

**City of Coral Gables City Commission Meeting
Budget Workshop
July 25, 2012
City Commission Chambers
405 Biltmore Way, Coral Gables, FL**

City Commission

Mayor Jim Cason

Vice Mayor William H. Kerdyk, Jr.

Commissioner Maria Anderson

Commissioner Rafael “Ralph” Cabrera, Jr.

Commissioner Frank Quesada

City Staff

City Manager, Patrick Salerno

City Attorney, Craig E. Leen

City Clerk, Walter J. Foeman

Deputy City Clerk, Billy Urquia

Finance Director, Diana Gomez

Public Speaker(s)

[Note for the Record: Due to technical difficulties the first eight minutes of recording were not transcribed].

Budget Workshop [Start: 9:08:55 a.m.]

Commissioner Anderson: While I don't direct staff I know that there is tremendous concern, and it would be a dereliction of my own duty not to take care of that in any way I can, and if I lose, I don't care, because I know I stand on principle and I believe. I waited too long...

Vice Mayor Kerdyk: Do you think we don't stand on principle?-I beg to differ...

Commissioner Anderson: I am not challenging you Bill. Bill I am not challenging you. I believe I brought this action today, because I believe, whether you believe it or not, I don't care if you don't believe it. It is OK.

Vice Mayor Kerdyk: I respect that. I respect that you are bringing it up, it is not easy to do.

Commissioner Anderson: And it is not something I do with a happy heart.

Vice Mayor Kerdyk: No, I know.

Commissioner Anderson: Listen, I rather be golfing.

Vice Mayor Kerdyk: Yes, me too.

Commissioner Anderson: I rather be on the French Riviera.

Vice Mayor Kerdyk: I am sure.

Commissioner Anderson: But I really feel deeply.

Vice Mayor Kerdyk: I don't want to push you, I am just trying to get the overall view of the situation.

Commissioner Cabrera: Let me jump in. OK.

Vice Mayor Kerdyk: OK.

Commissioner Cabrera: Because you know, no one here has had a more difficult relationship with the Manager than I, and I have to tell you, he doesn't call me, he doesn't talk to me, he doesn't even recognize me at Public Events.

Vice Mayor Kerdyk: OK.

Commissioner Cabrera: And he reports to me, he has disrespected me on multiple occasions, and let me just tell you that when he disrespected me on multiple occasions on live television in a public aired meeting, he not only disrespected me, he disrespected you, Frank, Jim and Maria, and if he can do it to me, he will eventually do it to all of you; and yes, we can sit here and talk about all of the wonderful results all of the wonderful landscape projects, the Segovia median, all of the wonderful things that have been done and they are wonderful and many of you have voted on those wonderful things, but I'll tell you that is not the problem, it is the process that has been the problem around here. I have never been involved with a City Manager that waives the Procurement Code as much as this City Manager has waived the Procurement Code, while I have been in office. Sir, please don't make any sounds, I mean really Sir. Show me just an ounce of respect today.

City Manager Salerno: I just turned my head Commissioner and swallowed. That is what I did.

Commissioner Cabrera: That's funny I heard it. And I heard it.

City Manager Salerno: My mike is right by my mouth.

Commissioner Cabrera: Sir, you know what please, I don't want to have, we are not talking to you. Bill, I have never been around something like this, when I worked with Jack Eads, he was a tough Manager, but I always respected him, when I worked with David Brown he had a lot of flaws, but he always respected me. When I worked with Maria Menendez, she was a pleasure to work with, that is not the case anymore. Unfortunately it is not the case, and we are heading, as Maria has pointed out, morale in this City has never been worse, in all ranks of the City. Bill, do you know that I can't hardly speak to a Department Head because they are afraid to speak to me, because they are afraid that they then have to report back to the City Manager, and if they don't they get yelled at. Do you know that a Police Major has been told to shut-up in a professional meeting, I mean I can go on, and on, and on, and it is just not appropriate. That is not the way we grew up, that is not the City that we grew up in, OK. We grew up in a kind gentle City and a City where everybody had access to public officials and that is not the Case anymore, there are people that want to get on Agendas and the Manager's Office won't even return their calls. There are developers that constantly get berated by him, there are people that constantly get brow beaten by him, that is not what our City stands for, that is not the style of City that Coral Gables is, and it has been really painful for these last three years for me, and I will tell you quite candidly I am delighted that Mrs. Anderson has taken the position that she has because she has more courage than I.

City Manager Salerno: Mayor, I think it would be appropriate...

Commissioner Anderson: No, I don't think we are finish.

Commissioner Cabrera: I don't think we are finish talking about this.

Commissioner Anderson: I am not finish, I really am not finished. I really am not, and you know that I voted to support this Manager back in a difficult election cycle.

Vice Mayor Kerdyk: I remember.

Commissioner Anderson: And I lost a lot of money and support, so I don't take this on with any great glee, this is serious, people have shared with me. Twenty, twenty-five year employees are distraught to come to work. I am not saying that there weren't things wrong with this City when we first got here, when Mr. Salerno got here, there were and I think there have been great strides

made, but I think now the line has been crossed. I think now we have good employees who want to become bureaucrats, they don't want to come to work, and they are ill and unwilling to do the work they do, there are things that are not being done because we don't have the staff. We have too many chiefs and not enough Indians, and that is my fault for not noticing it sooner, but if you notice the organizational charts over the year, they have people who are out in the field, who are shorthanded and yet we have a top heavy administration. I am really concerned and I am concerned that at some point that tipping point will hit the residents, and that the service they expect won't be there, and it is not that it is going to happen tomorrow, but it will eventually happen. I have a responsibility to at least discuss it, because it scares the daylights out of me that I could leave this office and not at least try to make things right. My personal beliefs are, I am not impugning anybody's principles at all, I am just saying that I had to act because in my deepest heart of hearts if I didn't, I would be betraying my trust on my oath of office as Commissioner, and it pains me greatly, it pains me greatly. If you don't want to do this today, I would ask that you support that we have an emergency meeting and I can call it at 9:00 a.m. tomorrow morning, I don't need 24hrs notice and I would like your support to at least have the Manager not be here through the day until we have resolved this matter in a suspension because it is grave, I wouldn't call for these actions, unless I felt that there was great peril and this budget document is what operates our City and I am worried that any course we may take is going to be based on information I don't trust anymore.

Mayor Cason: Well I think we need to hear what the information is on the budget.

Commissioner Cabrera: No, I am not going to hear it today. I am not going to hear today.

Commissioner Anderson: I am not either, if I can't get support, on this.

Vice Mayor Kerdyk: I don't think that I can make it tomorrow morning, so you guys can have the meeting.

Commissioner Anderson: I need three votes. I need three people that want to hold the meeting.

Commissioner Cabrera: Well if you can't make it, I am not calling the meeting, Ms. Anderson is calling the meeting.

Vice Mayor Kerdyk: I don't think I can make it tomorrow morning, I have to tell you that.

Commissioner Anderson: That is fine Bill, that is fine. I need three people and if that doesn't happen, then so be it, and I'll live with it, but just know that you all who stayed behind will have to deal with it at some point. I am leaving in two hundred and what?

Commissioner Cabrera: Fifty-seven days.

Commissioner Anderson: That is right and I wanted to take it off your shoulders because you all are coming up for elections and re-elections, I don't have to worry about repercussions and you know I have big shoulders and I also can stand the heat. So if we can't have this meeting, is there anybody that wants to hold this meeting. I just want to make sure. Tomorrow morning at 9:00 a.m., anybody willing.

Mayor Cason: And you asked for a suspension between now and then. Is that a motion?

Commissioner Anderson: Yes I would like to suspend the Manager, pending the outcome of a meeting tomorrow morning.

Commissioner Cabrera: I'll second it, but obviously I don't believe that the votes are there.

Vice Mayor Kerdyk: Can I speak one thing, I have a bank meeting scheduled, I am the Chairman of a Bank in the City of Coral Gables and actually I should be there today at 10:00 a.m., but I just cannot redo that.

Commissioner Quesada: I have a court hearing tomorrow morning, but the scheduling is something we can work out.

Commissioner Anderson: Is Friday morning and a suspension between here and there a possibility?

Commissioner Quesada: I would support a meeting to discuss it, but I will not support a suspension, because I do not know what is pending right now, what is open, but I will support a meeting to discuss it, to get into the details.

Commissioner Anderson: You will not support suspension. OK.

Commissioner Quesada: Not at this moment.

Commissioner Anderson: OK.

Commissioner Cabrera: You know regardless of what happens, I can tell you that whether the Manager stays or goes the next two-hundred and fifty-seven days if all else remains the same will be turbulent. They will be turbulent. Well you go like that.

Vice Mayor Kerdyk: Well I got big shoulders too, I can handle it.

Commissioner Cabrera: But there is an election season too, and there are a lot of things that are going on during that process that are inappropriate, unethical and not again Mr. Cason though. He is an ethical man and I just believe that it is going to be very turbulent for the next two-hundred and fifty-seven days and I know you can take it, I know Frank can take it and Jim and Maria and I, but you know is that what we want to do to our City?-if that is what we want to do to our City, that is the big question.

Commissioner Anderson: I lived through the disgrace of David Brown, and I was one of those who felt, I kept him on too long and I had to live with that, so my actions today were not without thought and I thought actually that I could help you all because you all are still going to be in office I am not.

Commissioner Cabrera: And let the record reflect, and I am saying this to you. I had no idea you were doing this today.

Commissioner Anderson: I hope not.

Commissioner Cabrera: I had no idea.

City Manager Salerno: Mayor, if I could speak.

Mayor Cason: First of all in the question of suspension, I gather the votes are not there, so let's question whether we are going to have a special meeting, and I am leaving the country on Saturday, so it would have to be between...

Commissioner Anderson: I am available anytime.

Commissioner Cabrera: I am too.

Mayor Cason: On the question of the Special Meeting.

Commissioner Cabrera: But you know, I'll have the Special Meeting as a courtesy to Mrs. Anderson because she is calling it, but I don't know what we are going to be able to talk about at a Special Meeting because I kind of know where everybody stands so.

Mayor Cason: But she wants to hold one.

Commissioner Anderson: I would like to, but if nobody is going to act. The goal would be to terminate the Manager and if you all are not willing to pull the trigger I won't schedule a

meeting. I just want it to stand on record that I don't support his actions anymore and I will not be supporting his budget.

Commissioner Cabrera: That is the turbulent part about...

City Manager Salerno: Mayor.

Commissioner Cabrera: No, sir you know what, we will...Mr. Mayor we will recognize the Manager after we finish speaking, is that OK with you Sir?

City Manager Salerno: Mayor, may I ask the Commission if I could speak?

Commissioner Anderson: And I will be really honest with you, I am leaving the Chambers.

City Manager Salerno: OK. Mayor may I?

Mayor Cason: Ralph do you have a problem with him?

Commissioner Cabrera: You know I don't care.

City Manager Salerno: Thank you.

Commissioner Cabrera: Yeah, but you know, show me the same respect that you have shown me for the last three years.

City Manager Salerno: I would like you to hear this Commissioner.

Commissioner Cabrera: Yes, I am sure you would. I would like you to call me sometime.

City Manager Salerno: Mayor let me just say a few things, Commissioner Cabrera has had a personal vendetta against me from the beginning, it is personal I don't believe it has anything to do with what I have done, my professional abilities, it is that I will not knuckle down to the pressure that he has put me under. Publicly, you see it here in the Commission Meetings, privately the Commissioner has in conversations with me in my opinion threaten me if I had not acted in the way he wanted me to act and I refuse to do so based on my professional standards that I have work toward. The organization that was inherited here was difficult to describe. We made great strides, the Commissioner has, Commissioner Cabrera has over the time tried to figure out every way to embarrass me, threaten me and I have kept that and done my best to not make that a public matter. We don't communicate much at all, that is not at my doing. Sometime ago we used to schedule regular meetings, just like I do with the rest of the Commission, and he said I no longer want to attend those, I don't need to chat with you about things anymore, and basically he cut the discussion off, I never did. When somebody tells you they are not going to meet with you, they are not going to talk to you. I have never disrespected

him, as you know if you approach Commissioner Cabrera, he is well known for at times turning his back to you rather than to even face you. That is what he does when I walk past him, he turns his back as if to express his not wanting to acknowledge my existence, and that is fine. He has that right as an individual and as a Commissioner and I go about doing my job. Commissioner Anderson frankly up until a few days ago, I did not know there was any issue there, I sensed something in the last few days, I believe that Commissioner Cabrera over the time that he has been here has tried to find every single way possible to

Commissioner Cabrera: I have decided to come back because I have been listening to some of these lies that have been told, so I am going to look up to him and I am not going to turn my back on you like you have...

City Manager Salerno: I asked you to stay Commissioner.

Commissioner Cabrera: Oh. I know you did, because you are playing the game because now we are live on TV, we are not behind close doors, I have never in my life threaten you.

City Manager Salerno: Yes, you did sir.

Commissioner Cabrera: I am not a threatening type of person, if I had a problem with you we would go out in the parking lot and solve it together.

City Manager Salerno: Well let me finish, I stand by my statement that, that was the case OK. And if we want to talk about what other people have said I was told Commissioner that the former Manager that you just praised staff had told me the only reason that your tactics worked on him was he gave in. Mr. Brown I was told by staff when I arrived would simply give in rather than to take...

Commissioner Anderson: You know this stuff about the past Manager it is not even an interest to me. He died when he left this office, because unfortunately he disgraced it.

City Manager Salerno: I am not talking about anything to do with that Commissioner. Can I finish?

Commissioner Anderson: No, actually I really don't feel like it.

City Manager Salerno: Well I wanted to address your issue Commissioner. You alluded to the fact that something that was important to you recently your concern was not going to make it on the agenda, nothing can be further from the truth that is not the case.

Commissioner Anderson: Absolutely, actually you know I know my agenda item last week.

City Manager Salerno: Yes.

Commissioner Anderson: Had a difficult time making it onto the paper.

City Manager Salerno: No it didn't

Commissioner Anderson: Yes, it did.

City Manager Salerno: Maria.

Commissioner Anderson: Yes, it did sir.

City Manager Salerno: Commissioner .

Commissioner Anderson: I do know it for a fact, and I am sorry but I know it for a fact.

City Manager Salerno: You cannot know it for a fact.

Commissioner Anderson: ...and you know when Commissioners are being told, you didn't tell me directly, I found out.

City Manager Salerno: I know.

Commissioner Anderson: and you know why, that is wrong. A Commissioner is an elected person who has every right to put an agenda item.

City Manager Salerno: Maria, Commissioner, that went on immediately. I called you in fact to clarify the item.

Mayor Cason: What was the item?

Commissioner Anderson: Yesterday's item.

City Manager Salerno: I can tell you that it went on immediately and you have information that it is not correct.

Commissioner Anderson: It is correct.

City Manager Salerno: Well, I am telling you it isn't, I am sorry.

Mayor Cason: But was it on the agenda?

Commissioner Anderson: It did.

Mayor Cason: OK.

Commissioner Anderson: But there was great, but it is not about getting it on the agenda, it is the lack of receptivity to put it on the agenda.

City Manager Salerno: It went on without any discussion with you at all about it not going on, it went on immediately and that was the issue, there was clarification because your item changed

two or three times with an email changing the wording, and I needed clarification and I called you on that, but that is your call.

Commissioner Anderson: I am not going to speak any more.

City Manager Salerno: This job is, the magnitude of what we are trying to fix here, and I have said it before is unprecedented in an organization, I have never faced an organization that needed as much correction as this one has, and I cannot be-I inherited a culture of non-caring, a culture of what is in it for me, what is the best thing for me and we are still in the process of changing that. I have said all along being the Manager is not a popularity contest, if I wanted to be Mr. Popular, then you would not be getting the results, nor would you be getting the changes in the organization that you have. Simple as that. I try to be friendly with staff, but I am not going to defend my style because I don't believe I need to, as I said a Manager is not a popularity contest. It is getting the job done, that this Commission and the residents want. I think we have had unparalleled success, unparalleled. The item before you today is to adopt a millage rate that for the first time in more than 35 years the City would have lowered the taxes and reduced taxes three consecutive years more than 35 years. I don't know if it has ever happened, we only went back as far as the records documented, that doesn't happen without a lot of hard work, sweat and toil. I work six days a week, ten hours a day at least and probably most Sundays at least half the day at home, that is what it takes to move this organization and change it. I have shown the dedication, the caring, and I don't give developers what they want, I give them what is fair in my opinion. I am negotiating on behalf of the City there haven't been any give away deals since I have been here and there were give away deals that I found when I got here, that were not in the taxpayers best interest. We don't do that anymore. You know if the test is developers need to like you, then that should be a warning sign to all that you are doing what developers are asking you to do without reflection on what is a fair and equal good balance deal. We have had tremendous deals that have been made, one just yesterday that was extremely complicated, but the deal is good and fair to both. It is not a one sided deal. You know, I work for the majority of the Commission and you know Commissioner Cabrera you have had an orchestrated effort since for years now to get me to make a mistake, antagonize me, I have done my best over this time frame. You have had that situation, if I may sir, with other Commissioners in the past, but if you are concerned, you went so far that in the last race, because people came to me and said you were out there actually soliciting candidates that would run for the sheer sake of I'll endorse you if you go against the Manager. If you would like to know who told me I would be glad to...

Commissioner Anderson: I don't think that is absolutely necessary.

City Manager Salerno: I am telling the Commissioner.

Commissioner Anderson: You know what, I also have a right to this.

Commissioner Cabrera: He is talking to me.

City Manager Salerno: I am talking to Commissioner Cabrera.

Commissioner Anderson: Do you want to hear that? I mean, I think it is just...

Commissioner Cabrera: It doesn't matter because the problem that you have...

City Manager Salerno: My problem.

Commissioner Cabrera: No, you don't have a problem, I have the problem because I have a short fuse, but the problem you have is that you don't know your place and the way you are talking to an elected official is exactly what I said before, if he can do it to one, he can do it to all of us. And if he does it to me, he is doing it to him and you, and you and her, and if that is what you are willing to tolerate, then so be it. I am man enough to tell you all that I have a short fuse, I am man enough to tell you that I have been upset with the Manager, I am man enough to tell you that I have walked away because I did not want to have a confrontation with him, but I never have threatened him. Bill you have known me since I was a little kid, I don't threaten people, I never have you know how I fix problems when we were kids. I didn't fix it by talking I fixed it somewhere else, and I don't know if we can sit here and have a productive conversation about this because Mrs. Anderson attempted it, but it didn't develop that way because we do what we always do, we gave him the floor, and we gave him the opportunity to speak in his monotone level to tell us about all the things that he has done right, and I am not taking anything away from him, he has done a lot of good things, let's face it he has done a lot of good things. So to sit here and to start criticizing the Budget or to start criticizing the millage rate would be counterproductive, it would be toxic, today's conversation is not about all of the good things he has done and my personal or lack of personal relationship with him. It is the fact that one of my colleagues has lost confidence in his abilities to lead the City in an operational basis. She got a second, we had a vote of three to two and that is really where it needed to stay between the five of us, the five people that he reports to. OK. I can sit here and talk about the developer that came here yesterday, who you know what doesn't ever want to develop in Coral Gables again, doesn't want to develop in Coral Gables again, who lives in Coral Gables. I can talk about the Chase Bank executive who doesn't want to deal with the problems that they have been dealing with here in Coral Gables, not because we gave them everything they wanted, because we treated him with a lack of respect, we brow beat them, and then ironically after the whole thing was done, we asked them to come up here and on the microphone praise the Manager for his efforts, and that has been told to me not once, not twice but five times. I have been told by developers that after my project is to be approved by you.

City Manager Salerno: That is ridiculous.

Commissioner Cabrera: You are then...you know when you speak I stay silent, but you seem to be able to get away with it because I guess the majority of you allow it. That is why I really left, I thought it was a waste of time for me to be here and Frank, and Bill, and Jim, and Maria I

apologize for having left, and I apologize for having lost my temper, but I'll tell you why I did, because I have been living with this for three years and I am not going to go "tit for tat," and I am not going to say he said, I said that is counterproductive. It is counterproductive, if the goal here is to remain with this current manager, it is not a threat it is just going to be a turbulent time for all of us and it is going to be very, very counterproductive, because I know that all five of us love this City.

Commissioner Anderson: Absolutely.

Commissioner Cabrera: We want the best for this City, time and time, and time again, and unfortunately while it may look like we are getting the best for this City, it really isn't. It is a terrible environment, you know people the comments...I am so sick and tired about comments being made about former administrations. We have been in the same administration now for three years, this non-caring attitude it exists today, being fearful exists today, not wanting to come to work exists today, covering your rear end exists today, those are the things that are happening today in Coral Gables in the City of, the employees are not happy they have never been more unhappy, they don't take the pride that they use to take. It is out there you can see it at all levels. You know what it is, for a Commissioner to want to have lunch with a department head and that department head says "I am sorry Commissioner we can't do it, can we maybe think about doing it on a weekend, can we maybe think about doing it somewhere else outside the City" and the question then becomes why? Well because I am fearful, I am fearful that I will have to go back and report on everything that I said. Or a department head not wanting to take my phone call because they are afraid that they answer a question that may not be appropriate, they are going to be reprimanded. Come on you guys.

Commissioner Anderson: I have had conversations with employees that have lost heart and these employees are long standing employees, employees who were always hard workers, I have had many of them, not one, not two, many and the stories are sad, because there is fear, there is no longer a sense of pride, people want to become bureaucrats come in and go out. There is no way in God's green earth that I would have brought it up today if I had not felt it was imperative, I would hope that we could get some support for at least to discuss it at a meeting. I worry for our office staff, right now when I went down there our Chief of Police is down there. I worry, I worry for that and I can live with the next two hundred odd number of days that I will be here because for a number of these eleven plus years. I have lived under a lot of pressure and I have another life after I leave here. I will be going into greener pastures sort of speak and happily so, I will be proud of my service, and I will be proud of this day because I know I tried.

City Manager Salerno: Mayor just briefly.

Commissioner Anderson: I don't want to hear any further coming from this, because if we are not going to do this.

Mayor Cason: Frank do you want to say anything or Bill?

Commissioner Quesada: I am just not prepared to discuss it today.

Commissioner Anderson: Alright, no problem.

Commissioner Cabrera: Frank, I am sorry.

Vice Mayor Kerdyk: This sort of surprised us.

Commissioner Quesada: Like I said earlier, I don't know the details of what is going on, in the next few days, in the day to day that is why I won't support a suspension, but I will support having a meeting to discuss it. I will always support an opportunity for the Commission to discuss whatever the will is of one Commissioner or several. With that said, again I can't do tomorrow morning, I can do tomorrow afternoon, I can do anytime Friday.

Commissioner Anderson: I want you to look all in your heart of hearts, and if you are not going to pull the trigger, then let's not have a meeting, because it is counterproductive, it is a waste of your time and I rather just be straight up. In your heart of hearts, if you are not ready to pull this trigger, then that is fine. That is your decision. I'll live with it, but you talk to any employee, many employees, you just go out in the hallway if they are not afraid to talk to you they will share with you their stories, but they won't because the other ones that have come, have come in confidence, and after experiencing last week situation and after experiencing other situations personally that I don't want to share, I have had it, but I will sit here and I will support if there is no will, I will respect that, don't waste your time having a meeting if you are not going to pull the trigger, and I am OK with that. I rather deal with what it is, and I don't mind, like I said, I am good. It is just going to be hell for everybody.

Commissioner Cabrera: And again I apologize to the four of you because I wasn't prepared to have any of this discussion today, so I got caught off guard, but you know Frank, Jim, and Bill and Maria please understand, I have been holding this in for a long time, and it is difficult because you know to have a City Manager tell you how you voted in a public meeting or to have a City Manager tell you how you responded to a question in a meeting that he wasn't even attending ...you know I don't even want to go there anymore because it is so counterproductive and I am going to apologize to Craig and I am going to apologize to Walter because they are both fine constitutional officers, but both of these gentlemen have also experienced many frustrating circumstances and these guys are...

Commissioner Anderson: Top.

Commissioner Cabrera: Top of the ethics level men who stand by their word, men who work hard, men that want to get this job done right, and both of these gentlemen and forgive me for this Walter and Craig have expressed many, many situations where they have been very

frustrated, very frustrated to the point that I believe one of them feels that probably the most challenging part of their job is to deal with the City Manager's Office.

City Manager Salerno: Mayor the...

City Attorney Leen: I would like to say something, I would like a recess actually...

Mayor Cason: Let's have a five minute recess.

City Attorney Leen: To speak to each of you individually and then I will make a statement as well since you have raised these issues.

Mayor Cason: Let's have a five minute recess.

Commissioner Anderson: Five minute recess thank you.

Recess at 9:42 a.m.

Reconvened at 10:15 a.m.

City Attorney Leen: Yes, Mr. Mayor I would like to make a statement. Obviously of course as your counsel I take no position on this particular matter of whether the Manager should be here or not. The one thing I did want to say, based on Commissioner Cabrera's comments, I did want to just clarify a couple of issues. First, one issue that has been coming up recently has been the issue of individual Commissioners and what your roles are, the majority of the Commission and individual Commissioners. It is my position, just so you know, that I am the City Attorney for all five of you and I believe the City Manager is the City Manager for all five of you and all of you should be treated the same, and in saying that I also believe that in terms of Ordinances and Resolutions, I am making this clear for purposes of the record, individual Commissioners can place those items on the Agenda, and if I am asked to advise you on those sort of things or draft them I will do so. I want that to be clear, because there has been a debate about that, that is my position unless I am ordered otherwise by the Commission. Number two, I want it to be clear that unless it is an issue that has been solely given to the Manager or me under the Code, some sort of exercise of our powers, for example enforcement of the law for the Manager or maybe giving an interpretation of a Zoning matter or settlement of a lawsuit, aside from those types of issues, in fact settlement of a lawsuit I would say the Commission can direct me, but aside from these issues that are solely given to a specific office pursuant to the Charter or the Code, it is my view that a direction of the Commission is binding on the Manager and myself and that we must follow that. So I just want to make that clear going forward. Now, as to this specific issue, I take no position, I am here to answer any questions you may have. I do want to say one other thing, I have never, ever disclosed a confidence that an individual Commissioner has given me or that the Manager has given me. It doesn't mean that I don't have opinions on the way things are done, or that I will state my opinions freely if I had been asked by a Commissioner or the

Manager, but I want that to be clear to you that I have never disclosed a confidence or nor will I, and in the future if I am ever asked what did someone say or something like that, I am simply going to say I will not answer it, unless you tell me otherwise. Often I will ask you specifically do you mind if I disclose this issue or something like that, and if you tell me yes I will still do that. I just wanted to be perfectly clear, I am your counsel principally. I am also the counsel for the Manager and I do keep his confidences when given, but I am your individual and as a body your counselor, and that is how I have acted and that is how I plan to act regardless of what you do today.

Mayor Cason: I appreciate that, and I have found you to be fair and I have never seen you betrayed confidence, and I have complete confidence in you and that is the way it should be.

Vice Mayor Kerdyk: I just want to say for the record the same thing, the fact is that you have been very professional and everything that you have done, has been fair and exactly what I would want a prototypical City Attorney to do exactly, and I agree with what you said as far as the position as far as the ordinances, resolutions and keeping things in confidence, I have full concurrence and we have spoken about that on numerous occasions, I haven't waived from my position at all. Thank you.

Mayor Cason: Alright on your motion, we voted down you said that if we are not going to change to not have a special meeting. Does anybody want to change? I am not in favor of a special meeting, I think we have heard what your concerns are I think it is three to two. What I have heard is three to two, unless somebody wants to change I suggest.

Commissioner Quesada: Is this in regards to the special meeting?

Mayor Cason: Yes.

Commissioner Quesada: No, I have voiced my opinion that I am in favor of it, they have raised issues that they want to discuss and I don't want to impede another Commissioner from having a conversation with us.

Commissioner Anderson: Thank you, I appreciate it Commissioner.

Commissioner Quesada: Related to whatever topics and that is in regards to any issue.

Mayor Cason: But on the issue of a suspension in the interim, I am not in favor of that because that has connotations that I have yet to hear. I don't mind having a special session, but I am not in favor of suspending somebody based on when you are innocent until proven guilty. I understand what you are saying, but I think it is a stigma that has been attached. I think we have a lot of things that are going on. We don't even know when we can set a special meeting.

Commissioner Anderson: How about until there is a meeting, that no administrative actions regarding personnel be taken.

Vice Mayor Kerdyk: I agree with that.

Commissioner Anderson: Can we have that in lieu of a suspension?

Vice Mayor Kerdyk: I agree with that.

Commissioner Anderson: That no administrative actions be taken in regards to personnel matters. Is that alright?

Vice Mayor Kerdyk: So that there are no negative repercussions that come out of this. I agree with that.

Commissioner Anderson: Absolutely.

Vice Mayor Kerdyk: I am good with that.

Commissioner Anderson: That is fine. Go ahead.

Commissioner Cabrera: Mr. Mayor, I don't want to bicker with you or argue with you because I respect your position in what you just said, this is not about a day in court. This is about a Manager

Commissioner Anderson: Yes it isn't about a day in court.

Mr. Volsky: Mr. Cabrera I can't hear you.

Commissioner Cabrera: That is because it is not on.

[inaudible]

Commissioner Anderson: Get closer.

Commissioner Cabrera: This is about a Manager, reviewing the Manager, dealing with a subordinate and that is what it is about. It is about a Manager dealing with a subordinate, when, and I am sure you did this sir in the diplomatic court. When you had to take managerial decisions that were difficult, such as terminating an employee, yes I am certain you gave them every opportunity to state the reasons why they should remain in their post.

Mayor Cason: [inaudible]

Commissioner Cabrera: Exactly, but at the same time Mrs. Anderson's recommendation for suspension doesn't taint anything, it just puts the individual on notice that until a meeting is held where a discussion can be had there is no management to be done until such time and it doesn't necessarily mean that the person is bad or the person is inappropriate, it just means until further action is taken. Look I had no idea this was going to happen today, I have said this now for the third time, if I had maybe I would have approached this a different way, but here is the funniest

thing, when I approached it and talked about the issues that I talked about, they were managerial issues to a subordinate. What I heard back were personal issues, accusations, allegations, they weren't factual. You ever hear me threaten anyone in a public forum? I have never threatened anyone in a public forum, but you know what here is the irony-- what if I had, who the heck is a subordinate to tell me how I acted in such a manner that is inappropriate. Anyway, listen I am not going to do that because that is just going to fire him up again and he will go off in another fifteen, twenty minute redundant speech. I can just say that if we don't settle this matter it is going to make for a very turbulent 257 days. That is all that I have to say.

Mayor Cason: Do we have a consensus to have a special meeting? It has to be this...

Vice Mayor Kerdyk: Well I think the Special Meeting was a caveat on wanting to remove the City Manager, I mean I think the last think you said, Commissioner Anderson said why even have one unless you feel there is a sentiment to go ahead and move.

Commissioner Anderson: Well that is the heart of it. I mean in your heart of hearts if right now you are not willing to make that decision then...

Mayor Cason: We just took a three to two vote not to, now the question is do you...

Vice Mayor Kerdyk: Yes, but it was a three to two vote not to pull it today.

Commissioner Anderson: If it is going to have the same result, then why rehash this?-why rehash this?

Vice Mayor Kerdyk: Yes, that is what she is saying.

Commissioner Anderson: But I encourage you to dig deep and listen carefully to the smoke signals.

Vice Mayor Kerdyk: I understand.

Commissioner Quesada: Just to not rehash it, I am going to make a motion to have a Special Meeting and until that time to not suspend the Manager, but to prevent him from taking any administrative actions with relations to hiring and firing of personnel, is that the way.

Commissioner Anderson: Any personnel related activities.

Commissioner Quesada: And for that meeting to be called prior to Saturday.

Mayor Cason: I am leaving, and then you are going to be off for three weeks.

Commissioner Anderson: I am available anytime.

Commissioner Quesada: And not tomorrow morning because Bill and I have...

Commissioner Anderson: Friday morning.

Commissioner Quesada: I am available Friday morning or Thursday afternoon.

Mayor Cason: Not Thursday afternoon, but I can do Friday morning.

Commissioner Quesada: So that is my motion.

Commissioner Anderson: I second that.

Mayor Cason: City Clerk.

Commissioner Cabrera: Yes.

Vice Mayor Kerdyk: Yes.

Commissioner Quesada: Yes.

Commissioner Anderson: Yes.

Mayor Cason: Yes. Alright I suggest that we try to find a date now.

Commissioner Quesada: Friday morning works for me.

Commissioner Cabrera: Friday morning is fine for me.

Commissioner Anderson: Friday morning works.

Mayor Cason: Friday morning, 9 o'clock.

City Attorney Leen: If I may, in light of this issue coming up it is a long time until the next Commission Meeting I would recommend to you that you set another Commission Meeting in between those two periods, because you are not going to take any further action aside from what is at the Special Meeting until the next Commission Meeting in late August.

Vice Mayor Kerdyk: You couldn't take it even if you wanted.

Mayor Cason: Can you say that again, the meeting we are talking about is this Friday the day after tomorrow.

City Attorney Leen: Yes, and that is a Special Meeting to discuss the Manager there is also a long period of time until the next Commission Meeting.

Commissioner Anderson: Three weeks.

City Attorney Leen: So it is my recommendation that, you could set another Special Meeting at that time. That is true.

Mayor Cason: I am proposing that we move forward on this because the millage rate has to be in by August 4th. August 3rd, I will not be in the country until August 4th.

Vice Mayor Kerdyk: And I won't be here the first through the tenth, but I of course can appear by phone.

Mayor Cason: So this is on the agenda, I suggest that we move forward and listen to the Finance Manager and any questions and try to set a maximum initial millage rate. So Mr. Manager, I mean this is on the agenda so Mr. Manager.

City Manager Salerno: I am sorry Mr. Mayor what did you say?

Mayor Cason: We are going to listen to the presentation on the budget.

City Manager Salerno: OK. Thank you. Let me ask Finance Director Diana Gomez to come up and make a presentation, followed by any question members of the Commission may have, I will be glad to answer them.

Finance Director Gomez: Good morning Mr. Mayor, Vice Mayor, Commissioners in front of you, you each have a copy of the Budget Workshop Presentation, and it is presented here on screen to make it larger so you can see it if you need to. I plan to go through the proposed 2012-2013 Budget and highlight some of the significant items and changes from the previous year and answer any questions you may have. Starting in the first page of the presentation, we have the 2012-2013 Budget Summary. The proposed budget provides for \$143.7 million in annual revenues. To that amount we are transferring from reserves \$1.1 million for a total revenue of \$144,828,602. Expenditures totaling \$142 million are broken down into three categories, operating, capital and debt service. I'll get into more details in later slides. To the expenditures we add transfers to reserves in the amount of \$2.8 million for total expenditures and a balanced budget of \$144,828,602. If you turn to slide 2, I'll discuss the revenue increases that affect the budget. Sanitary Sewer fees increased by approximately \$714,000, primarily to cover costs of County mandated system repairs, rentals and concessions, revenues increased by approximately \$320,000 due to new leases and escalations in current leases. Business Tax receipts increased by just under \$300,000, due to new businesses in the City. General Government fee revenues increased by \$215,000, due primarily to increase activity related to Passports and Document Filing fees. Stormwater Utility fee revenue increased by \$150,000, and Public Safety fee revenues increased by \$109,000 both due to improved collection in those areas, and all other revenues increased about \$120,000. Miscellaneous revenues for a total revenue increase of \$1.9 million. Slide 3 provides details on revenue decreases affecting the budget. The first two items total approximately \$6 million pertaining to State and County grants such as the County GOB (General Obligation Bond) grants, which were either one time funding for projects or balances from previous years that were re-appropriated to the current year. Any balances pertaining to unfinished projects in the current year (fiscal) will also be re-appropriated into the new year after

the start of the fiscal year once we close out the current year. Property Tax revenues decreased by \$1.4 million, due to the downward adjustment of the millage rate and we will focus more on that in later slides. The amount budgeted for Fines and Forfeitures revenue was decreased by \$530,000, to better represent the amount retained by the City related to red light camera revenues. The decreases in revenue to the Biltmore Complex Rent, donations, Parking fees, and Recreation fees in the amount of \$1.3 million collectively, represents a more conservative method of calculating revenue projections. The decrease in revenues for Special Reserves and Investment Earnings and one-time assessments of \$346,000 combined pertains to non-recurring items in the current year, that will not repeat in the 2013 year, and then we have all of the miscellaneous revenue decreases in the amount of \$125,000, which brings total revenue decreases to \$9.7 million, and then you see the total change in revenue as \$7.8 million for this proposed budget. Slide 4 and 5 go into detail about the expenditure changes. On slide 4, we will go over the changes to personnel services proposed in this budget. Salaries are increasing by \$77,000, which is due to contractual merit increases and longevity payments. Overtime is increasing by \$19,000, retirement is decreasing by \$151,000, due primarily to actuarially determined contributions required by the City. FICA increased by approximately \$27,000, Workers Compensation is remaining the same as in the prior year, so there is no change, and there is a \$278,000 increase to health insurance, bringing the total Personnel Services budget to \$98,000,000. On slide 5 continues with expenditure changes, but it is for non-personnel related type operating costs. The first two items, Equipment Replacements and Additions reflect a decrease of approximately \$569,000 combined the majority of this decrease having to do with one time purchases in the current year and prior year re-appropriations that are hitting the current year's budget. The next several items of Other Operating Costs show a net decrease of \$190,000 which include decreases in operating grants and increases to General Liability Insurance and Other Professional Services as shown, and an increase of \$750,000 from the prior year in in Fleet Equipment Replacement to cover a ladder truck and street sweeper in the proposed budget, bringing the total operating budget to \$132,000,000. Slide 6 details the Capital Projects proposed in the 2012-2013 budget. There is \$200,000 for Repairs and Improvements to the Public Safety building, \$1.4 million for Repairs and Improvements to fire stations, \$30,000 for exterior gates at the Museum, \$130,000 for replacing playground equipment at Coral Bay Park and \$300,000 toward the purchase of land. Additionally, there is \$770,000 for Roadway and \$250,000 for Stormwater, for capital improvements needed in those areas. For a total of \$3,000,000 in Capital Projects, for 2012-2013. Slide 7 shows that this proposed budget maintains the same number of budgeted positions as in the prior two years, in total and in each individual classification as shown. Moving on to slide 8, it is a schedule of property tax millage rate for the past ten years. The 2012-2013 Budget Estimate includes a decrease in the millage rate of .2 mills from 5.869 to 5.669. The next slide provides a five year history of the estimated average taxable value of a homesteaded property. Looking at 2012, we have estimated the average taxable value at \$515,662, which shows an increase from the prior year of \$6,618 or 1.3 percent, and this is based on the change in property value as provided by the appraiser's office.

Mayor Cason: Is this residential and commercial?

Finance Director Gomez: This is residential, the average homesteaded residential property. Turning to slide 10 that taking that same homesteaded property with an average taxable value of \$515,000, that property would see a decrease in property taxes of \$104, with a proposed millage rate of 5.669 versus the prior year millage rate of 5.869. The next slide shows how the proposed millage rate for the City of Coral Gables compares to the 2011 final millage rates for all cities in Miami-Dade County, at this time we can only compare our proposed rate to the 2011 final rate, because no more current information is available at this time, by the time of the September hearings we will have all of this information updated as to the current year's proposed rate for all other cities. So we will be able to compare it to that, but as you can see here Coral Gables ranks twenty-third out of thirty-six cities including the County in Miami-Dade.

Commissioner Quesada: I have a question, because I have seen this before twenty-four through thirty-five, do they provide the services that we do?

[Inaudible]

Commissioner Quesada: Because you see the big drop-off.

Finance Director Gomez: I believe that they rely on the County for a lot of the services.

Mayor Cason: I think we said last year that we were something like the third lowest of the full-service cities in terms of millage, I don't know if that is...

Finance Director Gomez: Yes. So there are only thirteen other cities in the County that have a lower millage rate than us, and finally the last slide, which I do understand is a favorite for many of you, shows how each tax dollar is distributed for each dollar a resident pays in property taxes. Coral Gables only keeps 29 cents, yet we provide virtually all of the services that our residents enjoy. The State takes 2 cents, the School Board gets 40 cents and 29 cents go to the County. So as you can see residents are really getting a good value from this City for the taxes that they pay.

Commissioner Quesada: [Inaudible] I had read in the paper that the County proposed raising their millage rate. [Inaudible]

Finance Director Gomez: I don't believe that we have the information on what the County is proposing yet.

[Inaudible]

Finance Director Gomez: Yes, we don't have that information at this time. That is why we are still basing on 2011 final, but for the Budget Hearings in September we will have that, because

they would have set the proposed rates at that point. If you have any questions , I would be happy to answer them.

Mayor Cason: Ralph.

Commissioner Cabrera: No, I don't thank you.

Commissioner Anderson: Thank you very much.

Vice Mayor Kerdyk: Very good.

Finance Director Gomez: Thank you.

Vice Mayor Kerdyk: This is the third year that we have lowered taxes, so thank you very much for everything.

Commissioner Anderson: Great presentation.

Commissioner Quesada: One more thing I wanted to say, congratulations to Walter with the passport program. Everyone I hear that has participated in it is very happy with it and this is the first time we see the hard numbers for the full year it is incredible how successful it has been and how happy the residents are when they go deal with that office. So thank you Walter.

City Clerk Foeman: Thank you.

Commissioner Anderson: Great service.

Mayor Cason: The passport function which is a great service to the citizens, it saves people having to go much further away, I know there is lots of noise and it interferes with other things he is doing, but I have been following this very, very carefully, coming from the State Department and I am really pleased to see how much he has been able to do with that staff and raising that can be used for other things for the City as well as providing a great service, and putting up with the kids crying and the noise that come with passports.

Vice Mayor Kerdyk: I think last time I asked we had \$12,000,000 in reserves does this take into account putting any more toward our general reserves?

Finance Director Gomez: This is not putting any specific dollars into general fund reserves.

Vice Mayor Kerdyk: OK. We usually do that in mid-year I think.

Finance Director Gomez: Or sometimes if you have savings from expenditures throughout the year those tend to go into reserves.

Vice Mayor Kerdyk: OK.

Mayor Cason: Let me ask you the numbers that we have here are you confident in those numbers.

Finance Director Gomez: I am.

Mayor Cason: Any pressure to change the numbers?

Finance Director Gomez: No.

Mayor Cason: So the numbers as far as you are concerned, or to the best of your knowledge reflect the reality of the City.

Finance Director Gomez: Staff and I worked really hard on the estimates on the revenue estimates, expenditure estimates, and we are very comfortable that.

Mayor Cason: That is what I thought, but I just want it for the record.

Finance Director Gomez: Yes.

Mayor Cason: I am very happy that again we have been able to lower the millage rate, I know that when I ran what people most told me they wanted to see happen. In fact, we have been able to do it when the property values only have gone up 1.3 percent reflects that we have actually found savings, we haven't reduced the number of employees, so I think we are getting good value for the money and I am very pleased with the way we have found to lower it yet again and maintain the services.

Commissioner Quesada: Bill's question made me think of something else, is there any way you can anticipate how our reserves will increase or decrease or stay the same at this point for next year or is that impossible to guess at this point?

Finance Director Gomez: It is very hard to tell, you know we are getting toward the end of the year, but there are still a lot of things that have to happen, so we will know better as we get closer to year end if there is savings in the current year's budget that would allow for it, and we don't know something is going to come up that maybe wasn't expected that has to be used. It is still hard to tell until we get through the audit.

Commissioner Quesada: OK.

Mayor Cason: But in general, the final number compared to the estimate they have come pretty close.

Finance Director Gomez: Yes and they sometimes tend to be some savings that get to go into fund balance. You know maintaining operations very tightly, maintaining everybody to their budget does help us to get there.

Mayor Cason: What I have noticed is that in the old days we had a lot of Federal, State and County grants they have basically dried up, which affects investment earnings which at one point were relatively high, so we are either down to user fees, making sure people pay what it costs us and the property taxes, we can't predict what is going to happen until next January.

Finance Director Gomez: Exactly.

City Manager Salerno: Mayor, if I could add back in April of 2009 when we discovered that the City was basically broke, that nobody in the staff was aware of that I brought that to the Commission's attention back we did a calculation, had we not taken those measures at that time we would have been ended the year with about \$150,000 in the general fund, because of the measures that we took then, we were able to end the year with approximately four million, the second year we increased that to six million, six-and-a-half, I don't remember exactly and this past year when you closed it out you may recall that, that has increased to twelve million, that is where we stand based upon the financial policies we put in place. I would expect to continue to make that progress, to make progress going forward when we close out this year.

Commissioner Cabrera: I don't believe the City was broke. OK. I just want the record to reflect that. I don't believe the City was broke, that is a very strong statement to make and I stand by that statement.

Mayor Cason: In terms of our Bond rating the elements that go into that is that the percentage of variable versus fixed debt and debt level and the percentage any likelihood that our bond ratings will go up based on anything you have seen.

Finance Director Gomez: As we are increasing our fund balance, and we have been over the past couple of years, and if we continue to get there I do believe that we will be in a good position to go back and try to get our rating increased. Our ratios are good once we build up our fund balance a little bit more. I think that, that is the main thing, you know we have pension reform, that is usually a big thing, fund balance, how much debt we have out there and the steadiness of our revenues. Those are things that they really look at, so I think that as we increase our fund balance, it is something that yes I see ourselves going back and trying to get our AAA back.

Mayor Cason: Is this something that we initiate?-or do they come around on a regular basis and take a look?

Finance Director Gomez: Since we are really not in the traditional bond market. They would not just re-rate us. We would need to go and ask and go put on a presentation to them, and say "hey, we would like to get our rating increased." And show them that we deserve it, and I think that we can get there.

Vice Mayor Kerdyk: We have the benefits of our financing that we had done. I mean we closed on all the financing, the refinancing on all of our debt.

Finance Director Gomez: Yes.

Vice Mayor Kerdyk: Our debt is what, five percent?

Finance Director Gomez: It is five point something I am sure.

Vice Mayor Kerdyk: Which is good.

Mayor Cason: And our target is eight.

Finance Director Gomez: Our highest.

Mayor Cason: We don't want to go above eight.

Finance Director Gomez: We don't want to go above eight. Right.

Vice Mayor Kerdyk: Does the five percent also include the twenty-two million dollars that we have taken out?

Finance Director Gomez: It does.

Mayor Cason: Do you think that is the lowest that we can squeeze the banks for? We went to 2.67.

Vice Mayor Kerdyk: Yes that was pretty good.

Finance Director Gomez: That was pretty good.

Vice Mayor Kerdyk: I think that is fixed for ten years also isn't?

Finance Director Gomez: Yes it is.

Vice Mayor Kerdyk: That is awesome.

Finance Director Gomez: It is, it was a great deal.

Mayor Cason: Any other discussion?

Vice Mayor Kerdyk: No. We are all good.

Mayor Cason: May I have a motion on the Resolution which is to accept the millage rate of 5.669 mills for the Fiscal Year 2012-2013?

Commissioner Quesada: So moved.

Vice Mayor Kerdyk: Second.

Mayor Cason: Commissioner Quesada makes the motion and the Vice Mayor second. City Clerk.

Vice Mayor Kerdyk: Yes.

Commissioner Quesada: Yes.

Commissioner Anderson: No.

Commissioner Cabrera: Yes.

Mayor Cason: Yes. OK. I think that was it. We will meet again on Friday, at 9 o'clock.

[10:26:56]