

City of Coral Gables City Commission Meeting
Second Budget Hearing
September 23, 2008
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

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

City Staff

City Manager, David Brown
City Attorney, Elizabeth Hernandez
City Clerk, Walter J. Foeman
Finance Director, Don Nelson

Public Speakers

Richard Namon, Coral Gables Resident
Rip Holmes, Coral Gables Resident
Silvia Unzueta, Coral Gables Resident

[Start: 5:05 p.m.]

Mayor Slesnick: Good evening everyone. We are here for our Second Budget Hearing of the season, September 23, 2008. It is now 5:05 p.m. We are going to begin. Commissioner Cabrera has said that he will join us in a little bit. Mr. Manager.

City Manager Brown: Thank you Mr. Mayor...

Mayor Slesnick: For the people watching on Channel 77, to let them know that this is our Second Budget Hearing. We approved our Budget on first reading two weeks ago; we approved our millage rate and we are back here as law requires to have one more reading and one more consideration and then to move to a final decision. Mr. Manager.

City Manager Brown: Thank you Mr. Mayor, Mr. Vice Mayor, members of the City Commission, Madam City Attorney, Mr. Clerk, members of the audience and the viewing public. Tonight's agenda for our Second Budget Hearing for the Fiscal Year '08-'09 is as follows. We will again present the achievements from the '07-'08 Fiscal Year; we had great reviews from the video, so we'll present that tonight for you; secondly, we'll present the total effects of House Bill 1B and Amendment 1; and as we explained earlier that is of tremendous significance to this City; and then lastly, we'll review the proposed budget numbers for Fiscal '08-'09. So let's begin with the video presentation.

Mayor Slesnick: No, let's skip that and let's move on.

City Manager Brown: You want to skip that? Alright.

Mayor Slesnick: Why don't we just go to the proposed budget?

City Manager Brown: We can do that.

Mayor Slesnick: By the way, that's not any knock on the video, it's wonderful, it's great; we showed it to the Chamber of Commerce the other day, and about four hundred people also concluded that it was a tremendous piece of work.

City Manager Brown: While we have this moment, I'm going to again congratulate Coral Gables Television, for that video, it's a wonderful presentation; Jaime (Michael Rocha) did a wonderful job. Let's begin. Each and every year we continue this mission statement, which is, "dedicated people providing exceptional services to residents, businesses and visitors while preserving our heritage". Around the entire State, Cities, Counties, School Boards, Special Districts are all affected by property tax reform; by the effects of last year's legislation of House Bill 1B; and its effect on property tax rates. There's a difference between House Bill 1B and Amendment 1; this is property tax rates and every government agency has made adjustments to deal with the lower property taxes as prescribed from last year. The New Year brought Amendment 1, which was passed by the voters of the State of Florida on January 29th. This Amendment brought a second reduction of lowering of property taxes; and this was property tax values. House Bill 1B was rates; Amendment 1 was values; these two actions amplified the lowering of taxes here in Coral Gables. Based on those two actions, our property tax revenues have dropped three million seven hundred and nineteen thousand dollars as a result of House Bill 1B; and another one million eight hundred and twenty-seven thousand dollars as a result of Amendment 1, which doubled the Homestead Exemption. Together, those two actions reduced our tax revenues by five million five hundred and forty-six thousand dollars. Amendment 1 doubled the Homestead Exemption from twenty-five to fifty thousand dollars. As you'll recall in (FY) '06-'07 our millage rate was 6.15. This Commission because of Amendment 1 decided that the millage should be 5.25 in the Fiscal Year '07-'08. We are proposing that in this year '08-'09, that millage stay the same at 5.25. The (FY) 2008-2009 items included in this budget are three. We want to maintain the property millage rate of 5.25, which brings us another eight hundred and forty-seven thousand dollars of new construction added to our property tax rolls. The residential solid waste garbage fee, we would like to increase thirty dollars from five hundred eighty to six hundred and ten dollars. With that proposed increase the General Fund will still subsidize the sanitation operations by thirty-one percent. Last year we subsidized that thirty-four percent; this year we are proposing to subsidize it thirty-one percent or sixty-nine percent of the fees paid to sanitation services. And the third working part of this budget is a recreation fee increase of five percent across the board. Let's review the numbers. Our annual reserves, I'm sorry, our annual revenues are one hundred and forty-three million twenty-one thousand dollars. We want to transfer from reserves to those revenues one hundred and sixteen thousand dollars to operate the Retirement Fund; two hundred and fifty-seven thousand dollars for Roadway Improvement Fund increase; the Sanitary Sewer Fund, we want to add one million one hundred and six thousand dollars; and the General Fund, we want to add one million one hundred and eight thousand dollars; and we'll go through those

numbers later in the presentation. For our total income this year, one hundred and forty-five million six hundred and ten thousand dollars. Our expenditures in operating, we propose a one hundred and thirty-five million three hundred and seventeen operating expense; our Capital to be three million eight hundred and sixty-five thousand dollars, and we'll itemized those capital improvements; and our debt service will drop a little bit to six million one hundred and seventy-four thousand dollars for a total expenditures of one hundred and forty-five million three hundred and fifty-seven thousand dollars. Now, we want to transfer to reserves ninety-one thousand eight hundred and twenty-nine dollars to the Transportation Fund; we want to transfer to reserves one hundred and sixty-one three hundred and four dollars, or two hundred and fifty-three thousand dollars going to reserves; if you add that to these expenditures we'll balance the budget this night at one hundred and forty-five million six hundred and ten thousand dollars. What are the significant revenue changes affecting this budget? We talked about the 5.25 millage rate remaining constant; that generates eight hundred and forty-six thousand dollars, for a total property tax revenue of sixty-seven million one hundred and eighty-one thousand dollars. Because of the gas prices, our Franchise Fees have jumped up one million one hundred and seventy-seven thousand dollars, that's a nice surprise; the Utility Service Taxes are up nine hundred thousand, same reason; our Rental and Concessions are up three hundred and sixty-four thousand over the last couple years; you'll recall that we took on the Venetian Pool concession, we took on the Tennis Center at the Biltmore concession; and now we are taking on the Youth Center concession, so we expect that revenue to jump three hundred and sixty-four thousand dollars. Residential Waste Collection is up two hundred and forty-eight thousand dollars, and that's of course because of the fee increase. Recreational Fees are expected to rise two hundred and eleven thousand dollars, and that is because of the five percent across the board; our Investment Earnings are up because we have more money in the bank. We got a favorable rate for two hundred and eleven thousand dollars; Sanitary Sewer Fees are up seventy-four thousand dollars; and part of our capital improvement program will hopefully reduce that in the year to come; but as this was a good surprise because of the gas prices we had to suffer some down here; gasoline tax down sixty-five thousand; the Business Taxes, Commissioner Cabrera had brought that up at the first meeting; our occupational licenses are down, that's one hundred and thirty-two thousand down; our Public Safety Fees are down two hundred and one thousand; we have removed the Transport Fee out; and our Parking Fees are down two hundred and sixty-nine thousand dollars; and that's because we have budget Garage 5 to be three-quarters of the year without revenue because the Palace will be taking over. Other revenues, sixty-eight thousand dollar increase; total revenue net increases, that's three million four hundred and thirty-five thousand dollars, totaling one hundred and forty-three million twenty-one thousand dollars. Significant personnel expenditure changes affecting the budget: Personnel costs, which are by contract, salary, longevity, merit, up one million fourteen thousand for a total expenditure of our personnel cost of fifty-eight million eight hundred and twenty-nine thousand dollars. Our overtime for the second year in a row has dropped; I'm very, very pleased to tell you that the Commission has asked us to zero in on overtime, we've done that. Both the Chief of Police and Fire, as well as the other directors who have overtime under their control have managed that; and I think you'll recall a number of years ago, this number approached four point two million dollars; and I'm very, very proud to say we reduced that down to three million. Retirement - this number changed between the hearings, it's up one million four hundred and fifteen thousand, but you'll recall that eight hundred and nineteen thousand dollars is a one time fee, and that's to retire the debt on the actuarial assumption and we'll talk about that on the second slide. FICA is

up seventy-five thousand; workers compensation, we still feel the pinch of the two bad experiences of three years ago, its up one hundred and seventy-seven thousand dollars; and our health insurance rises six hundred and thirty-six thousand dollars as a result of the 12.4% increase in those fees this year. Expenditures affecting our operating costs – general liability up one point six million; motor fuel and oil up four hundred and thirty-eight thousand; electricity, other effects of the gas up three hundred and four thousand; we have a new 911 answering system up two hundred and one thousand, which brought in one hundred and forty-eight thousand of network; contract services are up sixty-seven and so is waste disposal. Now, those are the fixed costs we couldn't control. Here are the fixed costs or the costs we can control – sanitary sewer operating equipment down ten thousand; operating equipment repair parts down twenty-nine; special forms down thirty; uniforms down twenty-four; equipment maintenance down one twenty-nine; employee training down two nineteen; operating equipment additions two forty-three; and operation costs down two fifty-six. Total personnel operating cost increase four point nine two five two one two (\$4,925,212); our debt service dropped three hundred and thirty-seven dollars. We aim to increase our capital projects by one million fifty thousand dollars, or a total of three point eight six five, which we'll talk about a little later. Now, this slide is as a result of our first hearing; (FY) 2008-2009 Budget Amendments in the revenues – Rental and Concessions are up seventy-six thousand dollars. We counted for Garage 5 to not have revenues for three-quarters of a year because of the Palace, but we also get seventy-six thousand dollars for the Palace taking over command of that property before construction, so we added that in; and the Emergency Medical Transportation fee has been reduced; other expenditures – the additional retirement funding that this Commission asked us to do eight hundred and nineteen thousand dollars; contracted services; the holiday lights are in; Crime Watch is in; and the Fourth of July is in, totaling one million one hundred and eight thousand dollars. Our Capital Improvements will be one hundred and fifty thousand from stormwater utility improvements; a million one hundred and sixty-five thousand in the resurfacing and rebuilding of City streets and curbing, which is our gasoline tax; and our Sanitary Sewer Fund is scheduled to spend two million five hundred and fifty thousand dollars; one million would be phase two and three of the Old Cutler Force Main; one million will be the sanitary lift station for the CBD; and then five hundred and fifty thousand dollars remaining will be for the continuation of the relining of our sanitary sewer system, so that we can prevent infiltration; for a total of three million eight hundred and sixty-five thousand dollars. This is our Retirement System annual cost in the (FY) '08-'09 Budget, and we go through this slide each year, I can pick it up in the year '05 where spent sixteen million, twenty million, twenty-two, twenty-three, and we were budgeting it as we recall last hearing twenty-four million dollars. Well, we found out that the good news is only twenty-one million five hundred and sixty-nine thousand was required by the Actuarial Report, but we made a recommendation to spend that difference, plus this Commission asked us to add the eight hundred and nineteen thousand dollars into it, making this number for this time only one million four hundred and fifteen thousand, and that would retire the debt from the actuarial assumption of nine to seven-seven-five, plus pay for our annual requirement to the Pension Plan to this year. This slide depicts that number; we funded twenty-four million eight hundred and nineteen thousand; the actual required amount was twenty-one million five sixty-nine, the excess funded amount was three million two hundred and forty-nine thousand. We are going to make that three million two hundred and forty-nine thousand payment and apply the excess funded amount of three million two hundred and forty-nine thousand three hundred and twenty-two. Now, look down below and you'll see some other good news that our Actuarial Accrued

Liability was as of 9/30/06, one hundred and sixty-one million; as of 09/30/07 it has dropped sixteen million dollars to one forty-four five eighty-four. Clearly it showed that the numbers are going in the right direction because of the caps on the Pension System, they were negotiated through bargaining, through management of overtime, raises, and just good personnel management to make those numbers go in the right direction. Are we there yet? Absolutely not, but you can see that the numbers are pointing in the right direction.

Mayor Slesnick: David and Don, do you have any indication?- because we don't, since the Commission doesn't do the investment strategies, the Pension Board does with the consultants; any indication on what the latest market issues have done to our Pension Plan value?- has our investments been so spread and safely done that we have not been too impacted too heavily?

Mr. Nelson: Yes Mr. Mayor, the Pension Fund has been affected, even though we are well diversified, we are at a point of two hundred and sixty-five million dollars at a high point in the market, and we are presently at two hundred and thirty-four million this week. As you know, last week was an incredible market week; up down, up down; and then again starting this week was down. We are presently at a loss of thirty million dollars in our Pension Fund at this point in time; and of course we value the Pension Fund as of September 30th, that's a critical date that's coming up, and that determines cost of living adjustments, that values our Pension Fund for Actuarial Report, so the market, even though we are well diversified investing the fund by nine different managers, everywhere from equities in different areas of large cap growth stocks, small cap growth stocks, international stocks, fixed income, which is Government Bonds, even with all the diversification even real estate, the market overall is down thirty million.

Commissioner Cabrera: Have you been able to see if we are invested, heavily invested in Lehman Brothers or AIG?

Mr. Nelson: We are invested in Lehman Brothers; we have an exposure loss of about one hundred thousand dollars, direct loss, and it's out of a two hundred and thirty-four million dollar fund.

Commissioner Cabrera: That's good. What about AIG?

Mr. Nelson: AIG – No.

Commissioner Cabrera: And I'm sure you monitor that, right?

Mr. Nelson: Yes sir. We have a trustee bank that is Northern Trust where all of our assets are held; they are physically held in trust; they are not held by the managers that manage the funds; the managers only direct the trades, the actual assets, the stock certificates, the fixed income, the cash is all held in a separate trust in the protection for the employees in the City of Coral Gables. That is constantly monitored by our independent bank Northern Trust to show us what exposure we are to these various investment.

Commissioner Cabrera: And movement of those funds in order to protect the financial credibility do not require Board approval?

Mr. Nelson: They do. The Board approves the managers that make the investments; the managers are disciplined in a policy, an investment policy that is governed by the Board, and then those managers individually have to manage within certain guidelines.

Vice Mayor Kerdyk: Since we are asking financial institutions, where do we have...

Commissioner Cabrera: I don't think they are invested in the Bank of Coral Gables. (Laughter)

Vice Mayor Kerdyk: I'm asking the question maybe, not the Bank of Florida either. Anyway, where are our assets? where exactly are our assets invested? in what bank controls our operating funds for instance? I know we used to have it in SunTrust, but where do we have it now?

Mr. Nelson: The actual assets...

Vice Mayor Kerdyk: Not of our retirement, our regular operating account.

Mr. Nelson: Our regular operating account is at SunTrust.

Vice Mayor Kerdyk: It's still at SunTrust.

Mr. Nelson: Yes. And then of course that's just our operating account, our checking account that pays all our vendors. We also have our payroll account at SunTrust, however, all of our investments are invested at Federated Investment Company and they are in one hundred percent government money market, they are not in a regular money market, they are in a government backed money market account.

Mayor Slesnick: So our City investments have not suffered from this decline?

Mr. Nelson: No.

Mayor Slesnick: We don't make the best interest, but we make guaranteed interest and protected.

Mr. Nelson: That's true. Yes, they are not invested in...

Mayor Slesnick: Just one thing Don, I have to tell you, and I would hope, I see some of the union representatives here, they have members on the Board; I'm still so discouraged that some of the things we can't seem to get through to the Board about counsel and advisors and things like that, we don't seem to get anywhere. I certainly hope that after this is all said and done, and before its all said and done, as far as I'm concerned if I was on that Board I would want an emergency meeting. I want to start evaluating the investors who noticed that something was happening and started redirecting investments, and those who just sat back and let it ride the wave. You know, you can't keep taking hits. I understand everyone in the nation who has investments has taken a hit, but like the City we were safely invested for this downturn, and the Pension Plan, quote "crack" advisors and investors. I would hope that one of them picked up the signals that they needed to start moving some money; and they would have, but it sounds like we rode into this;

and I don't know that to be a fact. I'm speaking like sometimes I get irritated at others, out of complete ignorance, but I have this gut feeling that we need to do something that looks at this, and addresses it for the future. That's all, sorry David, I lead us down another path. But thank you for investing the City's other assets conservatively.

City Manager Brown: I'd like to refer to this slide as the Commissioner Withers slide, he asked for it. He wanted a comparison of or values as they increased over the years. In 2004, a four hundred and sixty-eight thousand average home assessed value, with a forty-seven thousand dollar increase, it was 11.4 percent; four ninety-four, twenty-six thousand increase – 5.6 percent; in 2006 it went to five thirty-four, forty thousand dollar increase – 8.1 percent; and then we employed Tony Villamil, we wanted to utilize his talents to be able to project in the future what those values would be so we would properly plan our budget, and we did that. Then this year, the values went up again, five hundred and fifty-two thousand dollars, eighteen thousand dollar increase, it was 3.4; and then in 2008 this year, that house jumped up another twenty-nine thousand dollars to five hundred and eighty-one thousand dollars average assessed value home 5.25 percent increase. Coincidentally that's the millage we are asking, no pun intended. Tony Villamil said that our values would slow down and not hit double digits, but would be retarded in their increases between three and eight percent; and he hit 2007 on the nose and he was pretty darn close in 2008. But he said when assessed values throughout Broward or especially Dade-Broward area are down, Coral Gables continues to rise, and the key point he made in that presentation was this: why did they continue to rise?- because Coral Gables continues to provide the excellent quality of service; and that's what keeps this number going up. We are very, very pleased that this number continues to go up when other areas of Dade and Broward County are far greater retarded, or even in reverse. A comparison of the property tax decrease based on the millage rate on a residential property. This is basically the double homestead exemption...

Mayor Slesnick: Before you leave that last slide, I mean, it doesn't really matter, we can come back to the slide. I just think the smart thing to do here is also to acknowledge the fact that you are going to have a lot of appeals; and so we can have a certified roll of what our value property is assessed at, but it would not necessarily be by mid-year, be that after the appeals are through.

City Manager Brown: You're right, and also the City Budget is at ninety-five (95 percent) for those appeals; it would not be smart to budget one hundred percent (100 percent).

Mayor Slesnick: And the years that have preceded this that may have been a conservative approach; that may be a risky approach this year. I'm suggesting we change it, but I think there are going to be a lot of challenges to the assessed values.

City Manager Brown: And I think that this first set of challenges will be an indicator of how we go forward from here.

Vice Mayor Kerdyk: Let me tell you, the Mayor is correct, because this is the first year, or this is the year that you cap any investment property at ten percent, so every single person that has a commercial property is appealing this year because that will be their...

City Manager Brown: That sets it.

Vice Mayor Kerdyk: So I think you're right, it might be a little bit of an interesting experience for you when we get back our mid-year adjustment.

Mayor Slesnick: You need to keep an eye on that.

City Manager Brown: Well, the City Attorney in years past has hired outside counsel to go out and fight those; and I'm sure that's what we will be doing.

Mayor Slesnick: Well, the ones that we think are justified.

City Manager Brown: Correct, correct. In (FY)2007-2008 the average value of an assessed home was five hundred and eighty-one thousand, there was a twenty-five thousand dollar homestead exemption, net taxable value is five hundred and fifty-six thousand dollars. This year, that same five hundred and eighty-one thousand dollar home has a double Homestead Exemption of fifty thousand dollars, or a five hundred and thirty-one thousand dollar average assessed home, a decrease of twenty-five thousand. The bottom will show you that with the same millage rate proposal of 5.25 property tax is scheduled to be two thousand seven hundred and ninety dollars, or a one hundred and thirty-two dollar decrease on the average home here in Coral Gables with this budget. This shows what I call "when the rubber meets the road"; City of Coral Gables gets twenty-seven cents our of every tax dollar that's paid here in Dade County. We provide the Police, the Fire, the Building and Zoning, the Planning and Development, all the services that's where the "rubber meets the road" are provided on twenty-seven cents. School Board gets forty-one; State gets three, County gets twenty-nine, but I continue to tell you Mr. Mayor and members of the Commission, that that's the best twenty-seven cents a resident can spend here under taxes.

Vice Mayor Kerdyk: Is that what the County did this year?

City Manager Brown: Those proposed, back-up please.

Vice Mayor Kerdyk: But that's they approved in their first hearing, is that correct.

City Manager Brown: First round, it hasn't been set yet Mr. Vice Mayor, but this is ours and these are proposals right now. As you recall, the Commission directed the Administration through Resolution 2004-196, to create a policy to elevate reserves to ten percent of our General Fund expenditures; and they are this year one hundred and twenty-one million dollars. You asked us to put ten percent of that away for contingencies such as hurricanes, emergencies; and I'm very, very proud to say that your unencumbered fund balance at the end of the '06-'07 year was ten million one hundred and sixty-nine thousand dollars; that's not to say that we have a lot of cash laying down, but I'm very, very proud that we don't need to utilize an eight million dollar line of credit should we have a hurricane, or should we have an expense that we didn't plan for. I would tell you that when we were facing "Wilma" and "Katrina", we used four million dollars inside of seventy days. Each hurricane was about two million dollars. Our cost after F.E.M.A. had reimbursed and the State reimbursed, so this ten million dollars can go very, very quickly with a couple of hurricanes; but I'm very pleased to say that we are within striking

distance and we expect this number to go up again. As you'll recall, we believe we'll put at least a half million dollars or more away in the (FY) '07-'08 year to this number.

Mayor Slesnick: And I think everyone should be reminded that this Commission set a goal which would equate to about thirteen million for our ultimate goal. As of this moment, it will keep going up as the budget goes up.

City Manager Brown: Twelve point one is hopeful.

Mayor Slesnick: Twelve point one.

City Manager Brown: Mr. Mayor, Mr. Vice Mayor, members of the City Commission that concludes our remarks for this evening; Mr. Nelson and I are here available for questions and each and every Director if you have questions they are available also. Thank you for your time.

Mayor Slesnick: Thank you. Mr. City Clerk, thank you.

Commissioner Withers: You removed the Fire fees of two hundred and sixty and you added back in the Crime Watch and the Christmas lights.

City Manager Brown: Yes, if you'd go to that slide Belkys.

Commissioner Withers: Where did that come from?

City Manager Brown: Reserves.

Commissioner Withers: So we would have put in reserves...[inaudible]...

City Manager Brown: Yes sir. Seventy-six thousand came from the Palace's rental.

Commissioner Cabrera: Can I piggyback on your question, Chip can I...?

Commissioner Withers: I'm fine, yes.

Commissioner Cabrera: And you couldn't find any other funding outside of reserves to supplement those monies?

City Manager Brown: No sir, we couldn't.

Mayor Slesnick: Any other questions? I have two speakers signed up; we will go to those next. Richard Namon, 555 Oakwood Lane.

Commissioner Cabrera: While Mr. Namon is coming up here, Mr. Nelson, did he get a copy of your response to his commentary at the First Budget Hearing?

Mr. Nelson: Yes sir, a letter was written to him, I believe on September 12th, we had the meeting on September 9th, and he should have that along with all the Commissioners and Mayor.

Commissioner Cabrera: I got it; I just want to make sure he got the courtesy of getting a copy of it.

Mr. Nelson: Yes sir, he did.

Mr. Namon: Let me answer one comment to him; that did not address the talk I gave, it addressed a letter I sent to him prior to that, so that some of the issues I brought up, I don't want to take this from my three minutes, but I would say very strongly he did not address in that letter the composite set of issues I presented to the Commission; and my basic comment comes down to, if you want a meaningful resident participation in the budget, the budget should be clear and simple; and its four hundred and fifty-three pages are not. Two weeks ago I pointed out our greatest debt, our Pension Fund Liability, and its interest payment information is not included in this budget. Because Pension Fund details are out of sight you have not discussed why we pay seven and three-quarter percent interest rate on a hundred and sixty million dollar debt. The current rate for thirty year triple "A" municipal bonds is under five percent. If we paid five and three-quarter percent on borrowed money for the Pension Fund, we would have saved over three million dollars this year. How can you ignore that when you have trouble finding thirty thousand dollars for Crime Watch? The [inaudible] of important information or budget has resulted in wasted taxes. Reports of wasted or stolen money due to inadequate accounting oversight have been common; George Reyes had ghost workers in Building and Zoning; Robert Rejillo over-billed and was caught only because of the criminal investigation in Building and Zoning; the handling of Coral Gables Country Club Improvement Funds and its management operations lacked oversight; it took six months for the Commission to learn the Club had stopped paying rent, and longer to learn that it hadn't paid taxes. We are engaged in expensive litigation over these matters. The widespread distribution in Purchasing Cards resulted in improper purchases ranging from wrist watches to wine; drinking alcohol on the job is against City rules. So our wine drinking City Manager says he isn't an employee, yet to obtain a "P" Card, he signed a statement that he is a City employee. In addition, the City Manager has recently plead guilty to falsifying a City document; this budget is the product of the same City Manager. I have no confidence in this budget. There is no transparency between it, the City's Comprehensive Annual Financial Report, and Pension Fund Actuarial Report. The shape of our financial records is questionable. The Florida Auditor General's Office said last year's Annual Financial Report was late. We have problems that need sorting out. At the start of this budget should include the cost of a complete and comprehensive Coral Gables City audit by an outside agency chosen by the Florida Auditor General. It is needed and cannot be avoided. The taxpayers of Coral Gables want proof; the City has to increase this year's budget and ignore the States tax millage roll back. We Coral Gables residents call for an outside audit at this time. I thank you for your time and consideration.

Commissioner Cabrera: Can I ask Mr. Nelson...? Is there anyway that you can comment at least on one aspect of Mr. Namon's presentation, and that has to do with the difference between the five percent and the actual seven percent that we are borrowing on a triple "A"....on the bond rated position that we have? Are you in a position to do so? if you are not I understand.

Mr. Nelson: No, I can answer. What Mr. Namon is talking about is that we have on the Coral Gables Retirement System, which is called an unfunded actuarial accrued liability; and its previous year, as the City Manager mentioned, is a hundred and sixty-one million dollars; and what it means is that, if the City were to stop right now we would need a hundred and sixty-one million dollars; last year presently we needed a hundred and forty-four million dollars more in the fund to have enough assets to pay the future liabilities or future Pensions of employees. The Pension Fund is perpetual, so therefore the actuary takes that unfunded amount and amortizes it like a mortgage over thirty years, that's the process that actuaries do; and it's paid every year as part of our twenty-one million dollar debt. Of the twenty-one million dollar debt, we pay thirteen million of that going towards that unfunded or that mortgage. What Mr. Namon is recommending is that we include that new amount of the unfunded, the one hundred and forty-four million dollars in our Budget, our Annual Budget and disclose that as an outstanding debt of the City. It's not required under the State Statutes; what we do report is in our Annual Financial Report like a corporate report we prepare an annual audit by a national CPA firm; and it discloses all of our debt through the Sunshine State that we capitalize all of our assets, but it also includes our outstanding unfunded liability of one hundred and forty-four million. There is no reason to show that debt in the budget because we annually provide the funding of the twenty-one million dollars that we announced twenty-four million that we are funding the Pension Fund; and of that we are paying the debt of that unfunded liability. So, there is no requirement to put that hundred and forty-four million dollars and that to our existing sixty-two million that we have that we are paying the Sunshine State for our capital, and say that we have two hundred and ten million dollar debt in the City; its not necessary, it shows....and that hundred and forty-four million dollars as we just shown was reduced sixteen million in one year. Eight years ago we were overfunded; there was no debt owed. Actually the assets were greater than the liabilities and we were overfunded. So it fluctuates greatly with the market; it fluctuates with turnover employees; there are so many actuarial values that go into that fluctuation that is not required to put that debt on the budget.

Commissioner Anderson: But it does appear on our Comprehensive Annual Report?

Mr. Nelson: Yes it does, it's required to be put on...

Commissioner Anderson: It is not hidden away somewhere.

Mr. Nelson: Oh no, it's clearly disclosed, its in our notes; and I provided that to Mr. Namon and it explained where it is, gave him copies of those reports, the Annual Financial Report, and it is not hidden. It is also disclosed in our Annual Valuation that the Actuary prepares; and we fund it every year in the annual budget.

Mayor Slesnick: Thank you.

Commission Cabrera: And incidentally, I'm not asking you this to back peddle, I just wanted to know, that's the reason, and I'm sure Ms. Anderson wanted to know as well, but I wanted to know, I wasn't clear. So I appreciate the clarity.

Mr. Nelson: Hopefully, that was clear.

Commissioner Withers: Can I ask you a question?

Mr. Nelson: Yes sir.

Commissioner Withers: The previous speaker really took some jabs at our poor financial reporting and record-keeping; and basically said we did a pretty lousy job. I'd like you to just take a minute and remind the Commission about the ongoing budget awards that you win each year, and how that's arrived at to put somebody's mind at ease.

Mr. Nelson: We undergo a very stringent on two parts: one is the Annual Financial Report; the Annual Financial Report is required to be reported by the State Statutes; we prepare an Annual Financial Report; it's audited by a national accounting firm; it's sent to the Auditor General each year; and that report is also separately reviewed by the Government Finance Office Association, it's a separate independent association that four independent reviewers from around the country look at that Annual Financial Report to make sure it conforms to national accounting requirements that we adhere to the highest standards of reporting to make sure that a reader can sit down and actually read and understand our Annual Financial Report, it has to comply with that. We have received...each year it stands on its own an annual award, it doesn't mean that you got it last year you get it in the new year; it's independently rated by four different people each year, they are not the same reviewers; we get comments back, we get improvements, and we have been receiving that award for twenty-three (23) consecutive years in a row...

Commissioner Withers: How many?

Mr. Nelson: Twenty-three (23) consecutive years in a row for our Annual Financial Reporting, independently each year, weighted based on our highest standard of reporting. The second is our budget document. Most cities...there are thirty-six thousand cities in the nation, thirty-six thousand; only one and-a-half percent (1.5 percent) of the cities receive the budget award...

Commissioner Withers: What percent?

Mr. Nelson: One and-a-half percent (1.5 percent), very low percentage of cities receive an annual award for its budget; yes, it is four hundred and sixty-three pages; it's an incredibly detailed budget and a lot of cities are very summarized, ours show everything down to the detail, and it's highly reviewed again by independent reviewers, not the same reviewers by the Government Finance Office Association each year, and again we receive a national award for the last fourteen (14) consecutive years on our budget since we first started it.

Commissioner Withers: So we get a budget award for budget preparation, and we get an award for following accounting principles?

Mr. Nelson: Yes.

Commissioner Withers: Normally other than, I think, there are maybe a few journal entries that arrive late, normally what kind of comments do we get on that?

Mr. Nelson: The comments we receive is in the Management Report from the auditors, the independent auditors; they prepare a Management Report, which is very objective, independent report that gives the City Commission, City Manager and myself comments as to how to improve the Financial Report. Most of the comments have been adjusting entries that are required, year-end closing entries, compliance with grants, and they are very critical of details that would help to improve our process every year; and we take those very strongly, but there is no, what they call material infractions...

Commissioner Withers: Lack of institutional control.

Mr. Nelson: Correct.

Commissioner Withers: Or never had a letter written like that?

Mr. Nelson: No.

Commissioner Withers: OK.

Mr. Nelson: And all our opinions, they come from the independent auditors, are unqualified, meaning that, that's the highest standard, and highest opinion we receive; and yes we do get critical comments from the auditors; and that helps us to improve next year's reporting; and we report those to management, the Budget Advisory Board, and to the Directors to ensure that they meet the standards that the auditors place upon us; and then that report is sent to the Auditor General, who also reviews it making sure that we comply with the State Statutes.

Commissioner Withers: So this report is reviewed by accountants, auditors and not just people with untrained eyes for accounting.

Mr. Nelson: These are independent professionals.

Commissioner Withers: Thank you.

Mr. Nelson: Yes sir.

Mayor Slesnick: Thank you. Rip Holmes.

Mr. Holmes: My name is Rip Holmes; I live at 800 Andalucía Avenue. I'm impressed that there's a disconnect between the City's Budget and everyone else's budget. Finally, I'm hearing, forgive me for saying this Mayor Slesnick; you are talking about some of the upheaval that we have seen in our economy. If you look around Coral Gables, if you look around Miami-Dade County, if you look around the State, if you look around the country, everyone else except right here in this room is in a deep recession and they are hurting. All you have to do is turn on the news tonight, yesterday, last week, a week from now, this has been going on for months, and the

only people who seem to be above the recession is Coral Gables City Hall, not Coral Gables, but the City Hall. I cannot fathom...you all are politicians, you should be thinking about the people; how is it that this is the single government that is voting by super majority vote to raise taxes in recession.

Mayor Slesnick: Mr. Holmes you can say what you want to, but we are not voting to raise taxes.

Mr. Holmes: Oh yes you are. The State Law as you know, forgive me for saying this, I did this with Marco Rubio, I have better knowledge I think than you do, the State Law mandates that these taxes be lower than they are...

Mayor Slesnick: Mr. Holmes, the State Law has always mandated a roll back and to publicize an increase if you are sticking with the same millage rate; the numbers may have changed, but the State Law has mandated that since I came to office.

Mr. Holmes: The only reason that you are able to impose these taxes is by super majority vote. Let me go to a slightly different subject that I think our best economist in this State have already put themselves on record as saying that you all are a small part of the cause of the recession that the rest of Coral Gables and the County and the State and the country are in; you are a small part according to Arthur Lapper and Donna Ardwin probably along with Mr. Villamil, the best three economist in the entire State of Florida; he's pointing the finger at you all as being a small part of causing this recession; and what he's saying in his written report to the Florida House of Representatives is that the primary engine of our economy is real estate; that when you impose, as you have done consistently now ever since you were elected, and you are doing again today, when you impose high property taxes that causes people to hesitate and sometimes abandon real estate purchases. So when you get people to say, oh my God, the property taxes, I'm not sure if I'm going to buy that property, maybe sometimes they abandon it, that slows down and harms the primary engine of our economy that is a significant contributing cause of this recession. I'm speechless. You look around...we have friends at the Miami Herald that are getting laid off; these are community builders; these are people who help us with crisis, with hurricane insurance. You look at our hospitals....look, the State of Florida's taxes have been drastically, catastrophically reduced during this recession, and that's affecting the hospitals, its affecting the schools, they are laying people off in the schools; they are laying people off in the hospitals; and yet you are raising taxes above the amount permitted by law by your super majority vote. In real estate how many people are now out of work or having drastically....Commissioner Cabrera and I bank at the Bank of America right over here at Ponce; I went in there the other day, the Teller volunteered, got bless him, he said he has people some of our richest people in Coral Gables coming into the Bank of America informing him that they'd been laid off. This is hitting Coral Gables; we should not be pouring salt into these wounds. If the Federal Government has reduced taxes with its tax rebate this year that everyone presumable is getting, five hundred thousand dollars, why aren't you reducing taxes? If the Federal Government is doing somersaults and backflips to try to keep us out of a depression, what are you doing?- you are raising taxes. Thank you.

Mayor Slesnick: Silvia Unzueta.

Ms. Unzueta: My name is Silvia Unzueta, and I swear to you I was at the budget hearing earlier, at the Commission meeting earlier, I promised myself I wasn't going to speak, but the way the discussion went after the first speaker came and politely expressed what is a concern of many people in this City, and how we are arguing back as to receiving twenty-three awards and minimizing legitimate concerns from a resident just irk me in such a way that I had to stand and simply tell you that a lot of people share those sentiments. You might be getting a lot of awards, Commissioner Withers, the Big County programs that were audited year after year and passed with flying colors, and they ended up being in major severe difficulty. I don't believe that is the case to that extreme in the City, but there are issues here that are serious. I don't really want to wash the dirty laundry all the time here, but there are people who have been dutiful residents, citizens that have worked in the Finance Department, the position is now open, advertising; there are a lot of weird things going on in the City. It behooves you; you are elected to empower us, it behooves you; yes, I was just reading in the New York Times about the seven hundred...the discussion included thirty million dollars lost in the Pension Fund. This is not just to find an excuse to prove to us that everything is well in Coral Gables, it is not; and the sooner we get off that page, I think the sooner we are really going to move forward jointly. As to the Police; yes, I do believe that the existing system, both the two area patrol didn't work; the amendment to make it now four still doesn't work; and I would strongly recommend as a part of your deliberation ongoing from the Commission meeting earlier today, is that you look at a way of bringing back what you have absolutely taken away from us. Thank you.

Mayor Slesnick: Thank you Silvia. Close the public hearing and ask for comments from the Commission, discussion. Let me – a couple of things David, I know that one of the budget savings, and correct me if I'm wrong, but I know that one of the budget savings was to change our trash collection from four to five days.

City Manager Brown: Trash and recycling.

Mayor Slesnick: Trash and recycling – I would definitely like to come back in six months and take a look at that program and determine the success of that; and how its impacted our employees; and how its impacted our budget; and how its impacted our quality of service for the citizens of Coral Gables.

City Manager Brown: I'll be glad to Mr. Mayor.

Mayor Slesnick: I also would like to say to the people of Coral Gables that one; we are not raising the tax millage rate here, we are maintaining it, if we vote for this budget; secondly State Legislature changed the rules on us to make that if you maintain your own millage rate you have to go to super majority. Mr. Holmes is correct about us needing a super majority to vote for the proposed budget. Those of you who pay taxes in Coral Gables, pay taxes as you saw in the chart, to the School Board, to Coral Gables, and to the State, and you pay more taxes to the County...and you pay more taxes to the County than you do to Coral Gables right now who is not your first provider of services; and I'm not sure of one City that is rolling back their millage rate, there probably is somewhere in Dade County, but most of them are not rolling back their millage rate this year; they are trying to save services and save jobs. We are trying to address collective bargaining with our employees who need attention; and we are having a hard time,

they are having a hard time, but rolling back the millage rate would not put us in a position to even try to in good faith attempt to address that; and we'll accept and put on the record Mr. Namon, your petition that was signed by six people, including the, I saw the publisher of the Gazette and the Editorial Writer for the Gazette, and we'll put it on the record and certainly consider it. Chip, any comments?

Commissioner Withers: No sir.

Mayor Slesnick: Any comments?

Vice Mayor Kerdyk: No sir.

Mayor Slesnick: Any comments?

Commissioner Cabrera: Yes. Mr. Manager, I've got two comments. The first is a housekeeping comment. I think that the last time we were all together, and I came late so I don't know if you had a chance to show the video again?

City Manager Brown: We did not.

Commissioner Cabrera: I was just arriving at City Hall.

City Manager Brown: I was prepared, they said to move along.

Commissioner Cabrera: And I know you did the video in-house...

City Manager Brown: Yes.

Commissioner Cabrera:...next year let's consider doing the PowerPoint in-house as well.

City Manager Brown: Alright, OK.

Commissioner Cabrera: Now, let me get to the real reason I wanted to say a few words to you, because you and I...I invited you to have a drink with me after hours about six weeks ago, and we met here locally and I invited you, you didn't have to spend money or the City's money; we spent my money, but one of the reasons we got together was I wanted to share with you that I had the opportunity to meet with the general employee's union leadership; and a couple of them are here tonight, one was here, oh they are right there...no Jeannie was not at that meeting, that was the first meeting that I had; I'm not doing this to suck up to you, OK, I just need to get this point across. One of the things that you and I talked about was some really good ideas...I came away from that meeting with some really good ideas from the folks that are out there earning a living and working hard and interacting with our citizens on a day-to-day basis, you know, this that range from the four hour work week for general employees to the way we purchase gasoline and the octane levels, just a whole myriad of good ideas that came forward; and I was really impressed with the leadership and subsequently I met with some of them yesterday. We talked about that as well, but my point is what I'm trying to get at is, what I came away with was that

the folks that we value, the folks that we recognize once a month as employee of the month, and the people that get pins for being here so many years, have just a bunch of great ideas on how to improve efficiency, how to reduce cost, just an over-abundance of common sense; and I was really energized by the conversation that I had with them; and I believe that you and I sort of agreed on a lot of those things, where are we in that because it could have affected from the time you and I spoke; and I'm not trying to slam you, but from the time that you and I spoke to tonight, I really came away with the impression that you were going to make a concerted effort to generate some feedback from these folks, because the reality is when I polled them in our meeting, just a couple of them had ever had their department heads or supervisors ask them, how can we do it better. So I just saw it as a wonderful opportunity to improve our City's operations and affect this budget.

City Manager Brown: The day after you and I spoke, I had time because the Exchange, the internal newsletter, was going out inside of a week. So I sat down with "MR" (Maria Higgins) and I changed the message for that two months to exactly that, to ask and to encourage employees to send their ideas over to Public Affairs and I would interview each and every idea because I wanted people to give those ideas. I thought it was a great idea because you do, and I also told them if you want to tell Public Affairs; or tell your Director, or tell me individually; I gave them several avenues, I got one.

Commissioner Cabrera: I can see why you get one; you're lucky you got one. My approach is a little different, my approach was to ask that you literally take them off, whether its off-site or in an area where you can focus them all together...I know I'm micromanaging you, I realize that; and some of you might find it wrong and some of you may be critical of me, and that's fine, I don't care; the bottom line was it was a good opportunity, it was a good exercise for all of us, Dave, really I would even be willing to be part of this only because...you know we get up here every other week, and we honor them; and we tell them how wonderful they are, and we tell them how we can't function without them; and we constantly get very nice commentaries from citizens about them, whether its somebody who picks up the garbage, or somebody who is a first responder like a Police officer, whomever it may be; and they just got so many great ideas that, I mean, just the idea of the mileage issue, the octane issue, maybe it doesn't mean anything to you and I, but here I'm talking to a person, Mr. Goizueta, Victor Goizueta, whose worked in that department for so many years, the guy knows what works and what doesn't on machinery, and here he is telling me, hey Commissioner, maybe what we ought to be doing is reducing the octane levels on vehicles because after all American vehicles can handle. I mean, forgive me for being so specific, but I'm trying to give an insight as to the kind of stuff that I came away with, and I came away pretty impressed with it; and so if you are going to say, hey bring me your comments, here's a suggestion box, its not going to work.

City Manager Brown: No, suggestion boxes won't work.

Commissioner Cabrera: Its not going to work; you have to engage them in open dialogue and invite them and essentially, you know, at the end of the day you may say to them, hey you know what, thanks for the input, but its just not going to work, but I tell you what, they'll value us as a City...speaking of Mr. Goinzueta, good afternoon sir.

Mr. Goinzueta: It's Goinzueta.

Commissioner Cabrera: I'm sorry, I apologize, I got the last part right. Maybe this is not the place to talk about this stuff, but if it's not this place, then you and I can go and meet in your office and you can share it with the other Commissioners, but I just think we are missing a great opportunity to get our, as we all say to everyone, our greatest assets to tell us how to do it better, faster, cheaper; and I'm just disappointed because I just think the exercise really merits an undertaking, and so I'm disappointed in general.

City Manager Brown: We can try to drill down further.

Commissioner Cabrera: Yeah, OK, very good; those are my comments; no speeches this year, didn't work last year.

Mayor Slesnick: Maria.

Commissioner Anderson: First of all, thank you to the folks that came out again. While I may not agree totally with what you have to say, I always say you have the right to say it; and sometimes I actually learn something and can use it for the future. I chose this year to kind of reflect back and then look forward. I was also remembering Lehman Brothers last week. The CEO of Lehman Brothers walked out with four hundred million dollars in compensation and all his stock options, and eviscerated the retirement fund. So we had a lot of very unhappy employees walking out with boxes and nothing to rely on. So, while I say the City of Coral Gables is not a perfect institution, I'd say, when I reflected on that, I'd say it's a heck of a better institution than the private sector at this point in time. We did face some really difficult years, and for those of you who were here in '01, and Chip and Bill please don't take this, it's only two slides, the forward ones we are going to be in together, OK, so this is not a slam against you. I just want to remind people that there were some hard times and we've done some good things, and just leave it at that, we know what our challenges are. You can put that on; it's very short, I won't be taking too much time. And then I tried to inject a little humor into it, the next one please; and that's always what I try to base it on. I try to remove my emotion from it and put the facts and try to digest it. So in December 19, 2001, we got some bad news; we were not doing so well as far as our financial condition; Ernst and Young said that we were twelve out of nineteen categories were unfavorable. Second – next slide – and one of the things was the reserve balance; we had six hundred and seven thousand dollars in reserve which was three days of working capital in our checking account, usually we had before ten to fifteen percent; and the reason why we received unfavorable, is that we had decreased our general reserve fund balance by nine point four million dollars for a project that has since been completed. Move forward. Today, I'm really proud that we have ten million in the bank. Who would have "thunk" it; I have to tell you that as a new Commissioner in '01, I wondered how the heck we were going to get anything done. I really thought, oh my God, here I am and what have I gotten myself into; and you know we are not perfect, but through strict budgeting and through clean budgeting, we have ten million in the bank, that's fifteen hundred percent increase since 2001; and our management audits have been clean ever since. We have accomplished a lot, and I'm going to take the time to just...I've narrowed it down, but there's a lot more, but I'm going to take the time to read them. Legislative - we wrote the Zoning Code; we updated the Municipal Code; we revised the Procurement Code;

we revised the Historic Preservation Ordinance; we tried to put in protections through an oversized home ordinance; Art in Public Places; and we revised a lot of the City's rules and regulations; and that was an amazing task in seven years. Capital improvements – and I've left some out and if I have I'm sorry; Ponce median, Museum Parking Garage; creation of three parks and improvements to others; we renovated the Biltmore Golf Course; we completed the downtown parking study; at much effort and a long time we finally re-roofed Fire Station 3; and we rehabbed some sanitary sewer pump stations, which doesn't sound very sexy, but if it doesn't work, we would be in real trouble. State grants – I remember of the things that we did in this budget was to match budget to matching funds, so we were able to access a lot of the State grants; in seven years we had ten million dollars in State grants; one point two five million in sanitary sewer pump stations and the Old Cutler Force Main. Federal grants – three point five million to the renovation to the Biltmore Tower, which was about to blow off in a future hurricane; five hundred thousand for sanitary improvements; and Historic Preservation, one of the things that we really pride ourselves as far as a City has beautiful things and wonderful things to brag about; the DeSoto Fountain – after many years of not being in service finally was turned on; the Water Tower with the exterior was fixed; City Hall cupola, if anybody gets a chance look up when you leave this Chamber; the Merrick House entrances and plaza; the Ponce de Leon Plaza; Country Club Prado will soon start, and we have a lot of historic markers on our City owned treasures. Technology – it took a while, it took a lot of money, but we have EDEN software and hopefully it begins to unify communications between the City Departments; Procurement didn't used to talk to Finance and so and so with other software that was before, and now we've gotten there, and hopefully if there are glitches, we are able to fix them; we have GIS software; Parks and Rec. software; there have been several initiatives by the City Clerk's office to be able to have these things online, our agendas online, to research things online; we've been able to do collections of our digital libraries and that famous 911 communications center that took nine point four million from us is finally complete; and our EOC which is really a model for anybody, for any City that has an emergency management center; the City of, I mean, it's a great place to be and a safe place, a lot of good things happen when people are in trouble with hurricanes; and we have mobile law enforcement technology and Police vehicles – next. Communications – we have online communications, we have printed and online to save money; we have programming that talks to all our age groups, especially our seniors now, and historic homes; E-News; senior service guides. Successful initiatives have been the Charrette, which lead to the Zoning Code rewrite; the elderly survey, which lead to increase programming, which we saw this morning with senior services; trolley; new senior center at University Baptist Church which increased, which I mentioned before; parking technologies, new parking technologies; Passport Office; safe start drowning prevention programs, and I said these are just snippets; this is the last slide before I finish and get into a few of our challenges. These are – if you think that we've not put monies into things that protect us, please look at this: eleven Police motorcycles, two Police boats with trailers, one hundred and forty-one Police patrol vehicles, mowers, trash dump trucks, six trash cranes, five garbage trucks, recycling trucks, one dump truck, one dump truck with crane, three rescue vehicles, one ladder truck, two Fire trucks, one fuel vacuum truck, and one loaded back hoe; some of those things I don't even know what they do, but I know that they serve our City. The challenges are real and many of you have mentioned and things that we have tried to address, the number is wrong, one-thirty-nine million, but its close enough. You've got a lot of dollars that we've put toward Pension cost and until we have Pension reform, things on the table with the unions, and until these things are settled

cooperatively and creatively and I mean that from both sides. I'm not casting any aspersions, I think we have to work on this side and that side to get to somewhere, but the reality is if we don't make those changes, the cost will not drop significantly; and for those of you that haven't been around as far as information-wise, in 2003, two of our unions began to contribute again to our Pension, which helped a little bit; and there was a cap on overtime, which wasn't there previously. So, we have made some progress, and I look forward to the fact that we are going to try our best I know from our side to make things happen and be fair to our employees as well; and the ongoing tasks, how do we provide the same services with reduced tax revenues?- and I think that's a challenge every government has to face. I thank you. I just wanted to remember, and I wanted to be thankful and I wanted to say I was supporting the budget as well. Thank you. Actually, I do want to say something else. I wanted to thank staff; it takes five of us here, but it takes the rest of you to make it happen so I appreciate it.

Mayor Slesnick: Thank you Maria. David, if you could read the first ordinance.

City Manager Brown: Yes sir. Its an ordinance providing for the levy of taxes for Fiscal Year beginning October 1 2008 and ending September 30, 2009; fixing the rate of such taxes providing for the segregation and the application of the proceeds of the several levies; providing for the severability of the provisions hereof; and providing that this ordinance shall become effective October 1, 2008. Be it ordained by the City Commission of the City of Coral Gables Section 1. That there is hereby levied upon all the real and personal property within the present corporate limits of the City of Coral Gables which is assessed for taxation for the year 2008 and which is subject to taxation under the constitution and Laws of the State of Florida as now written:

- a) A tax of 5.250 mills which is a 98.5 percent of the rolled-back rate on the dollar of assessed value; all proceeds of the collection of this levy to be paid into the General Fund of the City, and shall be reserved therein and disbursed there from for the sole and express purpose of paying the necessary operating expenses of the City of Coral Gables, its departments, offices, and properties, for the fiscal year ending September 30, 2009.

Mayor Slesnick: Do I have a motion?

Commissioner Anderson: I'll move it.

Vice Mayor Kerdyk: Second.

Mayor Slesnick: Been moved by Ms. Anderson, second by Mr. Kerdyk. Final discussion.

Mr. Clerk

Commissioner Anderson: Yes

Commissioner Cabrera: Yes

Vice Mayor Kerdyk: Yes

Commissioner Withers: Yes

Mayor Slesnick: Yes

(Vote: 5-0)

City Manager Brown: Next one. This is an ordinance adopting the annual budget of estimated revenues and expenditures of the City of Coral Gables, Florida for Fiscal Year 2008-2009; total estimated revenue one hundred and forty-three million twenty-one thousand nine hundred and seventy dollars (\$143,021,970); total expenditures, debt services and reserves one hundred and forty-three million twenty-one thousand nine hundred and seventy dollars (\$143,021,970).

Mayor Slesnick: Motion?

Vice Mayor Kerdyk: So moved.

Commissioner Anderson: Second

Mayor Slesnick: Moved by Mr. Kerdyk second by Ms. Anderson; any final discussion.

Mr. Clerk

Commissioner Cabrera: Yes

Vice Mayor Kerdyk: Yes

Commissioner Withers: No

Commissioner Anderson: Yes

Mayor Slesnick: Yes

(Vote 4-1)

City Manager Brown: A resolution adopting the capital improvement program for 2008-2014; be it resolved by the City Commission of the City of Coral Gables:

1. That the proposed Capital Improvement Program for 2008-2014 shall be and it is hereby adopted as a long-range strategy for capital improvements.

Mayor Slesnick: Do I have a motion?

Commissioner Withers: I'll move it.

Commissioner Anderson: Second.

Mayor Slesnick: Moved by Mr. Withers seconded by Ms. Anderson; any final discussion on the long-range capital improvement. By the way for those of you, who aren't aware, the long-range capital improvement budget is a wish list, it is not us expending funds for the next five years. It is our goal to attach to our ability as it comes to us to do these things.

Mr. Clerk

Vice Mayor Kerdyk: Yes

Commissioner Withers: Yes

Commissioner Anderson: Yes

Commissioner Cabrera: Yes
Mayor Slesnick: Yes
(Vote 5-1)

Mayor Slesnick: I'd like to thank the people who took the time to come to speak with us tonight, as Maria Anderson did. I'd like to thank the staff for all their hard work, for those of you who are watching this meeting, you should understand that the administration began the budget preparation, how long ago David?

City Manager Brown: Mid May, Mr. Mayor.

Mayor Slesnick: Mid May, and it's a process by which employees, mid management, supervisory and top management people worked to bring forth the budget suggestions and proposals which ended up in the budget that we discussed in the last two hearings. We thank everyone for their work. I'd like to personally thank the Commission. This is a hard time for five elected people to sit here to try to come together in consensus; and as we talked about the State Legislature has no longer allowed consensus, but super majorities to do certain things. I thank my fellow Commissioners for all their hard work and their deliberations. I know some of the things we all agreed to, some of the things we disagreed, but we've come to an agreement on this particular budget and I thank everyone and I wish you all a good evening. Adjourned.

[End: 6:20:00 p.m.]