the City, but I will put on the record the fiscal irresponsibility of accepting a \$20 million COLA, which not only hinders our past and current employees, but at the end of the day, hurts our residents because we have less than \$2 million of additional money that would go into the unfunded liability or that could go into capital projects, additional projects that are so sorely needed in this community. Thank you very much.

City Manager Iglesias: Through the Mayor?

Mayor Lago: Yes.

City Manager Iglesias: Mayor, we also reduced the trash fee to \$550.

Mayor Lago: Yep.

City Manager Iglesias: Which is a \$3.6 million hit on the -- on the general fund, and it's a reoccurring cost.

Mayor Lago: And like I said before, and I will put it on the record again, we have to, as a community, come to terms with what we're facing. Nobody wants to address the issue of the garbage pits. The garbage pits are a nuisance here in the City, and they're being abused. I have sent you videos that I've personally taken where you have outside entities, gardeners, landscapers. I have videos of them dragging it across 57th Avenue, dumping it in the City of Coral Gables. We need to find a better way. Commissioner Fernandez says

that he was more than willing to address the issue. I have given the Manager, and I know that the Vice Mayor has also given the Manager opportunities to use our 72nd Avenue property to take that green matter and divert it from the waste stream because of the massive charges that continue to go up. By the way, if you were paying attention in Miami-Dade County, they were talking about increasing the garbage fee. They were deciding between 1 to 2 percent. That comes to a pass-through to all the residents here in the City. If you truly want to address the issue of our ongoing increases in the garbage fees, figure out a way, like we said before -- the plan has already been done by other communities -- to divert the green matter and use that so it doesn't go into the -- the -- excuse me, into the Mount Trashmore and cost us money. Divert it, those millions and millions and millions of dollars. Let's put together a bin that gets picked up in the back of someone's house, immediately stopping all the illegal dumping that's happening here in the City. That is a plan of action that will save us money, and we can use that money to lower taxes. We can use that money for additional capital improvement projects. But to sit up here and tell me that, "Let's lower the millage rate," after you gave a \$20 million COLA that's going to hit us for the next 10 years is, again, an inability to understand how simple economics works and how to run a business. This is a business, a \$312 million business that has to be run in a fashion that, again, doesn't jeopardize the vitality and viability of this business for the next decade. Madam Vice Mayor.

Vice Mayor Anderson: See if this is on. In order to do that, we're going to have to invest in some equipment so that staff rolling out a green waste container can bring it to the truck, the truck -- you know, the equipment lifts it and tips it into the truck itself. So, that's something, you know, addressing it to -- to your esteemed skillset needs to be worked into the budget at some point. Of course, we have to have the willingness of the residents to be able to put the green waste container on the side or the back of their homes to be able to allow staff to roll it out and roll it back and save everybody in our city a substantial amount of money that could be better spent on capital improvement projects and other improvements to our city and bringing down debt.

Assistant Finance Director Rodriguez: I know, Vice Mayor, that the direction has been to work with the Manager to come up with a plan. So, as we work with the Manager, I'm sure he'll give us the direction of what's needed in this year or future years' budget to be able to build in whatever needs to be to facilitate that plan to happen.

Mayor Lago: Madam Vice Mayor, if I may add something on that note. Directing the Manager with the support of my colleagues on the Commission, the four that are here, with

all due respect, this is not something that can be done in five, ten years. Every single year the fees keep going up. We've already done studies. It's a public record. It's been provided. I think we provided it to Commissioner Fernandez, where our previous waste director gave us numbers in regards to how much we're spending on -- on the disposal of green matter, which that does not need to be taken to a landfill. It can be recycled and used into different products. If we're able to do this in the next two years, the numbers are strat -- you know, are stratospheric in regards to how it can help us. We don't have to use that money to pay debt down. We can use that money for capital improvement projects that are so sorely needed in this community. But we -- we don't have to get rid of trash pits. If people want to keep their trash pits, that's perfectly fine. But we got to figure out a way to handle this issue with the landscaping. And I want to see a plan so we can start budging for it, not this year, but next year. And it's going to be very expensive. Like the Vice Mayor -- she didn't say that, but I imagine she was thinking it. Because if you're going to change the way that we do business -- again, and I don't want -- and I know the blogs will write this. I'm not talking about removing backdoor service, and I'm not talking about removing your trash pits, so relax with the scare tactics. What I'm talking about is being efficient with our taxpayer money and stop wasting millions and millions of dollars where we are the -- we are the -- we are the dump site for the entire county because your landscapers work -- wait 'til the end of the day or the following day to dump a little bit in every single house. When my landscaper comes to my house, I pay him a little extra or her to make sure they take it away. But what do they do? I told them don't dump it in another area in the city. I'm pretty sure they dump it in another area in the city. And we've all caught them doing it because the DCM will stand up here and tell you, we get emails, we get phone calls, where residents have complained because they have been hit with a code enforcement violation because as part of that green matter, there was something else thrown in there, like a plastic bag that is not supposed to be there. So, this is something that we need to tackle if we're serious about really finding solutions that benefit our residents financially. Mr. Manager.

City Manager Iglesias: Through the Mayor. Thank you, thank you, Mayor. We are looking at the trash issue right now. It's an ideal opportunity of the transfer site contract with Dade County ends in March of next year. In order to -- to do that, we probably will have to expand our 72nd Avenue site. We have 1.6 acres that needs to be restored, plus that transfer site area. So, we are actively looking at and studying that situation now because it's the critical time. If we're going to do that, and we're going to take care of the trash issue with a recycling process, then we need to expand 72nd Avenue. So, right now we will be looking at that. We'll be bringing that to the Commission, and we'll be looking

at that study to expand 72nd Avenue into a facility that maybe we could even incorporate other cities. We also have, as you know, rail there. So, it's an ideal -- it's an ideal site for some type of -- of trash facility from the City's perspective. So, with that -- with the Dade County contract ending in March, it's the perfect time to do the study and decide which way we're going forward.

Mayor Lago: We have everything working in our favor. We have one of the sites that allows for this type of use. We have the rail as an industrial site. We've already spoken to multiple mayors who surround our city who are very interested, who are also facing this issue, continued increase in regards to garbage fees, tipping fees, and we're going to have to move forward. And to do that, to do that, I need you. I need the employees. I need you to work hand in hand like you always do with the Manager, with Commissioner Fernandez, who's accepted the task of pushing this item forward and really delivering on a plan that should probably take about two years to bring to fruition. But this is critical, critical for the future of the City.

City Manager Iglesias: Mr. Mayor, we're working with Commissioner Fernandez on this and we're moving forward because now is a decisive time because of the March deadline as far as the Dade County transfer site is concerned.

Mayor Lago: Thank you. I apologize.

Assistant Finance Director Rodriguez: Don't apologize, sir. This is what these meetings are for. So, I was talking about expenditures. Operating expenditures are planned to be \$245.5 million; capital, \$52 million with a slight reduction that will be reflected in the September for the 875 in appropriations that were recently vetoed but are built into this estimate. Debt service is ten point -- just under \$10.6 million for next fiscal year. And then for a total expenditures of \$308.2 million, just under \$208.2 million. Then we have transfers to reserve. And so, transfers to reserve are for the general fund, City Clerk Special Revenue. So, as you all know, the City Clerk's Office generates revenue. It will go to their -- they are going to generate just about \$1,600 additional to their expenditures that will be transferred to the reserve at the end of the fiscal year. Fire Inspection Reserve, as I mentioned above, those revenues are restricted for -- for use within that operation. And so, at the end of next fiscal year, we're estimating that they'll have \$163,000 that will be transferred to their reserve. And then the Parking Fund. We are planning to transfer \$4.2 million from parking -- from the Parking Fund at the end of next fiscal year to be -- to be used for planned debt. And so, we have been, for the last few years, training the Parking

Fund to be able to pay for debt for the future renovation of Garage 1 and any other garage improvements that might be needed. And so, next year's planned amount is \$4.2 million. And so, that speaks to the planning that we do that when we take out debt, we want to identify first how we will pay for that debt. This debt would be planned to be -- to use the parking revenue fees. I'm sorry, for a total expenditure budget of \$312.5 million. The next slide has a lot of activity. I will walk you through it. I have to walk myself through it sometimes. So, when comparing the fiscal '26 budget estimate, which is the first column highlighted in green, we compare it to the amended -- the current year amended budget. However, the current year amended budget includes increases for one-time items, which we refer to as reappropriations. And so, we reappropriate any un -- any capital project funding for projects that haven't been completed. We maybe roll over a purchase order for some -- for a project that started but wasn't completed in '24 and needs to continue in '25. And so, first we're comparing the '26 budget estimate to the '25 amended budget and providing you the increase or decrease for each category in the next column. Then we're providing for you the one-time items that are included in the '25 amended budget that you have to take into consideration. So, for instance, the permit fees, we have \$13.2 million of -- in the amended budget for revenue, but that \$13.2 million includes \$17.5 million that were -- I'm sorry, in revenues, this is one-time funding that might have been brought in from -- throughout the year. And so, the actual comparison of '26 to '25 is that 13.2 minus the 17.5 one time, for a total difference of 1.977, as opposed to the first difference column. I know it's a little bit -- it's a little bit difficult to explain, but it's basically making sure that we don't count one-time items in our amended budget when comparing '26 estimates to '25 budget. And so, what I'm going to refer to mostly is going to be the second to last column, which is the adjusted increase. And so, this slide reflects for you the prop -- the revenues by category. The first category is property taxes. We already spoke a little bit about that. Our -- this budget estimate is based on the June 1 property value estimate, which provided an additional \$7 million in property tax revenue for next fiscal year, just about a 5.4 percent increase from the current fiscal year budget. The next category is franchise fees. Franchise fees are fees that are paid by our waste management franchisee, electric franchisees. And so, these revenues increase as rates increase. And so, we get a portion of franchise fee on those -- on those amounts. And so, we're estimating franchise fees to increase by about 19.7 percent. Utility taxes are estimated to increase slightly by about -- by just under 2 percent. Business tax receipts. So, business tax receipts, we have both business tax receipts from the County and within our city are estimated to increase by about 5 percent, partially because of increased rates as well. Permit fees. Permit fees are not just made up of our building fees. They're -- this category includes building permitting, any plannings of permitting, fire permitting are all included in this category. And for the

most part, these revenues are restricted to be used in the areas where they are generated. And we are estimating that to increase by just under 15 percent. Now also note that when we budget for permit fees, we budget for the normal activity, right? So, the trend that we see year to year. We don't budget for large projects that may come once in five years or once every couple of years. So, we try to make sure that when we're budgeting, this budget determines our recurring expenses for the most part. So, we try to take into consideration what we deem would be recurring revenue and not rely on those one-time influxes of revenue for our recurring operations. Public safety fees are estimated to increase about 10 percent. Refuse collection. Although we experienced that \$3.6 million reduction in garbage fees last year, we are estimating a slight increase in -- in the -- in that revenue because we have new properties that come online or that were in construction for many periods of time. So, sometimes properties come back online and generate additional revenue from a prior year. Sanitary sewer fees and stormwater utility fees are estimated to increase by 10 and just over 20 percent respectively. Youth Center fees, so not only for increased participation in programming, but some fees were increased in a recent Commission meeting, and so we are estimating a 24 percent increase in those fees and that revenue. Tennis is estimated to increase by about 10 percent; swimming about 18 percent. Automobile parking. So, our parking revenue is estimated to increase by 1.4 percent. Rentals and concessions are estimated to increase by just five -- just under 5 percent. And other revenue increases are increasing by about 8.5 percent for a total estimated increase in revenue of 7.4 percent, but those increases are offset by some estimated decreases. I will note that many of our revenue estimates for the -- for the taxes, the portion of the tax share that we receive from the State, we don't receive those estimates until over the summer. And so, for the most part, we estimate based on what we're seeing in trend or based on the current fiscal year. Over the summer, we will refine these estimates, and they will go up or down depending on what we see. Local option gas tax is estimated to decrease just about 6.5 percent. Intergovernmental revenues. These are -- the first category is for grants, so you'll see that this has a significant number in the one-time category, and that is because grants are generally one-time. We don't rely on them for recurring expenses, and so we're -- this percentage is wrong. We're estimating an increase in grants. Now this also in -- compared to this fiscal year, less the grants that we're backing out, this number does include the \$875,000 in grants that we were anticipating and are now vetoed, so this number will go down from about 1.8 to 1 million. Intergovernmental revenues, state taxes, these are the -- the City's share of sales tax. There's some communication service taxes and some other taxes that we receive, the half-cent sales tax that we receive from the State. Currently, we're only estimating a slight increase over the summer. We'll see how those numbers come in. General government fees. This includes fees through -- similar to

zoning fees. The Passport Office fees are included in here, and overall, we're estimating a decrease of about \$300,000 or 8.6 percent. Investment earnings. Investment earnings, we treat the same way. We try to budget for what we consider to be the trend in interest. We don't budget for those highs that we might get in any given year. Over the last two or three years we've seen significant revenue in interest income. We don't feel that is something that is reasonable to expect every year. So, we budget based on trend, and we treat some of that revenue as one time. If we receive additional revenue throughout the year, that will go towards our surpluses and will be brought to the Commission to be planned for capital or other one-time items that may be needed in the budget. And so, currently we're projecting an estimated decrease of about 9.8 percent from this year to last year's budget - to next year's budget.

Mayor Lago: So, how much --? If I may, how much do we have in earnings? And that obviously includes the interest that we're earning as a result of the restricted reserves, correct?

Assistant Finance Director Rodriguez: Yes. I...

Mayor Lago: What is that number?

Assistant Finance Director Rodriguez: I don't have the interest that we -- I don't have the interest number that we received in '24. I can get that for the Commission. We budgeted for 8.3 in the current year, and we're estimating 7.5 in the future year, but I don't have the interest number with me.

Mayor Lago: So, as I always try to do and make a point of this, the reason why we have restricted reserves -- and it's critically important to -- to -- to put this on the record. When I came into office 12 years ago, we didn't have potentially one third of the reserves that we have today. That is part of the reason why we have a triple, triple bond rating. And it's also one of the reasons why we were able to be one of the first cities to clean up during the last hurricane. And I think that we're still waiting for a very small portion of the reimbursements from FEMA; is that correct?

City Manager Iglesias: That is correct, Mayor.

Mayor Lago: Okay. While this may sound redundant, as I've repeated a thousand times, it's important to put it on the record. At the end of the day, it's been said in the past, why

don't we use a portion of our reserves? The reason why you don't use a portion of your reserves is, number one, because it's a rainy-day fund. Number two, it's part of the reason why we have a triple, triple bond rating. Number three, it's the reason why we're one of the most respected cities in South Florida, not the state of Florida. And number four, because you're making seven point something million. Not all of it's coming from the restricted reserves, but you're making a large portion of that. If it's \$50 million and you're making 5 percent it's \$2.5 million, okay? If you spent your reserves, you wouldn't be making that money. But Madam Assistant Director, if I may, what do we use that additional, those earnings from, the money that we get from our reserves? What does that go into?

Assistant Finance Director Rodriguez: That will go into any surpluses at the end of the fiscal year, and as I explained earlier in the slides, that is how we will bring in funding to fund capital projects or any one-time needs in future years.

Mayor Lago: So, this revenue stream is one that earns and gives us extreme flexibility to say we have a little extra money, a few million dollars, let's -- let's tackle these important historical projects, these parks, these infrastructure upgrades. So, this is why it's critically important to keep this rainy-day fund intact and always above 25 percent.

Vice Mayor Anderson: Through the Mayor?

Mayor Lago: Yes, Madam Vice Mayor.

Vice Mayor Anderson: Two other points. And that is it avoids us from having to incur debt service, you know, paying interest out due to the necessity of borrowed funds to take care of the cleanup after a hurricane. And in the words of our City Manager, cash is king. We get cleaned up first because we have cash available to be able to pay immediately. We don't have to go to the bank and pull money from a credit line. So, I've learned from a very wise master that has -- or individual who has dealt with these emergencies many, many times. So, thank you for your good management skills.

Assistant Finance Director Rodriguez: I correct myself. I do have the actuals, which are actually shown on page 38 of the budget book. And so, last year Fiscal Year '24 we ended with \$11.6 million in interest income in the general fund and a good portion of that would be from the interest that we received from the -- interest -- the reserve. We ended with about \$3 million in our capital projects fund, which makes sense because since projects are

not always completed in the year that they're budgeted for, that rev -- that -- those -- that funding generates interest and another \$3 million in the enterprise funds.

Mayor Lago: I think it's also important to note that, for example, I'll give you two projects in question that are nobody's fault. Number one, Burger Bob's had a cost overrun. And number two, we just dealt with Venetian Pool. These are two cost overruns that were not visible because they were behind either drywall or they were underground. And we -- obviously, when we excavated or when we demolished, we noticed that there was certain things that needed to be addressed structurally. If not, we would compromise the integrity of this multimillion-dollar project. So, we can use that money immediately to patch those holes that were unforeseen, or you know, human error in one form or another. I think that's why, you know, you have, like the Vice Mayor said, it gives you immense flexibility to navigate those waters. When you're dealt with a million-dollar, \$800,000 cost overrun. Nobody wants to spend that money, but at least you have a mechanism in place that's delivering use of interest returns.

Assistant Finance Director Rodriguez: Thank you. And so, all other revenue decreases are approximately 4 percent decrease for a total estimated revenue -- operating revenue of 207 -- \$279 million. The next slide is expenditures. And so, in similar fashion, we compare the expenditures increases and decrease from the Fiscal Year '25 amended budget to the '26 budget estimate. We provide you the natural difference, and then we back out one-time items that were reappropriated in the '25 amended budget for an adjusted increase or decrease. That final increase or decrease is really your true increase or decrease from your operating -- operating expenditures. And so, you'll see here that salaries are increasing by about 9.4 percent. The salaries that are built into this budget account for the merits and COLAs that are already negotiated with existing contracts with Teamsters, general employees, and Fire. It plans for -- this budget plans for a successful negotiation with the FOP as well. This also accounts for the increased headcount in the Building Department and any positions that we have estimate -- anticipate that we are recommending including in the budget this year, which you'll see on a further slide here. So, there's \$8.7 million at 7 full-time positions, the 20 positions in the Building Department, which are funded from their restricted funds, but still part of this number, and merits and COLAs that are planned through the already accepted contracts.

Commissioner Lara: Mr. Mayor?

Mayor Lago: Yes.

Commissioner Lara: Since we were on the subject of salaries, just to provide further context, we've heard already today quite a bit regarding -- regarding the COLA, right? I mean, we've heard it several times today, but I didn't hear from you because nobody asked you. At the time that that was presented for consideration by the Commission, did Finance have a position or an opinion or recommendation whether or not to proceed with entering into that agreement to subject the City to a nearly \$2 million a year expenditure that was not a part of the original budget?

Assistant Finance Director Rodriguez: Yes. So, two separate COLAs; one COLA for our active employees negotiated through our union contracts and labor contracts; second, the retiree COLA. And so, the position that the Finance Department takes on the retiree COLA is consistent with the language in the lawsuit that we should not award a COLA to the retirees until our unfunded liability has been met. And so, our recommendation on that COLA would be not to -- not to award it.

Commissioner Lara: And I assume that your recommendation was based on what you believe was sound fiscal prudent financial planning, but it wasn't -- your recommendation wasn't followed by this Commission; is that right?

Assistant Finance Director Rodriguez: Yes. The Commission is able to override our recommendation.

Commissioner Lara: Very good.

Mayor Lago: So, let me ask another question if I may because I think it's important to put it on the record. You know, we have very short memories, at least I do, and I apologize. On average -- on average, how many employees, additional employees, do we add a year? Average, like one, two? I remember the slide. I look at it every year, you know, one or two positions, correct, that we add every year?

Assistant Finance Director Rodriguez: So...

Mayor Lago: Very, very thoughtful, very methodical about adding new positions...

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: Especially under -- under City Manager Iglesias.

Assistant Finance Director Rodriguez: Yes. So, we are -- so, we are always -- we always try to be thoughtful in the reoccurring expenses that we add to the budget. Over the last few years, we have added a minimum of ten because we've been adding the five firefighters and police officers.

Mayor Lago: Outside of those.

Assistant Finance Director Rodriguez: Outside of that, we've usually averaged somewhere in the seven, five. In addition, in general service, many of them are converted from part-timers when the City -- for whatever reason, when the City was in some financial distress, we converted to having a lot of part-time employees. And so, we -- over the years, we've sometimes converted those part-timers to full-timers to really provide the departments what they need. But in general...

Mayor Lago: So, under Amos Rojas, our manager for 10 months, we -- is it safe to say that we accepted the most positions in the last decade?

Assistant Finance Director Rodriguez: I could say that it was one of the more significant years. We added about 26 full-time positions in the budget.

Mayor Lago: I voted against that. I was, again, in opposition to that that because, as you just heard from our Assistant Finance Director -- and I don't want to put words in your mouth -- when you add 26 positions in one year and you don't do it methodically and thoughtful, at the end of the day, you expose yourself when there's a downturn, like they say, when winter is coming. Now, when you're no longer making 11 and 10 percent year over year, and you see that there are financial hardship in the future, that is another example, like the COLA, that puts a roadblock, puts a roadblock. That's why we've paid down so much budget -- so much debt over the last ten years. That's why we've paid an additional \$9.5 million to the unfunded liability. That's why we have not taken down additional debt. So, you cannot just get rid of, with all due respect to the employees, 26 employees. You can, we've done it before, before I was here, but at the end of the day, those are people who have to go home to their families, who their families depend on these salaries. So, we have to be very, very thoughtful, and I implore my colleagues on the Commission to please, to please listen to the Manager, listen to the Finance team when they tell you not to accept the COLA. To not -- to not -- I requested a one-time payment.

I was willing to give a one-time payment to the retirees, but a ten-year lag when you add 26 employees on top of that and the cost -- and the back cost, which is the insurance, which is the retirement, which is all the things that come along with an employee, makes us less nimble, makes us less, you know, agile when the difficult times come. And as the Assistant Finance Director will tell you, she would love to have an 11 percent year again, which we're not having this year, correct?

Assistant Finance Director Rodriguez: Correct.

Mayor Lago: Again, so -- again, just making a statement that I think we have to be very, very thoughtful of how tight we put the noose around the City. Because at the end of the day, we're only hurting ourselves.

Commissioner Castro: Through the Mayor?

Mayor Lago: Yes, ma'am.

Commissioner Castro: Paula, how many -- how many employees are we adding this year?

Assistant Finance Director Rodriguez: So, this year we are adding -- and it'll be on a future -- in two slides down. I can go through here. We are adding -- we are proposing adding seven full-time positions. Of those seven full-time positions, one, two, three of them are being converted from part-time -- from existing part-time positions. Two of them are -- are neutral in the expense. They don't increase expense because the part-time positions will offset. And one position is a small increase in expense.

City Manager Iglesias: Through the Mayor?

Commissioner Castro: So, you're saying -- so, you're saying 7 positions plus 20 is 27, which happens to be one more than Amos Rojas, right?

Mayor Lago: Okay, so I would like -- I would like to answer. This is the same problem that we're running with Maria Cruz. You cannot just say things out in public that hopefully Political Cortadito will pick up and then, obviously, discount the truth. The 20 positions are for this year or for next year? What are the 20 positions for?

Assistant Finance Director Rodriguez: The Commission voted yesterday on a resolution to add those positions in the current fiscal year.

Mayor Lago: So, you -- hold on. Are those positions going to cost us or are they net neutral?

Assistant Finance Director Rodriguez: So, I would say to that, if i could expand my response...

Mayor Lago: Of course.

Assistant Finance Director Rodriguez: To your question, the difference is that the 20 positions that we added yesterday are not from the general fund or for unrestricted funds that would contribute to the general fund. They are all funded from restricted funds that can only be used in that -- for that purpose.

Mayor Lago: So, let me -- but let me -- let me answer. Let me answer, please. So, you have 20 positions that are being used via the enterprise funds. They're not coming from the general fund. So, we can conflate and confuse -- I know that's the order of the day -- but the issue is, it's not coming from the general fund. It doesn't tie our hands. That's one. Number two, you just said there's seven new positions, three of those, correct...

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: Are net neutral.

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: So, you have four -- literally, four brand-new positions in comparison to Mr. Amos Rojas, who had how many positions were brand-new?

Assistant Finance Director Rodriguez: 26.

Mayor Lago: 26. So, the difference is 22 additional positions by Amos Rojas, which anyway you skin it, is, again, a responsibility that continues to tighten the noose around the City and results in us not being flexible. Mr. Manager, you had -- you wanted to say something?

City Manager Iglesias: Yes, Mayor. I think you -- I think you made a good -- the point that the Building Department positions are through the Enterprise Fund, and three of those positions create -- are going from two part-time positions to one full-time position.

Mayor Lago: Yeah.

City Manager Iglesias: So, they're net neutral or net saving.

Mayor Lago: Yeah. And I also would like to put something on the record if possible, please. Knowing that we would be discussing this issue, I prepared a statement. Fiscal responsibility while reducing the Mayor's office budget. I have always been committed to fiscal responsibility, transparency, and accountability. As part of this commitment, I have set clear goals to reduce expenditures and promote responsible budgeting practices within my own office. I want to set the example. Specifically, I have taken active steps to demonstrate fiscal conservatism by carefully evaluating our operational needs and making thoughtful adjustments to reduce costs. One of the most significant changes has been to our personal budget. Historically, the Mayor's office has been a budgeted two positions. As my current staff member transitions into a new leadership role in the City, I will be bringing in two new hires to ensure continued support for our office's high volume of work, ranging from fielding constituent calls and emails to managing ongoing projects and overseeing the implementation of our strategic plan. Currently, my office is budgeted for two full-time positions with a total allocation of approximately \$150,000. With the onboarding of these two new hires, with the Manager's help and our Finance team, I have reduced our personal budget to approximately \$119,000. This adjustment represents an estimated savings to the City of \$30,700. I want to be clear that while we continue to handle significant workload, consistently delivering results for the betterment of the City, I remain committed to doing so effectively and fiscally responsibly. I'm sharing this update today to put it on the record and to reaffirm my intention to lead with transparency, discipline, and a continued focus on service and stewardship. How do we do this? We reclassified employees. My office is reducing their budget by \$31,000. I also reduced our expenditure accounts, which was raised by Commissioner Castro, Fernandez, and Commissioner Menendez from \$5,000 to \$10,000. I reduced it back to \$5,000. And I also, with the help of the Vice Mayor and also Commissioner Lara, reduced our salaries that had been raised by 101 percent. I could have kept those salaries where they were, but at the end of the day, that was not the right thing to do. So, moving forward, the numbers are what they are. One thing that can't lie are numbers. And they're clearly detailed here,

especially when you're talking about hiring positions. What Mr. Amos Rojas did was reckless, and the approval of those budgets, in my opinion, puts a noose around the City just like the COLA.

Commissioner Castro: Through the Mayor? Okay, so I'm going to go ahead and reiterate one more time. We're adding 26 positions. No, I'm sorry. We're adding 27 positions. We added 26 last year. Now, with those 26 positions that we added, some also came from the Enterprise Fund. Some were also neutral, the same facts these individuals next to me are stating. So, please don't try to muddy the waters. We are adding 27 positions. I'm putting it on the record, okay? And I don't need to argue with you, and you come back. Let's get to work. You know, there's a lot of people here. Stop trying to confuse everyone. It's not work -- it's not working.

Mayor Lago: Madam...

Commissioner Castro: Stop.

Mayor Lago: Madam Assistant Director.

Commissioner Castro: Stop.

Mayor Lago: How many people in last year's -- in the last year hires of 26 or 27, whatever it was, were from the Enterprise Fund?

Assistant Finance Director Rodriguez: So, technically, two positions were in the Parking Fund, and although it is an enterprise fund, their revenue is not restricted, and those funds could have come into the general fund or to capital to fund other items.

Mayor Lago: So, to correct the record again, as you can tell, my Commissioner is unaware because I asked these questions when I met with staff. Over 24 of the positions from last year came from the general fund, correct?

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: And this year, only four. So, let's not muddy the waters. Let's not confuse people. Let's speak the truth. Let's speak the truth. The facts are 24 came from the general

fund last year under the leadership of Amos Rojas, and this year only four are coming from the general fund. Thank you very much. Moving forward.

Assistant Finance Director Rodriguez: I'm going back two slides to the increases to expenditures -- increases and decreases to expenditures. And so, we stopped on salaries, the first line. And so, salaries are estimated to increase by \$8.7 million, a 9 percent increase for the reasons that I mentioned here. It does include the decrease of the Commissioners' salaries that although it will include a small COLA that the Commissioners get as part of the ordinance. Overtime is increasing by about 7.5 percent, and so that is typically a result of the increased salaries, also results in increased overtime. We also tried up some overtime costs for some departments that provide overtime but may have needed a budget adjustment to increase that slightly. Retirement. Retirement is increasing by \$2.4 million. And so, the explanation is also outlined for you in the Manager's message, but the breakdown of that \$2.4 million is each year we take the amount that we fund for retirement -- for pension and we increase it by 1.25 percent. That increase this year resulted in \$383,000. In addition, we brought in the million dollars for pension stabilization, and we're funding an additional \$375,000 to offset normal increases of costs in the pension plan. So, the pension plan experienced a loss of a gain, right? So, the pension plan is made up of several mortgages, and so some of those mortgages result in an annual cost to the City and some of those mortgages result in a credit to the City. We -- a credit to the City expired, and so that cost \$830,000, and then the normal cost of a pension for mortality and other assumptions was \$640,000. And so, we are funding an additional \$1.37 million to offset those increases in cost. However, and you'll see in a further slide, although we are increasing the funding for the pension, we are still not funding the loss of the \$1.87 million that will be reduced in the extra payment for next fiscal year.

Mayor Lago: So, if I may, since we're not funding that \$1.87 million, which is a result of the COLA that was approved by this Commission last year, what does that mean exactly in regards to the unfunded liability after all the work that we've done in the last 10 years?

Assistant Finance Director Rodriguez: I can have that conversation now? Yes?

Mayor Lago: If you'd like, yes.

Assistant Finance Director Rodriguez: So, I have a couple of slides that can talk to that.

Mayor Lago: Perfect, thank you. I think it's important to put on the record that we're going backwards. We're not going forward like we were for the last 12 years.

Commissioner Castro: It was less than a 2 percent.

Assistant Finance Director Rodriguez: So, we typically talk about these slides.

Mayor Lago: If I may, I'm sorry, I apologize. First off and foremost, less than a 2 percent. I want you to remember that statement. That's your 2 percent. That's your...

(COMMENTS MADE OFF THE RECORD)

Mayor Lago: 2 percent employees. That is your 2 percent. And every percent counts. Every percent counts. Because at the end of the day, the taxpayers are paying for it. And just to say it so nonchalantly, it is just less than 2 percent reduction when we were so positively moving in the right direction in regards to funding of the unfunded liability, that to me is a lack of respect for the employees, for the residents, and for the business community that pays such significant amount of taxes here in the community. So, will you do me a favor, Madam Assistant Director, and explain a little bit about how we're not heading in the same direction as we were last time?

Commissioner Castro: Through the Mayor, it was less than 2 percent for the employees. I mean, I think you're forgetting that because this money went for a COLA for the employees, for the firefighters that have risked their life for us and don't even know how to pay rent. Let's not forget that, okay? So, don't put it on the employees. Because, guys, when you retire, and if I'm here, which I don't think I will be -- if I would, I'd be taking care of you. Trust me. And I think all of you know that.

Mayor Lago: So, if I may, I need to respond.

Commissioner Castro: I need to use the bathroom.

Mayor Lago: I need to respond.

Commissioner Castro: Excuse me.

Mayor Lago: I have taken care of the employees, and this Commission has. Because we're spending over \$9.5 million of money that's needed to be spent to make sure that we pay down your retirement and we make sure that your retirement is taken care of. I will not allow somebody to muddy the waters in all the hard work that we've done here in this community. It may seem a tit-for-tat, but at the end of the day, I have to spend most of my time clarifying the issues here when someone doesn't know how to read a budget book. So, moving forward, can you please explain how we've taken a step back as a result of a \$1.85 million COLA?

Assistant Finance Director Rodriguez: Yes, so these slides are in the back of your presentation. The last three slides that I'll show are not included in your presentation, but we will get them to you after the meeting. So, this slide shows for you each year the annual required contribution in the blue and the extra payment that we have been making to bring down the unfunded liability each year, and then the orange is the cost of employee -- the cost of employees who have enrolled in the 401 plan. You can see here in the '26 column that the required payment increased for the reasons that we spoke about, increases in...

Mayor Lago: What are those reasons? I'm sorry, I apologize for interrupting. What are those reasons that we spoke about? Why did the City have to put more money as a result of the increase?

Assistant Finance Director Rodriguez: So, the increases were as a result of the labor negotiations, increases in COLAs, and increased benefits for retiree eligible costs.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: And then we also brought down the Teamsters contribution which I think we all agreed was a necessary step, but that also increased the -- the cost of the -- the cost of the pension -- the retirement cost. We did, however, plan for that cost, and so, even though on this screen you see that there's \$7.2 million planned for the extra payment, there is just under \$400,000 that we're going to bring in from this year to next year to bring that extra payment to \$7.6 million. However, that is still less than the \$9.5 million that we paid towards the extra payment last year. So, the next slide is going to show you the effect of that. And so, the effect of that is that we will now -- while we were 75 percent funded last year and 24.8 percent unfunded in the pension plan, we are now 74.5 percent funded. So, our funding has gone down, and our unfunded amount has gone up to 25.5 percent.

Mayor Lago: So, let's discuss that really quickly for the record. Again, because again, it's important that we put this on the record because you have the blogs that lie to employees and lie to residents here, and this needs to be put on the record, okay? If you look at 2019 as an example, the annual required contribution was a little over \$25 million. As we go to 2020, it was \$24 million. As we go to 2021, it was \$23.8 million. If we go to 2022, it was \$22.7 million. If you go to '23, it was \$22.3 million. If you go to '24, it was \$21 million. And if you go to '25, it was \$21 million. Now, this year, 2026, it's \$25 million. We're going in the wrong direction, correct?

Assistant Finance Director Rodriguez: Yes, sir.

Mayor Lago: Why are we going in the wrong direction? Because of the COLA.

Assistant Finance Director Rodriguez: Because of the COLAs that we awarded.

Mayor Lago: So...

Assistant Finance Director Rodriguez: And for other normal costs and increases.

Mayor Lago: Again, but if we didn't have a \$2 million COLA, we would have spent those \$2 million on paying down the unfunded, correct?

City Manager Iglesias: Through the Mayor?

Mayor Lago: Yes.

City Manager Iglesias: Thank you. Thank you, Mayor. I'm rounding off some numbers, but we would have paid about, roughly rounding off, about \$9.6 million. Currently, we're paying about \$7.7 million, rounding them off, and because of the \$1.9 million of the COLA. So, instead of paying 9.6, we're paying 7.7.

Mayor Lago: Yeah.

City Manager Iglesias: That will increase the funding -- that will increase the years to fund the pension by approximately two years. So, we are -- we've moved down instead of up as far as our -- as our pension plan actuarial funding is concerned.

Mayor Lago: So, over the last 12 years that I've been here -- over the last 12 years that I've been here, when my colleague to the right says that I'm not worried about the employees, trust me, I'm worried about the employees. Because when I showed up here, your pensions were at 51 percent funded. And what we've done is we've given over \$30 million to make sure -- last year was nine point something million, and we started at \$500,000 12 years ago -- 11, 12 -- 10 years ago, whenever the time frame was exactly. So, we have made significant, significant belt tightening. We could have used that for capital projects, we could have used that to lower taxes, we didn't. We gave that money to lower our unfunded liability. But this year, as a result of the COLA, now you're trending in the opposite direction. You're having to give more money, almost \$3.5 million, \$4 million more, and you just lost 2 percent of funding for your pensions because we lack discipline and an understanding of simple economics in business.

Assistant Finance Director Rodriguez: So, Mayor...

Mayor Lago: Thank you.

Assistant Finance Director Rodriguez: I think -- I think a good depiction of the effect of this is the slides that I have up on the screen now, which are not in your presentation. They're additional information that I had from another area. And so, if we were to make no extra payments going forward, we would -- we would be finished with our unfunded liability in 2043. With the current extra payment that is reduced by the retiree COLA amount, we are on track, if everything else stays the same, to be -- to be fully funded with the unfunded liability by 2032. However, the next slide shows that if we were to fully fund the extra payment, including the \$1.87 million that we're not funding, we would be -- we would be -- all things remaining the same, the market, everything remaining the same, we would be fully funded in 2032. So, the difference is two years had we funded the additional \$1.8 million extra payment.

Mayor Lago: If I may, to give you a little bit more of an understanding, okay, because you all know this, but I want to put it on the record. If we only had to pay the bare minimum to fund our pension and you took away the requirement from the State and the additional payment that we're making, Mr. Manager, how much would we save a year times two?

City Manager Iglesias: About 25 million.

Mayor Lago: So, \$25 million times two will be \$50 million. That's why it's so important to be disciplined and pay down this pension so we can have \$25 million a year to lower taxes, to work on infrastructure, to give raises to our employees. We're paying \$25 million a year additional, and right now, you just jeopardized that by giving a \$2 million COLA. That's not understanding simple business. And that's what happened here in the last two years under the leadership of Amos Rojas, Melissa Castro, and Ariel Fernandez. So, at the end of the day, we have to have -- we can play politics all you want, like you saw here, the amount of confusion that's going on by my colleague to my left -- to my right. But at the end of the day, the facts are the facts. So, don't think that your -- don't think that your leadership up here is not leading. We're leading. We're belt tightening, as I told you. I'm even cutting from my own office, \$31,000. Listen, that's leadership. So, I run a business every single day. I have to make very tough decisions. We have over 70 employees in my business. And at the end of the day, I will take care of my employees before I take care of myself. So -- and I take offense, I don't care who it is, I'm done keeping my mouth shut, like I said in yesterday's Commission meeting. I take offense if anybody calls into question my character and my -- my commitment to this community. Madam Assistant Director, I apologize.

Assistant Finance Director Rodriguez: I'm going back to the expenditure changes, increase and decrease slide. We talked about the reasons for the increase in retirement. FICA increases by about the same percent as salaries. It's a percentage of salaries. Workman's comp is estimated to stay about flat. Health and OPEB. So, health insurance is estimated to increase significantly next year, and so you see a 17.6 percent increase. That is an increase not only for the additional premiums that we expect to incur, but for any additional positions that are added in the budget. In addition, we're increasing the funding for compensated absences, so that's the payout of leave to employees. And so, as salaries increase, we also increase the cost of compensated absences. And other benefits increased by about 13 percent for a total estimated increase of personnel cost of \$14.7 million for next fiscal year. The next category is other than personal services. So, expenses other than personal services are estimated to increase by 3.6 percent. The most notable increase is professional services. And so, we're experiencing increases in our contracted services. So, parking management contracts, tree trimming, janitorial services, many of them have living wages built into them. And so, we're anticipating about a 13.7 percent increase in professional services. Repair and maintenance/utilities, about a 3 percent increase. Parts, supplies, and IT maintenance subscriptions, about a 1 percent increase. And then we have equipment additions and replacements. Those are being decreased by about 49 percent. So, because the available funding goes down, the ability to fund additional replacement of

equipment and things of that nature also goes down. So, when we make decisions about what we add to operating budgets, we don't necessarily add new equipment. We try to maintain what we have or replace it with more efficient equipment. Debt and contingencies are going down by about 25 percent from this current fiscal year's budget. Grants -- again, grants are one-time items. We usually bring those to the Commission to amend the budget, and so although we show them going down by about 50 percent, we do anticipate that we will receive grants throughout the year, and we will amend next year's budget to receive those grants, and you'll see those in the amended budget as they come through. Inter-depart -- inter and intradepartmental allocations are increasing by 7.4 percent. So, one significant allocation that we have is the charge from the general fund to the building restricted fund for our services. So, there's a portion of the City Attorney, the City Manager, Finance, that we charge the Building Department for our services, and that's an allocation that went up this year. And as we go through our study with the consultant, we are also going to look at that and refine that and make sure that we are capturing any amounts that we can from that fund.

Vice Mayor Anderson: So, through the Mayor. Now, these, you know, increased costs that we're spending for development services is actually to deliver the first-class service, you know, that we have dedicated our ourselves to providing to residents without charging them any additional fees. No 15 percent charge on top to get faster service in development services, et cetera.

Assistant Finance Director Rodriguez: We're currently maintaining the fees that we have in our permit fees. As part of our study, we will also evaluate whether our fees are appropriate. But currently and in this budget, we have not increased or changed the building permit fee structure at all.

Vice Mayor Anderson: Thank you.

Mayor Lago: Thank you.

Assistant Finance Director Rodriguez: And then fleet equipment replacement and additions is increasing by just under a million dollars for 23 percent, for a total increase in expenditures -- operating expenditures of just under \$17.5 million or 7.66 percent. This is a slide that was requested from the Commission several years ago, and so this is a breakdown of the personnel and benefits costs in each department as compared to their total expenses. And so, you'll see each of the departments is listed here, their total salaries,

and their total benefits, and then the percentage of their total expenditures. You'll note that here the percentages fluctuate. Departments who are high in personnel but low on operating costs. So, for instance, the Finance Department. Our personnel cost is just over 90 percent of our operating costs because we don't carry supplies or heavy operating costs, whereas Public Works is 57 percent because although they have many -- they have a high personnel cost, they also carry most of the operating costs, repair costs, all of those things in their budget, so those percentages make sense. So, as you go through, you can see the departments where there -- are personnel heavy but maybe operating light, and it's usually as a result of their function. And so, unless there's any questions, I'll go to the next slide that we reviewed already. And so, we're adding -- we're proposing adding seven full-time positions to the budget and three part-time positions. I'll list them out here for you. So, in the City Manager's communication area, adding a part-time videographer. Increased demand requires increased resources. Information Technology, as we continue to grow our technology in the city, IT needs the resources to be able to maintain and support its users, and so adding an ERP analyst and an applications manager in that department. Finance, similar so there's actually a typo here. Management and Budget, we are converting one part-time grants manager to a full-time grants manager that will leave us with two grant and internal audit coordinators. And again, the increased requirements of grants and internal audit requires us to have the resources and the backup as well. Procurement, converting the two part-time contract specialists to one full-time contract specialist. Public Works, Green Space Management, they are converting two part-time positions to one administrative assistant. This is going to help them with the management of contracts in their area. As you know, they manage several contracts tree trimming landscaping, et cetera. Central Administration, that is the administration section of Public Works, they're adding one part-time repair worker which is going to help them with much of the things that they identify out in the field, the graffiti, the stickers, things of that nature. And one part-time maintenance worker in the sign shop, and that is to establish those three crews in the sign shop that we spoke about last fiscal year. Planning and Zoning, we are adding one zoning reviewer. And in Fire, Fire also has their restricted funding for permit review, and they are -- and they are requesting to add an assistant fire chief in the Community Risk Division. This position will be funded from the restricted permit fees because it will oversee the operations of the review of permitting. And so, those are the seven full-time and three part-time positions that we are proposing in the fiscal '26 budget estimate. Full-time employee classifications, 10-year comparison. So, this shows the number of employees each year since 2017 to the proposed 2026. You'll see that this year in 2026 -- so '25 reflects the 20 positions you added at yesterday's Commission meeting; '26 reflects the seven full-time positions added and is broken out by police officers,

firefighters, and general employees, for a total of 955 full-time positions in next fiscal year's budget. Capital. I will highlight a couple of projects. If there's any specific questions, you can please stop me. And so, these are the projects that are being funded in capital, very similar to what we discussed at the capital workshop. I will highlight any changes that we made since then. And so, in capital, we are funding just over \$3 million for capital equipment, IT, public art, emergency generators. We are funding \$3 million for facility repairs. You can see those items listed here. This does include the waterproofing of the museum. So, \$105,000 we've put towards the waterproofing of the museum, which we all discussed and agreed is a necessary project for next year. Historic facility repairs, so we're investing \$8.3 million in historic facilities. The most notable amount is \$6.5 million to City Hall. So, in our capital meeting we talked about 600 -- I'm sorry, \$6 million to City Hall. As we were balancing the budget, we were able to identify another half a million dollars. We put it towards City Hall with the most immediate need. We also discussed the -- the resolution -- the project that was established for the historic facilities funding that we were budgeting \$50,000 each year. At the capital workshop, you asked staff to provide to you the recommendation of where to place those funds, so we took the \$50,000 that were planned for next year and put them into the Venetian Pool. And in this fiscal year, we also took the \$50,000 that were budgeted in this fiscal year and put it towards the Venetian Pool, with a total funding for next year of one -- of just under \$1.5 million. And we also funded the \$200,000 for the work needed in the courtyard. It was determined that that is a responsibility of the City, and so we're going to make that investment with \$200,000 in the courtyard, for a total of eight point -- just under \$8.4 million in historic facility projects. Motor vehicle replacement. And so, this is the matrix to replace vehicles, an investment of just over \$4 million in next fiscal year.

Vice Mayor Anderson: Before you -- through the Mayor. Before you leave that page, I just want to clarify for the public the section on ADA remediation in City facilities, that's \$200,000 we're adding to the capital improvement budget.

Assistant Finance Director Rodriguez: Thank you.

Vice Mayor Anderson: So, essentially...

Assistant Finance Director Rodriguez: I do have that note here.

Vice Mayor Anderson: So, I wanted you to touch upon that since we did receive some questions.

Assistant Finance Director Rodriguez: Yes. So, the two questions, same subject. The current available funding in the ADA project is \$357,970. That is current available unencumbered. Those funds are primarily being used for the Youth Center that has several ADA issues that need to be addressed, and Public Works is actively working on that. I believe they're in design and moving towards construction on some of those projects. The \$41,900 that was awarded to the Miracle Theater for the ramp last year was taken from this ADA project and provided to the museum. Those funds have already been -- I'm sorry, not the museum, Miracle Theater, and those funds have been paid out already, so those are no longer available. In addition to the \$357,000 that's available now, we are funding in next fiscal year \$200,000 for those remediations. At the beginning of the meeting, I mentioned that our July 1 property values resulted in about \$580,000 more in revenue. In discussing that with the Manager last night and this morning, we thought that a good use of that would be to put \$250,000 -- and it probably won't be in this section but in the roadways -- towards the automation -- the audible crosswalks, and to have a two-year plan to fund half a million dollars for audible crosswalks, \$250,000 this year. And so, we'll -- we'll continue to work over the summer on the budget estimate, and you'll likely see that in the September budget.

Mayor Lago: Okay.

Vice Mayor Anderson: Thank you.

Mayor Lago: Can we --? We'll go through the rest of the budget in regards to the -- the...

Assistant Finance Director Rodriguez: Capital?

Mayor Lago: The capital. I just want to touch here on purchase of land for \$440,540. I'm going to make a request after we finish to potentially divvy up some of that, if not potentially all of it, into -- into a certain area of the City that I think really needs some improvements. And we'll -- if I can get support from the Commission, we'll -- we'll make that change.

Assistant Finance Director Rodriguez: Sounds good. And so, I'll go to that next page. That's where that's reflected. And so, the first category on this page is the parking projects. We are funding \$2.9 million in parking for capital. And so, as I mentioned before, the about \$3 million that's being brought in from parking reserves is going to be used towards

some of those one-time projects. And then in Parks and Recreation, we're funding a total of about \$6.3 million. The purchase of land that the Mayor spoke about, the \$440,000, are coming specifically from the impact fees that we have brought in for purchase of land. We are not bringing in any additional funding from the general fund for that project this year. Did you want to speak about that now, or do you want to finish this and...?

Mayor Lago: I would like to know, in reference to the Flagler Section, what do we have budgeted for that area, not only the roadway, the park, and any work that's going to be done there in regards to traffic calming? I want to make sure I get an idea of -- I know that area has multiple projects, and I want to make sure it's funded, or at least a portion of its funded, or something's funded so we get it done in 2026.

Assistant Finance Director Rodriguez: Yes. So, there's a project for the Ponce de Leon improvements on 8th Street to Flagler that we're funding \$225,000. I believe that is for...

Mayor Lago: AE?

Assistant Finance Director Rodriguez: Design.

Mayor Lago: Design?

Assistant Finance Director Rodriguez: Design.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: And then we are also -- did we do the north entrance? There's also that north entrance park...

Mayor Lago: Yes.

Assistant Finance Director Rodriguez: And so, it's also funding...

Mayor Lago: North Entrance Park development.

Assistant Finance Director Rodriguez: For about \$100,000 in front of the Publix on 37th Avenue. \$107,000 also for design and soft costs for that area.

Mayor Lago: So, with the support, with the support of my colleagues on the Commission, I'd like to swing the entire purchase of land, the \$440,540, and dedicate it to the North Entrance Park development, along with any roadway -- I think there was another -- there was -- there was a portion of design there. And so -- and we also got to have some traffic calming. I think they met the criteria for traffic calming, and I want to make sure we have the necessary funds to address it. Mr. Manager.

City Manager Iglesias: Through the Mayor. Yes, thank you, Mayor. We're looking at Ponce de Leon Boulevard from 8th Street. We're taking care of it up to 8th Street and now from 8th Street to Douglas Road. We're looking at improvements in the median, improvements in landscaping, improvements in traffic, potential trees for shade trees, and that's the initial design, and then, of course, doing the entrance park. So, that will be our initial push into -- into that area, finishing up Ponce de Leon, which I think will improve the...

Mayor Lago: The quality of life.

City Manager Iglesias: The quality of life. And also, we have the new building at 760, so we -- we are working through that. I believe that that will be a major -- a major improvement there, and then we -- from -- from -- from Ponce, we move out into the residential areas.

Mayor Lago: So, there's two things. Number one, there's the 760 project, which is forthcoming, that I know that, obviously, that's still under development consideration and the residents are waiting for some final design and some changes. They're obviously going to make some sort of assessments in regards to public benefits that are critically important, and I know that my colleagues will advocate for that. But I think that that \$440,540 should be zeroed out. Go ahead.

Assistant Finance Director Rodriguez: So, I think it's a great idea.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: But the \$400,000 that is currently planned for that project is strictly for purchase of land.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: It is the impact fee for purchase of land. So, I cannot...

Mayor Lago: Oh, okay.

Assistant Finance Director Rodriguez: I can't -- right.

Mayor Lago: I thought it was -- I thought it was budgeted items.

Assistant Finance Director Rodriguez: But if you find a piece of land in that area.

Mayor Lago: No, I'm just...

Assistant Finance Director Rodriguez: But -- right.

Mayor Lago: (INAUDIBLE) opportunity.

Assistant Finance Director Rodriguez: Right. And I understand why because, in prior years, we've always matched that funding with general fund funding.

Mayor Lago: Yeah.

Assistant Finance Director Rodriguez: And so, the 440 is strictly for purchase of land. But what we can do is I can work with the Manager to identify -- right, so we took about a half a million dollar -- we have an additional half a million dollars, 250 we're proposing maybe for audible crosswalks. We could maybe take the additional 250 towards that. However, I would like to see how revenues pan out. So, if you allow me to work with the Manager on a number and where we could identify and my staff is going to continue looking at whether we've received maybe any other mobility impact fees that we can use towards that project that we haven't already dedicated here.

Mayor Lago: So, let me explain to you what I would like and the support of my colleagues if they're interested in doing that. That area is in dire need, okay? And they're kind of a little bit of a neglected area. They actually believe that, and they've constantly told us. And I know they met with all members of the Commission. What I would like to see if we can potentially get the 250, maybe we find 350, 400 and put it there just in trust. You

know, maybe there the design is not completed, but that money's left there, and we build upon that along with what's coming from 760. I think that when we do that, it will buy us a lot of goodwill, a lot of goodwill. We're going to do the -- both design. We're going to do both designs, the entrance and the work that we're doing, but I also want to make sure, Mr. DCM, through the Manager's Office, that they're going to be getting traffic calming. I think they met the criteria. I really want that traffic calming to be done in 2026. I know that there's certain things, and if you tell me that we can add -- let's say we get \$300,000 here or \$400,000, whatever the numbers that your staff comes up with over the next month. We can chip away at that and use that fund, that money right now, to say, okay, the traffic calming is going to cost \$100,000, and we take a little bit of that money to do that. But I think that by doing that, we're showing that next year when we come back in 2026, you know, and we've already taken care of certain projects, maybe we can put a million, \$2 million into this area, which so sorely needs it. Madam Vice Mayor.

Vice Mayor Anderson: Yeah. I just want to remind you, we did do a resolution for the mobility impact fees to go for that area. So, that fund...

Assistant Finance Director Rodriguez: Yes. We have -- we have collect -- I believe we've collected a little bit for that specific area, right? So, what the Vice Mayor is referring to is there's several resolutions defining mobility impact fees for the Flagler Section, the Biltmore Section, and the -- I'm going to call it the Crafts Section. And so, I believe that a small amount has been received from that -- for that Flagler area, but those -- those impact fees comes from permits for projects. So, we have -- I don't think that we've seen a lot of projects yet in that area. And so -- but whatever we have, we can put it towards that area as well. And we'll continue looking over the summer to see what impact fees we have. And just because they're not part of the resolution for the Flagler Section doesn't mean that they can't be used in that section, but the ones that are dedicated to the Flagler Section can only be used in that section. Make sense? But we'll identify how much it was.

Mayor Lago: So, before the Manager says something, I think if we can find something over the next two meetings to just put it in trust there, I think it will buy us a lot of goodwill. Mr. Manager.

City Manager Iglesias: Thank you, Mayor. Assuming the 760 goes, those impact fees can be appropriated into that particular area, I do think it's important that we finish off Ponce. And I think that's going to be a huge -- a huge improvement in that area, and then we will look at traffic calming this year in -- in -- in that area.

Mayor Lago: I think the bookend there is obviously the park that we acquired...

Assistant Finance Director Rodriguez: Um-hmm.

Mayor Lago: Which is amazing, the most northern piece of property in the Gables. And then now, obviously, all the way to Ponce and 8th Street, where there's -- there's dire need, especially with a forthcoming possible project. So -- but by putting that money in trust, I think it really, like I said, I think it's a benefit, and it shows the residents that we're -- we're taking this really seriously.

Vice Mayor Anderson: So...

Mayor Lago: Yes, Madam Vice Mayor.

Vice Mayor Anderson: And you've probably heard from the same residents I've had. There's a historic drawing, our old drawing that was never built that was done back in Phineas Paist time...

Mayor Lago: Um-hmm.

Vice Mayor Anderson: Of an entrance feature there that would be compatible with everything else that we have in our city. So, it's another project for us to put on the capital improvement list and to be able to fund it sometime in the future. But there is a drawing of it, and it's very similar to many of the other ones that we have.

Vice Mayor Anderson: So, Madam Vice Mayor, we have, I think, a hundred thousand dollars for AE?

Assistant Finance Director Rodriguez: For design.

Mayor Lago: \$107,000, I think it is.

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: So, why don't we, in the next few meetings, we put 250, 300, whatever we don't use for the automated signaling. We'll be able to put it there in trust so that once we

design as per the Phineas Paist design, we have funding already in place so we can start moving quickly on that. I just want to -- I, along with my colleagues in the Commission, just want to start delivering for this area. This area, for a long time, has -- the park has -- it needs a lot of work. We had a homelessness issue there. You know, they've -- the landscaping hasn't been touched in probably 20 plus years. So, I think it's -- we can do a few little things. I know we're talking about big money, but we can do a few little things that, again, will really, you know, bring back a little bit more trust. Because we've had a lot of meetings. I know that my colleagues in the Commission have met with them on site, the staff has, and they feel like they're neglected.

Vice Mayor Anderson: So, my only reservation is I prefer not to take it from...

Mayor Lago: No, we won't.

Vice Mayor Anderson: ADA accessibility issues. Let's look around.

Mayor Lago: Yeah, I know.

Vice Mayor Anderson: See what else we can do.

Mayor Lago: I agree with the Vice Mayor. I would -- I have no issues not taking it from that. Let's see if we can find money on -- you know, in another area. I just said parks because everybody knows that I'm a huge fan of parks, and I thought that money wasn't encumbered. And I don't have a problem taking away from me to give to -- to another issue.

Assistant Finance Director Rodriguez: Certainly, and I'll...

Mayor Lago: But ADA is...

Assistant Finance Director Rodriguez: (INAUDIBLE).

Mayor Lago: ADA is a lot different than parks. While I'm a big fan of parks, ADA is like critically important.

Assistant Finance Director Rodriguez: Yeah, okay. We'll work through the Manager and staff to figure out an option for September.

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: And I know there's work going on now so -- or being planned now, so okay. So, we talked about parks projects being funded for just about \$6.3 million. You'll also note that in Phillips Park we are funding \$200,000 towards contingency of the existing scope. And so, important to note that. Public safety improvements, we're funding just under \$4 million, so \$3.9 million in public safety improvements. Transportation and right-of-way improvements. You'll notice that two of these have just a note on the side, appropriations grants. So, these are the grants that were vetoed by the Governor recently. So, those will be coming off of the budget estimate. And so, the ADA improvements in the Central Business District and the citywide traffic program, 375 of the 875 listed here was part of that grant, and therefore, it will be reduced by that amount to \$500,000. So, the total funding towards transportation and right-of-way projects is just under \$9.4 million. That includes the projects we just talked about now, the 8th Street to Fagler on Ponce de Leon, as well as the Ponce de Leon work that's going into phase three before just south of 8th Street. Utility repairs and improvements, funding a total of \$15 million, for a total capital budget of \$56 million, including the vehicle matrix of \$4 million, which is actually in the operating budget. So, the capital budget book will reflect \$52 million. Okay, so the purpose -- although we give you a presentation on our proposed budget estimate, the purpose of today's meeting is to set the millage that will be put on the property tax notice and mailed out to residents, right? So, it's important to note that the rate that is put on the notice can easily be lowered, can more difficult -- it is more difficult to increase it after today. And so, after today -- today, you will set the millage that we will put on the forms that go to our property -- our property appraiser and goes out to - - on notice. By August 4th, I have to submit that to the Property Appraiser's Office. And so, the millage that we are presenting today for the budget that we just reviewed is a 5.559 millage, which maintains that rate for the 11th consecutive year. And so, I think that is a testament to the financial planning that we do in the City, that we -- unlike other cities, we don't increase and decrease our millage rate as the tides change. We try to be steady in our planning and steady in our budgeting, and it has worked well for us. And so, while as the Mayor stated, I would always love a higher millage and more revenue to deliver more for the community, but I also believe that it is prudent to be steady in our planning. And so, what we're proposing to you is a 5.559 millage rate that will generate \$137,357,880 in our property tax revenue next year, which will allow us to deliver the budget that we just presented. That millage rate compared to the 25 adopted millage rates for other cities, we fall 12th in all of the cities in Miami-Dade County. When compared to full-service cities

-- so, on this chart, full-service cities are identified by the blue indication. And so, compared to other full-service cities, we are the second to lowest compared to Key Biscayne. But Key Biscayne doesn't carry some of the operating costs and liabilities that we do. And so, although they are a full-service city, right, a full-service city providing police and fire services, they are not -- they don't necessarily compare in their operating expenses to us.

Mayor Lago: So, just for clarity of the record, when you say liabilities, can you explain what those liabilities are, for example, pensions?

Assistant Finance Director Rodriguez: Our pension liability is the biggest liability that we carry compared to a city like Key Biscayne.

Mayor Lago: Key Biscayne does not have a pension liability, correct?

Assistant Finance Director Rodriguez: I don't -- the last time I checked, I don't believe they do, but I would have to double check.

Mayor Lago: I just want to make sure because that's a pretty significant -- it's about a \$30 million cost that they don't have to incur. Thank you.

Assistant Finance Director Rodriguez: So, a comparison of how the millage rate compares to property values. So, this chart is based on the average homesteaded property value from 2024 tax year. And so, Coral Gables millage rate of 5.559 results in about a \$5,000 property tax bill for the average homesteaded property. Miami's millage rate is 7.39, their adopted millage rate for the current year. That results in a \$7,300 tax bill for the same property value, \$1,800 more than the City of Coral Gables. Miami Beach millage is 6.1481. That results in a \$6,000 property tax bill, \$583 dollars more than the City of Coral Gables. Hialeah's millage is 6.3018, resulting in a \$6,238 property tax bill for the average homesteaded property value, \$735 more than the City of Coral Gables. And Key Biscayne is at 2.9 -- their millage rate is 2.9794. Their property tax bill for the average homesteaded property is about \$2,900, \$2,500 less than the City of Coral Gables. They also have less homesteaded properties as a percentage than the City of Coral Gables. We did a little research last night because it was interesting to us. And then -- so, this is just a comparison to give you an idea. I would say, working for at least two of these cities, that Coral Gables provides a level of service to our residents that many cities do not, and that with the millage rate being the second lowest compared to these full-service cities, I think that our residents

really do get a significant value for their dollar and property tax -- and their property tax dollars. The next slide...

Vice Mayor Anderson: Through the Chair?

Assistant Finance Director Rodriguez: I'm sorry.

Vice Mayor Anderson: Yeah, I just wanted to highlight; now the garbage fee we did reduce.

Assistant Finance Director Rodriguez: Yes.

Vice Mayor Anderson: And how much per household was that a reduction in fees/taxes last year compared to what it is this year?

Assistant Finance Director Rodriguez: So, the reduction -- so, the revenue I know was a \$3.6 million reduction. The current early rate is \$550, and the full rate is \$577, compared to what I believe was 750 -- can you look up that number for me? \$750, I believe, was the -- was the rate last -- prior to last year.

Vice Mayor Anderson: Correct. And if -- if it had gone up in a normal increase in fashion, what would it have been this year?

Assistant Finance Director Rodriguez: So, our proposal probably would have been somewhere around \$800 per household. If we were to fully fund -- if we were to fully cover the cost of solid waste, we'd be upwards of \$1,100 to \$1,200 per household.

Mayor Lago: Thank you.

Assistant Finance Director Rodriguez: Okay. This chart is a comparison of property -- of property types. And so, this information is not available from the Property Appraiser's Office just yet, so I made some assumptions using last year's figures. Actually, this is last year's figures. And so, Coral Gables is made up of about 54 percent of homesteaded residential properties, 30 percent of non-homesteaded residential properties, 8 percent of commercial, and all others are considered to be about 5 percent. And you can see that we're pretty steady in the -- in those numbers. Estimated average taxable value of a homesteaded property. Again, this information is not quite available for this year. It will

be available in a couple of weeks, I'm sure, but I made some assumptions on the increase in values, right? So, we know that a homesteaded property is maxed out at an increase of 3 percent, and so assuming that the homesteaded residential property increased by 3 percent and the rest of the properties increased by the -- by the about 5 percent that we -- that we experienced this year, we estimate that the homesteaded residential property value for the City is \$61.8 million, the non-homesteaded represents about \$38.6 million, the commercial represents about \$26.6 million, and all others represent about \$10 million. You're going to see this same information in a pie chart on the next screen, which I think is a little bit easier to follow. And so, the total property tax revenue by property type is reflected on this chart. So, our estimated property tax revenue is \$137.36 million, and this is the breakout of how those property types contribute to that. And so, you can see the majority of our property tax revenue comes from the homesteaded residential, with just under \$62 million, non-homesteaded residential represents just under \$39 million, commercial represents that \$26.6 million, and all others, just about \$10 million. And again, this information is based on assumptions, not actual data that's available yet. This is the most interesting chart I think of them all. This is our ad valorem property tax distribution per tax dollar. What does that mean? How much of the residents' property tax dollars goes to each of the are in our county? So, Coral Gables receives 31 cents per tax dollars. So, based on the current millage and the estimated tax revenue, that is the percent that Coral Gables receives of your tax bill. Regional is just about one cent per tax dollar. Dade County receives 32 cents per tax dollars of our residents' property tax bill. And they School Board receives 36 cents per tax dollar of our residents' property tax bill. So, you can see very clearly here that Coral Gables receives the second least amount in this pie chart. While Dade County receives \$142 million, and the School Board receives \$162 million, Coral Gables receives \$136 million of the property tax revenue paid by our -- by our residents. The next couple of slides we already talked about. This is the annual pension contribution and how the normal -- the annual required contribution increased significantly this year and how the budgeted extra pension payment will go -- is going down from the 9.5 to the 7.2, with an additional \$300,000 that we have set aside, for a total of \$7.6 million next year. The funding ratio also has gone down. While we were funded at 75 percent last year, we are now funded at 74.5 percent, or plan to be funded with the extra payment we're making. And then unfunded has gone up from 24.8 percent to 25.5 percent. The last slide in our presentation, the general fund reserve analysis. So, over the years we've always presented to you this information. The City has a reserve policy which requires us to set aside 25 percent of our total operating budget for reserve. That reserve to be used as an emergency fund should we encounter any environmental or other threats that we've seen over the years. So, this fund each year, we don't refund an additional \$50 million. We increase the contribution

to that to meet the 25 percent each year. And so, last year, the '24 funding base was \$54.7 million, and at the end of fiscal year '24, we funded 59 -- we funded the difference to get to \$59.3 million, and that's 25 percent of the current fiscal year's budget. And so, with that, I conclude my presentation. The action that is needed or requested of the Commission today is to pass a resolution, which the City Attorney, I'm sure, will read in a moment, to set the millage rate of 5.559 to go on the property tax notices that will go out to our residents in advance of their final notice. With this millage, we will certify that information to the Property Appraiser's Office and build our budget for September. In September, you will come back for two hearings, on September 10th and September 25th, both after 5 p.m., to set the final millage rate with two readings and adopt your Fiscal Year '26 budget.

Mayor Lago: Thank you, Madam Assistant Director. I appreciate it.

Assistant Finance Director Rodriguez: Thank you.

Mayor Lago: Everything was incredibly well done. I appreciate you being so thorough and having all the information. You're right on point. Mr. Clerk, we have Commissioner Fernandez on Zoom. We'd like to take a vote to allow him to engage himself in the proceedings.

Vice Mayor Anderson: I'll move it.

City Attorney Suárez: And Mr. Mayor, just for the record, we do have a quorum in the room, and remote participation -- the Commission can allow for remote participation under extraordinary circumstances.

Mayor Lago: Yes.

City Clerk Urquia: All in favor?

The Commission (Collectively): Aye.

City Clerk Urquia: Thank you.

Assistant Finance Director Rodriguez: I do...

Mayor Lago: Go ahead.

Assistant Finance Director Rodriguez: The millage of 5.559 today requires a four-fifths vote.

Mayor Lago: Yes.

Assistant Finance Director Rodriguez: And so, that is the requirement of today's resolution.

Mayor Lago: Okay.

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

City Clerk Urquia: Yes, Mr. Mayor, we do.

Mayor Lago: Okay.

City Clerk Urquia: First speaker this morning is Darrell Payne.

Darrell Payne: Thank you, Mr. Mayor. Thank you, Commission.

Mayor Lago: Good morning.

Mr. Payne: I'm here really just to speak on the overall picture of the millage rate and everything, but I understand the last budget meeting...

City Clerk Urquia: Excuse me, sir. Sir, would you mind stating your name and address for the record, please?

Mr. Payne: Sure, I'm sorry about that. Darrell Payne, 6800 Almansa Street, Coral Gables, Florida 33146. As I mentioned, I'm just here really to speak to one item that came up, I think the last budget item. And really just -- and I'm not certain whether this is specifically in the budget still or not, but it carries over from last year's budget. And I want to speak in favor of a \$50,000 fund that this Commission already approved going to a conceptual master plan for largely the field at Gables High and the campus. Critical opportunity for the City to stay involved and really help out benefits for the residents of City of Coral Gables. Most important thing is you all know from your discussions today and looking at

your budget the shortage of park space, particularly in the area immediately near Merrick Park with the increased growth there and all the changes there. You all have done great things, including like the Underline and the creative dog park there that's going to help those residents in the area. We have a unique opportunity. Things are happening with School Board properties across the county. If this city continues to fund a conceptual master plan for Gables High, it gives the City an opportunity to really have input on what happens to the Gables High campus. Already on an informal basis, residents are using the track and the field for recreational purposes. Other cities, you saw some of the comparisons with Key Biscayne and Miami Beach, your other full-service communities. They are all - they have already entered into interlocal compacts with the School Board to activate School Board property. This is an opportunity for the City to do that with a master plan that gets input from residents, community members, students, teachers, school boards, people like me. I know there's a number of other people here that have been very involved at Gables High that would speak to the same thing. We should -- we should continue to support this. What could happen with a conceptual plan? Some of the ideas I spoke with the Mayor about four or five years ago, great idea he had, can we move some of the buses and drop-off traffic off of Bird Road, off of Riviera? Can we re -- can we revisit what the Gables campus looks like? That's a great idea. Lighting around the track, security, improved usage for residents. These are things that will benefit the school. But having a master plan will help us bring more players to the table. And the School Board's really stepped up. Go to Gables High. I know my time's running out. They have already invested I think it's like \$60 million or will in revamping the campus. Thank you so much. Really appreciate your time. Hope you keep that in the budget.

Commissioner Lara: Thank you. Mr. Chair?

Mr. Payne: And I'm here to answer any questions if anybody has any.

Commissioner Lara: No questions.

Mayor Lago: Thank you. Mr. Clerk.

City Clerk Urquia: Thomas Parker.

Thomas Parker: Good morning. My name is Thomas Parker. I live at 419 Camilo Avenue. I'm going to read because Darrell is way better at contemporaneous speaking than I am. But as each of you know, I am one of the former chairmen of the Friends of Gables High,

and I strongly support our public school system. But the truth is, that's not why I'm here. I'm here because I want to support our community. I am here to respectfully request that the Commission instruct the City Manager to move forward on last year's \$50,000 line item for architect and planning fees with Dover Kohl. This project will get the ideas gathered from our committee stakeholders, including you, Mr. Mayor, including private individuals, including the community, to move forward and benefit our community. The number one goal here is in fact to benefit the residents of Coral Gables. As you may know, over 3,000 students from -- that live in Coral Gables go to public schools. The better that Gables High can be, the better for all of our kids who are in public schools. As Darrell just touched on, the Gables residents that surround Gables High lack public park space. There's no significant parks south of Bird Road through to US-1. The Gables High athletic fields are underutilized primarily because there are no lights there in the evening. And as we all know, drop off and pickup of Gables students on Riviera is a nightmare. And as Darrell already mentioned, it's a long-time proposal by the -- by the Mayor himself to get some of the traffic off of Riviera. I did watch the video of the meeting last -- two weeks ago or three weeks ago when you guys talked about this, and I want to set aside some of the concerns that were expressed at that meeting. The school district is open to proposals from the City for use of the Gables campus. It is an incorrect statement to say that the district is not open to ideas to lease, in effect, properties. The -- the track at Gables High right now is leased by Ransom Everglades High School. They have a 10-year lease in place to use that track from 4 o'clock until the sun goes down. We could offer a similar proposal to the district that would give access to our -- to our residents. Sharing campus facilities with municipalities is routine by the district today. They share their schools with a quid pro quo. They want benefit, we need a benefit to access the school. The ball's in our court. The City needs more park space, and the school district has open ears for our ideas at Gables High. The school district is willing to listen to any reasonable proposal to upgrade and utilize campus facilities. Getting the vision for the future campus down is key to getting the ball rolling and that's what this 50k does. It just gets all these ideas that we've gathered for the last two years from your input on paper so we can discuss with private people. We've got money lined up, but we have to be able to communicate effectively what it is the vision for Gables High is. I urge you, please follow through on this line item from last year. Thank you.

Mayor Lago: Thank you. Mr. Clerk.

City Clerk Urquia: Luciana Gonzalez.

Luciana Gonzalez: Good morning, everyone. My name is Luciana Gonzalez. I reside at 4605 Southwest 12th Street, Miami, Florida. I'm here today to support the budget item for the master plan for Coral Gables Senior High. It's something that we've been working on for a couple of years now. And I have two daughters who attend Coral Gables public schools. One is a rising senior at Gables High. The other one will be attending Gables High in 2026. I fully support this item because it will create a vision, a vision that we all know, as George Merrick did, he had a vision, he implemented it. I think that given the budget cuts that public schools have faced, both on the federal and state level, are really crippling our public schools. And Coral Gables Senior High is the only public school in this city. And I think it behooves the leaders of this community to be able to create a vision, create a plan that we can all work together and receive community input, to be able to create a plan and talk about it and ways to improve it. I don't need to reiterate Mr. Parker's and Mr. Payne's comments. I fully support those as well. And I urge this Commission to approve the budget item. Thank you.

Mayor Lago: Thank you. Mr. Clerk.

City Clerk Urquia: Paul Savage.

Mayor Lago: Good morning, sir.

Paul Savage: Good morning, Mr. Mayor and Commissioners. My name -- good morning. My name is Paul Savage. I live at 522 Vilabella Avenue, here in Coral Gables. And if you know that street, you know that it's the street that runs directly behind the Coral Gables Senior High property. And so -- and I also have two children. I'm very proud to report that I have one who is a recent graduate of Coral Gables High School. My wife is a graduate of Coral Gables High School, and I have a son who's going to be a junior this coming year at Coral Gables High. So, I'm both a parent and a resident. I'm also involved in the Friends of Coral Gables High. And without repeating what everyone else said, I'm here to lend my support, and I ask for your support for this \$50,000 line item that will support a professionally rendered master plan by someone with credentials to put that together. And in preparation for today, I did watch the June 11th, I think it was, workshop where in a rare moment of consensus, I agreed with everything that everyone said. All of the Commission members who commented were, you know, generally supportive. It's a very fine thing. But also, as stewards of our treasury, you have to make sure that there's a nexus, a sufficient nexus to city interest, not just schools are fine things, but we -- you know, why should we pay for this? And I think ultimately we are going to be able to work

out the access. This is -- it will be complicated. There's insurance, there's liability, but public access will happen there, I firmly believe. And this is a study that is a necessary step in that process. And in addition, the master plan will also take into account important elements of traffic, vehicular, and pedestrian circulation to take the pressure off the neighborhood that I live on, which is on the west side of Riviera, and get it more focused on Le Jeune, where they can accommodate this more and get the cars from parking in front yards to drop off their kids and things like that. So, you know, not to repeat again the other speakers, this is a good thing for the Gables. This will give us, without a lot of money -- obviously, if this becomes a larger amount, then there will have to be more commitments. But for this amount of money, I think that it's a good investment of the City's funds to go ahead and get a professionally rendered master plan that will take into account circulation, lighting, safety, the community, and of course the students.

Commissioner Lara: Mr. Savage, a quick question for you. Do you -- are you aware of any interest from the private sector in supporting what you're advocating?

Mr. Savage: Well, I -- as a member and board member of the Friends of Gables High, we raise a tremendous amount of money, both from the private sector as well as I believe that they're responsible, together with help from the members of the -- of our elected officials, something on the magnitude of \$42 million has been directed to that school from the School Board and from match -- with matching state funds. So, we're -- you know, we can participate if you want. If that's where you're going, we certainly have a very strong -- a very strong private support in the community. And -- and we -- we invest tons of our own personal and private money into this. However, we think that there is a sufficient nexus in public policy concerns that impact the City and the residents, which is why we believe this is an obligation that the City can help us with.

Mayor Lago: Thank you very much.

Vice Mayor Anderson: So, I had one more question for Mr. Savage. Were you aware that I had brought to the Coral Gables Elementary School a group that brought grant money, PHIT, P-H-I-T, to do field improvements for the school there, but one of the quid pro quos for that grant to be given was that the School Board would re -- allow full access to that field to use that facility for the public and the School Board refused. Okay, are you aware of any agreement in writing where the School Board, Miami-Dade County School Board, would allow access to the Coral Gables Senior High school field for the general public to use that field after school hours at any point in time?

Mr. Savage: Right. So, and thank you, Vice Mayor, for that remark. And I saw you make the same sensible remark at the prior meeting that I watched. And at this time, there's not a written agreement. There -- but we are in a little bit of a chicken and egg situation where we need to have a competent proposal to get the ball rolling. And I think that if we were here saying, oh, we have a wonderful game plan and we need \$10 million for lighting, or infrastructure, or you know, curb cuts or whatever we're asking, yes, absolutely. What do you have in writing? Where -- how -- when is the public going to be here, et cetera? But at this -- at this stage of the process, and I want to be respectful and not flippant about any amount of money, but this is not -- at this level of funding and this preliminary time in the process, we're not going to have that yet. But we also, we need to get -- we need to have the ammunition and the professional wherewithal to start that conversation to get there.

Vice Mayor Anderson: I respectfully disagree. I had the chicken. I had the egg. I offered it. They declined. We need an agreement first.

Mayor Lago: Okay. Thank you very much. We're moving on to the next -- before we move on to the next speaker, I ask my colleagues on the Commission to please go through the Mayor, speakers go through the Mayor. I want to make sure we have some sort of semblance and control here on the Commission. Thank you very much.

Mr. Savage: Thank you, Mr. Mayor. Thank you, Commissioners.

Mayor Lago: Mr. Clerk.

City Clerk Urquia: I'm going to go to Zoom next. First speaker is Maria Cruz.

Maria Cruz: Okay, here I am. Mrs. Maria Cruz, 1447 Miller Road. Let me apologize. I'm at the hospital with my sister, that's why I'm not there. And I love when my name is called. I guess somebody loves me there, that's why he needs to keep calling my name. I'm here to support. I think as much as we think that all our children go to private school, we have lots of our children that go to public school, and Coral Gables is the only high school -- public high school in the City. And having worked in Miami Beach for many, many years, I am ashamed to tell you that we have never supported Coral Gables High like other communities have. So, it's time for us to step up to the plate and let's not blame the School Board. Let's do what we can do for our kids. That's number one. Number two, number two, I, since I was here and the doctors was here, I couldn't hear the part about

parks. I do not know if you discussed the Roxcy Bolton Park that was already approved by the Commission, and we're anxiously waiting to see what's going to happen because she is recognized by the other local entities, the state, national, but not the City of Coral Gables, and it's time for her to have a park named after her. So, please, if you did mention it, I apologize for being late to the game, but I couldn't be there before. Thank you for mentioning me. That means that people remember me, and have a wonderful day.

Mayor Lago: Alright, Mr. Clerk.

City Clerk Urquia: Evelyn Diaz is going to be on Zoom. Give me one second, Mr. Mayor.

Mayor Lago: You want to come back to that individual?

City Clerk Urquia: No, it's not on them, it's on us.

Mayor Lago: Okay, sorry about that.

Evelyn Diaz: Hi, hello.

Mayor Lago: Hi, yes, the floor is yours. Good morning.

Ms. Diaz: Good morning. Evelyn Diaz, from 36 Montilla Avenue. I'm a resident of the Flagler Section here. I'd like to thank you, the Mayor, the Vice Mayor, and Mr. Iglesias for recognizing the Flagler Section and the need for its beautification and traffic calming, and also, for the entrances for the park on Douglas and Ponce. Thank you.

Mayor Lago: No, thank you for being here.

City Clerk Urquia: That's it, Mr. Mayor.

Mayor Lago: Alright, perfect. I want to address some comments that were made predominantly in the -- in the public comments section. I have some serious reservations about handing \$50,000 to the public schools. If you look at what we just saw right now, 36 percent of our budget, almost \$160 million, goes to the School Board. That's a huge number. When you talk about -- there was a comment there that not all our children go to private school. Obviously, that was a dig at me, like usual. I did not -- yes, I do. I send my children to private school. I'm very proud of that. A faith-based Catholic school. But

I also have not forgotten our public schools. Number one, I personally have given to the organization that's in question here, at Allen Morris' house in a fundraiser, \$5,000 of my own personal money that I raised. And I -- and I asked individuals that day to match, and I think we raised close to \$30,000 that day just on that match alone, some sort of that number. So, I'm here in support of the public school system. I understand how important education is and making sure that everyone in our community is educated. But let's discuss some facts. You open the door, the next thing it goes from a study, then we need to start now funding infrastructure. You saw that at the Miracle Theater. The request was \$41,000, where there's an existing lease, a very clear delineated lease on a City-owned property that is leased to a private entity that pays zero in rent. And the lease says that they are responsible for the interiors of the facility. This Commission granted them a \$41,000 reprieve as a result of an ADA ramp request. Now we have other property owners in the City that will come and request the same thing. Hey, you broke the lease for them, break the lease for us. That's a concern of mine. When you talk about the City needs parks, we can always use more parks, but the City has 300 acres of green space. Adjacent to you, you have the Underline that will be coming online. I've been working on that project for ten years and construction has just started. You have three linear miles that will bifurcate the city, which is a stone's throw away from this facility. You have a new park at Nordstrom's that will be coming online that we negotiated here, right in front of Nordstrom's in the green space. And you also have a new park that the Manager and I are negotiating, which will hopefully bring six acres, the largest piece of property remaining in private hands and will be coming to the City of Coral Gables, which is probably would you say maybe four or five minutes away?

City Manager Iglesias: Yes, Mayor.

Mayor Lago: From that location. So, to me when you talk to me a little bit about green space, I a hundred percent agree. We can always have more green space, but it's a slippery slope because once we give the \$50,000, then the next request is going to be, okay, well, give us a little bit of money for infrastructure. Help us out with this. We have a responsibility to make sure that we address city -- city concerns. If I go to the School Board and I request money from the School Board, the School Board is not going to give me money to address issues that I think are critically important. They're not going to. They have their own issues to address. So, as a steward of the City, I'll make a proposal for you. Let's raise the \$50,000, like my colleague to the left was about to allude to, and I'll commit personally \$10,000 to start the fundraising in the private sector. I think that's an opportunity to do it in a more clean, thoughtful way. I think it ensures that we don't break

the public trust in regards to taxpayers because I will be hearing from people saying, well, I don't have children that go to school. When at the end of the day, that's not an excuse. Education is critical. But once we're done with this \$50,000, what's the next step? Well, we need to implement the 50 -- we need to implement what the plan is, correct? Who's going to pay for that? And you're correct, two individuals mentioned that I've been talking about traffic and finding an interior loop in a way to -- to take off -- to take the buses off Bird Road and Le Jeune and have some sort of internalized road. That's going to be a significant investment, and I hope to God one day that that is -- that is addressed. I had a conversation with the Manager a few moments ago. He is -- he will be scheduling a meeting, which I should have mentioned from the beginning because when we were talking about School Board issues, I always showed deference and respect to Mari Tere Rojas. This is her jurisdiction, and I think that members who are here today, along with the Manager, and a designee from this Commission should be having a conversation with Mari Tere Rojas in regards to steps moving forward. But I right now at the present moment, I'm a little hesitant in moving forward with a \$50,000 budgetary item because I think it sends the wrong message. And at the other day, first and foremost, this is about putting residents first and ensuring that we're fiscally sound. Just like I just cut \$31,000 from my own personal budget, I think that we need to be very thoughtful and careful in these moments because, as you can see, revenue is going down, it's not going up. Thank you very much.

Commissioner Castro: Through the Mayor?

Mayor Lago: Yes.

Commissioner Castro: Okay. I want to lower taxes. I think that residents want relief, and my plan is to do it in the most prudent, modest, and strategic way. I plan to introduce a very, very small percentage of decrease so that residents understand that the plan here is to lower taxes in a prudent way that does not cut services. So, I did ask our Budget Director, Paula, to come up with a .25 -- and I hope my colleagues can indulge me because this would be so insignificant that really we won't be affecting or cutting services. What is the 25 percent -- 0.25 percent? And I hope that Commissioner Richard Lara -- I'm helping you fulfill one of your campaign promises to lower taxes. I hope you could join me in this one.

Mayor Lago: Commissioner, may I ask you a question?

Commissioner Castro: I'm not done, I'm not done. I'm sorry, don't interrupt me.

Vice Mayor Anderson: So, through the Mayor.

Commissioner Castro: No, no, she's -- I'm waiting for her.

Vice Mayor Anderson: You're not talking right now. I have a proposal for you that might be actually a little more palatable to all the residents if you care to listen to it.

Commissioner Castro: Can we finish listening...

Vice Mayor Anderson: No.

Commissioner Castro: To Paula? Okay, this is still my time, and you need to respect it. I'm still talking. I'm sorry.

Vice Mayor Anderson: You're going to...

Commissioner Castro: I'm sorry, Vice Mayor. She's going to answer my question, and when I'm done, you guys can have the floor.

Vice Mayor Anderson: Okay.

Commissioner Castro: Thank you.

Vice Mayor Anderson: You don't want to listen? You don't want to...?

Commissioner Castro: No, I would be more than willing to listen to you.

Vice Mayor Anderson: You don't want to...

Commissioner Castro: We need to go through the Mayor.

Vice Mayor Anderson: Brainstorm ideas?

Commissioner Castro: And this is my...

Vice Mayor Anderson: I did.

Commissioner Castro: Time. Okay, this is my time. Paula, let's finish our conversation, and I would love to listen to anything you have to say. I value it, okay?

Vice Mayor Anderson: Go ahead.

Commissioner Castro: Thank you.

Assistant Finance Director Rodriguez: (INAUDIBLE). The Commission asked that I look at millage reductions and that I provide that information to you by August, so I did not provide any of that information to you at this hearing because we had committed that we would maintain the millage rate and discuss it over the summer with information that I would provide you by August 1st. And so, we will still provide you that information if that is the will of the Commission. In the meantime, Commissioner Castro asked that I calculate what a 0.25 percent reduction to the millage rate would be. And so, a 0.25 reduction to the millage rate of 5.559 would result in a millage rate of 5.545, which would reduce the property tax revenue to the City by three hundred and forty-three dollars, three hundred and ninety -- I'm sorry, \$343,394. That is based on the July 1 property values. I don't have the information. It would take me a moment to -- to estimate that as to the reduction that that would result in for the residents. But I can assure you that it would be a very insignificant reduction in the property tax bill for our residents, probably in the dollars, so -- just so that we're clear. But that would be the effect, would be a \$343,000 reduction that would eliminate the ability to add money for the audible crosswalks that we talked about and potentially any additional funding for the Flagler project that we just talked about. That would take away the essentially \$500,000 increase that we received yesterday.

Mayor Lago: So, if I may, I'd like to just add something. I'm -- I'm directing this to Commissioner Castro. So, if you look back at last year and the year before when I recommended lowering taxes, Madam Assistant Director, what was our earnings last year and the year before, percentage? What was the increase that we received? Was it about 11 percent, I think 10 percent one year and 11 percent the other? Can you please tell me?

Assistant Finance Director Rodriguez: So, last year's increase was about 8 percent, and I believe that it went down. Our final values actually went down, we received those, and the prior year was 11 percent.

Mayor Lago: So, if you average them together, it was about 19 percent. You're talking about almost, you know, 9.5 percent a year. What are we talking about this year?

Assistant Finance Director Rodriguez: So, this year's increase to our property values, the initial June one was 5.4 percent. Our July number is 5.8 percent.

Mayor Lago: Okay. So, we're going down.

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: Do you remember when I requested from Commissioner Castro to lower taxes by 1 percent and she told me that it's an insignificant value and it doesn't matter and the residents wouldn't care, and she voted against it?

Assistant Finance Director Rodriguez: I remember.

Mayor Lago: So, what do you think about it? When you're making almost 10 percent a year, and now you're going down to 5 percent a year, that means you have less revenue come in. If you wouldn't lower taxes then, why do you want to lower taxes now when we're going in the opposite direction? This is what you call politics at its finest. And that's the problem. Just like in the last election, people saw through it, they see through it now.

Vice Mayor Anderson: So, through the Mayor when you're done.

Mayor Lago: So -- yes, ma'am.

Vice Mayor Anderson: My proposal is for the next legislative session, urge the Legislature to increase the homestead exemption for those that are elderly, those who are struggling the most. What we did last year by lowering the garbage fee, which you voted against, was reduced \$200 on the expenses of each and every single homeowner in this city. Not \$10, not \$20, but \$200. That \$200, correct me if I'm wrong, is about \$250 in value this year because costs have gone up. So, my proposal to you is, join hands together, urge Tallahassee to provide a reduction for those who are struggling the most, those on fixed incomes. Not only would that reduce the taxes that they pay our city, it'll reduce the taxes paid to the School Board, which receives the majority of the money, and the taxes to the County. That's where you can really make an impact for residents by lowering the taxes across the board.

Commissioner Castro: Through the Mayor.

Mayor Lago: So, if I -- I wasn't finished. The Vice Mayor, when I -- she was finishing. So, I had a few other points that I wanted to mention that I think are critically important and we need to put on the record. One of them was just put on by the Vice Mayor. You voted against the garbage fee, which was a significant reduction in savings for residents. You voted against two tax reductions that would have been significant, 1 and 2 percent. You said they were insignificant and why should we do that? The residents wouldn't care. You increased costs by millions of dollars as a result of the COLA that you rammed down the City's throat. As a result of the COLA, we also have an increase of almost \$4 million, correct, on how much we have to pay in the unfunded liability requirement, correct? We're going from \$21 million in change to about 25 in change?

Assistant Finance Director Rodriguez: Yes, the required payment, but we are not fully funding...

Mayor Lago: I understand that, so we're actually going backwards.

Assistant Finance Director Rodriguez: Yes.

Mayor Lago: Okay. Which I am very disappointed about. And now you have in earnings an increase in property values from 11 percent to around five and change percent. Excuse me, eight, In average, we're averaging around nine and a half in the last two years.

Assistant Finance Director Rodriguez: So, I just want to correct my numbers. It was 11 percent in '22, 12 percent less than '23, and 8.5 in '24. But similar numbers.

Mayor Lago: If you blend them together, 12 and 8, you're at 20, so let's say just use 10 for the last two years. You just got that cut in half. So, if winter is coming, it's here. You barely -- Madam -- Madam Assistant Director, how much do we need to earn just to break even, increasing? How much -- how much is our property values to go up to cover for costs increases, insurance, different things like that? Is it a 3, 4 percent increase?

Assistant Finance Director Rodriguez: So, I would say that, yes, it's a 3 percent to 4 percent increase. You can see here in our -- in the budget presentation, and I've disconnected now, but our expenditures -- our revenue went up by 7 percent, and our expenditures went up by

about the same 7 percent. So, as we were crafting this budget, we had to be very mindful about what we would include in the budget, including one-time items, because as the recurring revenue goes down, so will the surpluses in future years as well.

Mayor Lago: So, Madam Assistant Director.

Assistant Finance Director Rodriguez: So, it should be -- so, we really -- 3 percent to 5 percent -- 3 percent would leave us with a very tight budget.

Mayor Lago: So, Madam Assistant Director, would you be in favor of lowering the millage rate any number this year, even though I'm dying to lower the millage rate? Yes, or no. It's okay. You can answer.

Assistant Finance Director Rodriguez: My recommendation would be to maintain the current millage rate.

Mayor Lago: Number one. If you take into consideration the property values that you just said went up five and change percent this year versus last year, which we're averaging about ten in the last two years, do you think it was better to lower the millage rate last year versus this year? If you were going to do it, would you do it last year or would you do it this year? If you were going to do it.

Assistant Finance Director Rodriguez: If I was going to make any recommendation to lower the millage rate, it would have been in a prior year. However, that recommendation would have been hand-in-hand with a recommendation of things not to include in the budget in those years as well.

Mayor Lago: (INAUDIBLE).

Assistant Finance Director Rodriguez: And so, any reduction in the millage rate, whether it be a quarter of a percent or more is going to result in less funded in the budget. While I always support tax relief to our residents and I understand the need, you know, to consider the residents' economic situations, I will always advocate for the budget that we prepare because it also is a reflection of the desires of the level of service that these -- that your residents ask of the City.

Mayor Lago: But considering the financial forecast that we're facing last year versus this year with a significant reduction in costs, with the COLA that was approved, with the increase in costs, and with the reduction in earnings, do you think it would have been better to lower taxes last year or this year?

Assistant Finance Director Rodriguez: I think we would have been able to absorb it last year and not as much this year.

Mayor Lago: Thank you very much.

Commissioner Castro: Through the Mayor?

Mayor Lago: Appreciate that. Thank you.

City Manager Iglesias: Through the Mayor?

Mayor Lago: Yes, Mr. Manager.

City Manager Iglesias: Thank you. Thank you. Director, we -- the waste fee was reduced by \$3.6 million for the residents, which is a perpetual reduction because it's being -- that's being reduced every year. What percentage is -- what is the equivalent percentage of the tax base that would be reduced with a \$3.6 million reduction?

Assistant Finance Director Rodriguez: So, as the Manager said, the reduction of the solid waste fee last year resulted in a \$3.6 million reduction of revenue. That is equivalent to a reduction of 2.6, over 2.6 percent reduction to our millage. So, if we were to reduce the millage today by 2.6, we would reduce another 3.6. So, that would be the equivalent reduction of the solid waste fee.

City Manager Iglesias: That is a perpetual reduction.

Mayor Lago: Yes.

Commissioner Castro: Through the Mayor?

Mayor Lago: Thank you. Yes.

Commissioner Castro: Yes. I think we need to send a very strong message that this is where we're headed. But in the most modest and prudent way, we need to lower taxes. And the way my plan right here is, yes, 0.25 is not that much, but that's not my full plan. My full plan is this year 0.25, next year 0.25 for four years so we can at least work towards a plan to give some relief to the residents that very, very well deserve it. My plan is to get to 1 percent by the fourth year. And I think that is very fair. I think it's doable and residents deserve it. We need to lower taxes. I really hope, Commissioner Lara, you could join me in this. I know this is a stance you were taking your whole campaign. And I think it's fiscally responsible given the amount that I'm presenting which is \$334,000.

Commissioner Lara: Through the Mayor?

Mayor Lago: Yes, sir.

Commissioner Lara: Right. So, thank you everybody for your views so far. But when quoting me and during my campaign, I mean, I think we need to be accurate. I know you haven't said this, but at no point did I say I was in favor of reducing the millage rate. I attended the town hall that you hosted regarding the millage rate, where you were firmly against a reduction.

Commissioner Castro: Um-hmm.

Commissioner Lara: I feel as though I'm on the road to Damascus and Paul is walking right next to me and you've had a complete epiphany and a reversal, similar to when Commissioner Fernandez had a complete reversal with respect to moving the elections from April to November, or with respect to a whole host of other issues, including the inspector general and the salaries, right? So, to be specific -- and I knocked on thousands of doors very recently, and what I was very clear about is reducing taxes. Reducing taxes always implicitly means being fiscally responsible, and it also means avoiding waste, right? So, one of the things that I campaigned on was I believe it was wasteful to double the salaries the way that the previous majority in the Commission did without a sufficient or appropriate public input. I was committed to reducing the taxes by, when elected, voting to undo that decision. I also heard quite a bit regarding an intended increase to the credit - - concerns of the City when I believe the previous majority in the Commission was on the road to increasing debt by mounting a massive bond initiative. And any increase to the City's debt without it being prudent, certainly without considering recommendations of the Finance team and common sense, right, impacts ultimately our debt capacity and our -- and

the leverage that we put on the residents when it comes to taxes. So, I'm decidedly against that, right. With respect to unfunded liabilities, it's very important to me that we take care of that problem. And when we get into negotiations, you know, with requests from everybody for increases, we have to be prudent. And so, I've never said that I'm in favor while I was campaigning on reducing the millage rate in a blind fashion. I know the Mayor was exploring anything from 1 to 2 percent at that time. And I just heard from our Finance team that that would have been reasonable and supportive of them last year. What we have found ourselves right now is in a free fall with respect to the value of the property, which increased by to the tune of, I guess, 50 percent. So, we have to adjust in real time. And that's why we're here and we're listening to what the Finance team is recommending. I will finish by saying I've complied with what I said I would do if elected, to relieve the taxpayers of wasteful spending. I also believe that proposing a 0.25 in this year smacks of political pandering. You said it yourself, it's insignificant. And I think it sounds more like a political punchline to say I was in favor of lowering the taxes, even though it's only optics, because you're -- it's \$300,000 and change, but I haven't heard from you, Commissioner. Maybe you can illuminate for me what would you specifically cut out of the budget to cover that \$300,000 because that would be instructive for the public versus what I heard you say is they deserve it in a general sense, so I'm going to suggest 0.25, however insignificant it may be.

Commissioner Castro: Through the Mayor, you're acknowledging me?

Mayor Lago: Of course.

Commissioner Castro: Thank you.

Commissioner Castro: So, usually we work here with staff, and we will have to go back and work the numbers and see where that money can come from. And if you want, I'll go ahead and send the Commission a memo giving you my suggestions. But I'm not just going to go ahead and just pick anything in particular because I think that would be fiscally irresponsible. I think we need to do it in a very strategic way. And I know employees here, Paula, are great at that, and I know we'll work great together.

Commissioner Lara: Through the Mayor?

Mayor Lago: Yes, sir.

Commissioner Lara: So, if I heard you correctly, as we sit here today as you're proposing a two -- 0.25 percent reduction to the millage rate, you -- you do not have an identifiable bucket from our budget that that will come from; am I right?

Commissioner Castro: Through the Mayor?

Mayor Lago: If I may first.

Commissioner Castro: Okay.

Mayor Lago: While you were finishing, my colleague to my right looked over to me and said that she had learned from the best. She's implying that she's learned from me and that I had done, I guess, the similar political tactic and stunt that you're seeing now. This will play out at the ballot box in two years. Earlier than that. People are not fools; they see what's going on. So, at the end of the day, do you remember when I proposed a millage rate reduction?

Assistant Finance Director Rodriguez: Of course.

Mayor Lago: Do you remember what came in line with the millage rate reduction? What came in line with it? A memo. And I presented that memo for people in the community to read. It's a lack of professionalism and preparedness to be here and just pander in front of everyone. But at the end of the day, it's become fodder, and it is what it is. It's grease for the mill and we continue moving forward. So, you have an interest in lowering the millage rate, you want to move forward, make your recommendation.

Commissioner Castro: Yes. I am going to move to lower the millage rate by 0.25, which would be \$334,000. That's my motion.

Mayor Lago: Mr. Clerk, do we have a second?

City Clerk Urquia: I do not, Mr. Mayor.

Mayor Lago: All right. Then that dies. That will make the front page of Political Cortadito tomorrow, and it will say that the Commission did not want to lower taxes.

Commissioner Lara: Through the Mayor?

Mayor Lago: Or the Gazette, I apologize, maybe. Through one of the pay for play mills that we have here in the City.

Commissioner Lara: Through the Mayor.

Mayor Lago: Yes, sir.

Commissioner Lara: Okay, since the motion died, Commissioner Castro and any other Commissioner of the dais, if you would like to find \$343,000 in savings, which is the equivalent of what your proposal was, please today, with the Finance Director here, identify \$343,000 in line item cuts for our consideration because that will provide us with the functional equivalent of what you're proposing as tax savings to the public. I would offer that as an alternative.

Commissioner Castro: Through the Mayor?

Mayor Lago: One second. Ma'am?

Assistant Finance Director Rodriguez: Yes, sir.

Mayor Lago: What are we talking about per household is the savings for the taxpayer versus the garbage reduction, which is \$200 per household? What was that? Which, by the way, let me remind taxpayers who are listening today, Commissioner Castro did not vote to reduce your garbage rate and save you \$200 a year. But she did vote for a \$2 million COLA which reduced the amount of investment we're making in reducing the pensions. How much would that be, ma'am?

Assistant Finance Director Rodriguez: So, I did a quick calculation based on the '24 average homesteaded taxable value, which I will remind -- because I didn't do the presentation on average versus median, right? So, the average property -- homesteaded property tax value does not represent the median, the majority of our residents. So, the average homesteaded property tax value would see just under a \$14 reduction in their property tax bill...

Mayor Lago: Okay.

Assistant Finance Director Rodriguez: If we lower the millage.

Mayor Lago: All right. Thank you very much for that. So, around \$13 and change.

Assistant Finance Director Rodriguez: \$13.68...

Mayor Lago: Perfect.

Assistant Finance Director Rodriguez: Around.

Mayor Lago: So, we've had a motion. Would anybody like to make a motion on the resolution set forth -- setting the fiscal 2025-2026 annual operating budget to be submitted at a 5.559 mills?

Vice Mayor Anderson: I'll move it.

Commissioner Lara: I'll second.

Mayor Lago: Mr. Clerk, we have a motion and a second.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

City Clerk Urquia: Commissioner Fernandez?

Commissioner Fernandez: I'm sorry. I haven't been able to speak. I had technical issues here as well. I just wanted to chime in. I want to be sure that staff is still working on the numbers that we had talked about that they would present to us by August 1st just so that we have an idea of where we could potentially cut. My vote is yes on this. I just want to make sure that that's still being worked on.

Assistant Finance Director Rodriguez: Yes. The Commission directed us to provide some scenarios by August 1st, and we are working on that. And through the Manager, we'll submit that information.

Mayor Lago: Commissioner Fernandez, may I add something else also to your statement? I want to make sure, and I want the support of the Commission, if they'll give it to me, that

the Commissioner has everything at his disposal financially and with staff through the Manager to address this garbage issue. That is a hidden treasure. That is the hidden treasure that we have here in the City, where there's millions and millions and millions of dollars that we could potentially use to fund and cut taxes. So, I just wanted to make sure that he has all the resources at his disposal to be able to address this issue. Mr. Manager.

Commissioner Fernandez: Thank you, Mr. Mayor. And I'm actually working on that. The Manager's Office has been extremely helpful in working on that. He has designated somebody on his team who's already working with me on that. We had scheduled a meeting. We're scheduling a new one. They're already working on some -- some ideas. So, I look forward to presenting something to the Commission that can really bring an impact to our residents that we can deliver on as, as a group together. I think that that's something that we have all committed to. And I appreciate the Commission support on spearheading that effort.

Mayor Lago: And that's exactly what the Manager has told me. Thank you.

Commissioner Lara. Yes.

Mayor Lago: Yes.

(Vote: 4-1)

Vice Mayor Anderson: Through the Mayor?

Mayor Lago: Yes, ma'am.

Vice Mayor Anderson: I'm going to interrupt for just a moment, and I'm going to ask, through the City Manager, to work on a proposal where, for the next legislative session, we can support an increase in homestead exemption for seniors, people within a certain income category, moving forward.

Mayor Lago: Madam Vice Mayor, if I may.

Vice Mayor Anderson: Yeah.

Mayor Lago: Our Director of Governmental Affairs, Chelsea Granell, maybe that's an item that we can put with her as an item to bring before as a -- as a priority on our priorities list. Would you want to do that, Vice Mayor?

Vice Mayor Anderson: I would, but I also want Finance to make some recommendations if we do -- you know, what level of increase of homestead exemptions should there be for this particular group of individuals. Because we all saw the folks when we knocked doors that are struggling in certain income categories past a certain age, you know, and income limitations and see if we can help the -- craft a homestead exemption increase that will make a difference for those who are struggling the most.

Mayor Lago: Thank you very much. Anything else, Mr. Manager, for the good of the order?

City Manager Iglesias: No, Mayor.

Mayor Lago: All right. Anything from the Commission?

Commissioner Castro: Happy Fourth of July.

Vice Mayor Anderson: Happy Fourth of July.

Mayor Lago: All right. Well, again, in closing, I'd like to thank staff. Thank you for your hard work. Thank you for all the residents who joined us today. I'd like to thank Paula, your team, the Finance Director. You guys, again, have done an incredible job. I look forward to our next budget hearing. I think we're making a lot of progress. And I look forward to -- to addressing the concerns of the residents and the business community as we continue to uphold the highest standards of any city, not only in Miami-Dade County, but the state of Florida. Thank you and God bless.

Vice Mayor Anderson: Thank you.