

CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
Meeting Minutes: Thursday, September 17, 2015

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

MEMBERS	O	N	D	J	F	M	A	M	J	J	A	S	APPOINTED BY:
	14	14	14	15	15	15	15	15	15	15	15	15	
Jose E. Smith	P	-	-	-	P	P	P	P	P	-	P	P	Mayor Jim Cason
Erin Knight	-	-	-	-	-	-	-	-	-	-	P	P	Commissioner Jeanette Slesnick
Alex Menendez	E	-	-	-	P	P	P	P	P	-	P	P	Commissioner Vince Lago
John Holian [^]	P	-	-	-	P	P	A	P	P	-	P	P	Commissioner Frank C. Quesada
Cheryl Goldstein	P	-	-	-	P	E	P	P	P	-	P	P	Commissioner Pat Keon

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

[^]- New Member

#- Special meeting

** - Resigned Member

Staff:

Keith Kleiman, Budget Director

Lori St. John, Chief Compliance Officer

Leonard Roberts, Assistant Director of Economic Development

Minutes preparation and Recording Secretary: Nieves Sanchez, Bailey and Sanchez Courtreporting, Inc.

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CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
MEETING: THURSDAY, SEPTEMBER 17, 2015, 8:00 A.M.
FIRST FLOOR, CITY HALL
405 BILTMORE WAY, CORAL GABLES, FLORIDA

COPY

MEMBERS PRESENT:

ALEX MENENDEZ, CHAIRMAN
CHERYL GOLDSTEIN
JOHN HOLIAN
ERIN KNIGHT
JOSE SMITH

CITY STAFF PRESENT:

KEITH KLEIMAN, BUDGET DIRECTOR
LORI ST. JOHN, CHIEF COMPLIANCE OFFICER
LEONARD ROBERTS, ASSISTANT DIRECTOR OF
ECONOMIC DEVELOPMENT

1 THEREUPON:

2 (The following proceedings were held.)

3 CHAIRMAN MENENDEZ: Good morning, everybody
4 So everybody had a chance to take a look at the
5 meeting minutes from the last meeting? Does
6 anybody have my questions about the minutes?

7 MR. HOLIAN: I just have one question --
8 one comment. Have we been using this the whole
9 time?

10 CHAIRMAN MENENDEZ: No, that's new.

11 MR. HOLIAN: This is new, okay.

12 Well, no problem, because it was just like
13 -- I don't really read the minutes a whole heck
14 of a lot. I just glance at them. But that was
15 pretty amazing. To have it verbatim was a
16 little spooky.

17 But I just have one comment. I think, at
18 the end of the meeting, I recommended that
19 Board Members talk to their Commissioners about
20 the audit process. And that was the only thing
21 I saw that -- that was the only thing I looked
22 at, quite frankly.

23 CHAIRMAN MENENDEZ: Can we correct the
24 minutes to include that on it? Or can we just
25 make it on the record now, that he -- we'll

1 make it on the record now.

2 MR. HOLIAN: That's fine.

3 CHAIRMAN MENENDEZ: I think we are here.
4 Who is missing today? No members are missing,
5 so it should be okay.

6 All right. Anybody want to make a motion
7 to approve the minutes?

8 MS. GOLDSTEIN: So moved. I will make a
9 motion.

10 CHAIRMAN MENENDEZ: Okay. I have a motion.
11 Do I have a second?

12 MR. SMITH: Second.

13 CHAIRMAN MENENDEZ: All in favor?

14 MR. SMITH: Aye.

15 MS. GOLDSTEIN: Aye.

16 MR. HOLIAN: Aye.

17 MS. KNIGHT: Aye.

18 CHAIRMAN MENENDEZ: Okay. Great.

19 And now that we have you here, we can talk
20 about the Starbucks lease. I guess it's the
21 second time you're coming back.

22 MR. ROBERTS: Right.

23 So I'm Leonard Roberts, from the Economic
24 Development Department, and the City's also --
25 the City's Asset Manager.

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Last time I was here, we were in discussions about Starbucks relocating from Ponce and Miracle Mile to Ponce (sic) and Salzedo, in the current Supercuts location.

This Board had some comments in regards to the original deal terms. Those comments included the termination fee -- you guys had comments in reference to a termination fee. In regards to what -- you know, finding Supercuts a place to survive, which we're working with right now. You know, they're working with two brokers.

And also requested, in regards to the six-month abatement, you had requested three months abatement.

And, then, this lease was a ten-year term, with two -- four five-year terms, and you requested that those remaining two options be removed, or at market price.

So we went back to Starbucks, after meeting with the two other Boards, which are the Economic Development Board and Property Advisory Board, and what they came back to us at, is that -- this Board had no issue with the starting rate, but what they countered back at,

1 which was at \$45 a square foot -- they came
2 like at a higher price, right, to compensate
3 for that -- I guess, for the additional
4 abatement that you guys requested, the three
5 months versus six months.

6 The impact of going to \$45 versus \$44 over
7 the first ten-year term is roughly \$20,000.
8 They increased their termination fee from
9 70,000 to 100,000. And the options, 1 through
10 2, they increased the rate, so the City will
11 make an additional \$400,000 over the first --
12 over the options 1 through 2, for the first
13 ten-year -- the second ten years, which would
14 generate an additional \$400,000 in revenue.

15 (Simultaneous speaking.)

16 CHAIRMAN MENENDEZ: I'm sorry, you said,
17 they didn't allow the City to go to market rate
18 or are you suggesting a rate?

19 MR. ROBERTS: No. So the first two
20 options, they would go up, versus -- it was
21 originally, we request -- they had \$60.50, and
22 then \$66. They went to \$69, from 60, and,
23 then, from \$66 to 80, and then options 3 and 4
24 to market rate.

25 MS. GOLDSTEIN: Okay. So can I make a --

1 can I question something that you said?

2 MR. ROBERTS: Sure.

3 MS. GOLDSTEIN: You said that this Board
4 did not have an issue with the rate, but this
5 Board did have an issue of the starting rate.
6 So I just want to correct you on that.

7 MR. ROBERTS: Okay. So you did have a
8 concern with the starting rate?

9 MS. GOLDSTEIN: Yes, because, if you
10 remember correctly, we knew what -- we knew
11 what their current lease was being raised to,
12 or in and thereabouts, correct?

13 MS. KNIGHT: What is that figure?

14 MS. GOLDSTEIN: So that space and -- so
15 that space is owned by -- that they're in now,
16 is owned by --

17 MR. LEONARD: Terry Hill.

18 MS. GOLDSTEIN: Yeah, and they advised them
19 that their rate was going to go up like
20 astronomically. Do you remember what it was?

21 MR. ROBERTS: They didn't give me an exact
22 rate, but I'm projecting it's going to be -- I
23 think it's going to be like -- from my
24 understanding -- they didn't tell me a rate,
25 because, obviously, I would --

1 MS. GOLDSTEIN: We said a rate. I think we
2 said a rate.

3 CHAIRMAN MENENDEZ: I think it was said
4 three times as much.

5 MR. ROBERTS: Yeah.

6 CHAIRMAN MENENDEZ: But that was just what
7 we thought that's what it was.

8 Yeah, they were hitting them with a three
9 times increase.

10 MR. LEONARD: Yeah. That's what they told
11 me. They didn't give me a rate. They said
12 that the rate has gone up substantially, versus
13 where --

14 MS. GOLDSTEIN: And their rate now is?

15 MR. LEONARD: What we're offering is --

16 MS. GOLDSTEIN: No. No. No. The rate in
17 their current space.

18 MR. ROBERTS: Oh, I don't know the rate.

19 CHAIRMAN MENENDEZ: A quick question. The
20 base rent per month, that's per month, \$99,000?

21 MR. LEONARD: I'm sorry, that's an error
22 from the last report. I didn't correct it. It
23 was annual.

24 CHAIRMAN MENENDEZ: Because I was going to
25 say, we're getting the best deal in the world,

1 and I want you guys to know that if we get 1.2
2 million dollars --

3 (Simultaneous speaking.)

4 THE COURT REPORTER: I'm sorry. This is
5 where things like that happen.

6 CHAIRMAN MENENDEZ: I'm sorry.

7 MS. GOLDSTEIN: I'm sorry.

8 CHAIRMAN MENENDEZ: Okay, yeah.

9 Base rent per month was, actually, I think,
10 the base rent per year.

11 MR. ROBERTS: Yes. That's where it should
12 have been. And the starting rate was \$45 a
13 square foot versus the 44.

14 The impact, over the ten-year period, is
15 roughly \$20,000, an additional 20,000.

16 So you had requested going from six months
17 to three months. The 20,000 doesn't exactly
18 cover it, but the total would have been, let's
19 see, 33 -- I'll tell you right now. Well, it's
20 roughly \$50,000.

21 CHAIRMAN MENENDEZ: Yeah. I think that
22 came into question, because, I guess, the
23 amount they were putting into spending into
24 leasehold improvements was about a million
25 dollars. We had questioned that, even at \$500

1 a square foot, how that will help the City
2 versus helping their future business and why
3 they would take any sort of advantage, if they
4 could afford to spend that much on the
5 build-out.

6 I think that if we did the opt out option,
7 as well -- we wanted like reciprocity off that
8 option. Did that happen?

9 MR. ROBERTS: Well, what they were willing
10 to do is go from 70 to 100,000. So that covers
11 the annual rent, that originally was for the
12 abatement and for the commission, but now they
13 went up to 100,000, which is roughly a year's
14 rent.

15 That will give the City more than
16 sufficient time to find some tenant.

17 MS. KNIGHT: I know that you have a time
18 constraint, and I'm sorry that this is just my
19 second meeting, but what are current market
20 rates on Miracle Mile?

21 MR. ROBERTS: Per Goldstar, in the CBD,
22 they're roughly \$40 a square foot. On Miracle
23 Mile, rent, per Goldstar, 42 and change.

24 Now, the actual market asking rates on the
25 Mile are about \$60 a square foot, and so those

1 rates are based upon a flat rate, doesn't
2 include a work letter, doesn't include a
3 leasing commission, necessarily.

4 So, for instance, if they were to lease to
5 another tenant -- to a new landlord, the
6 landlord may give them a working letter for an
7 additional CI allowance.

8 This, we're giving the space as is. We're
9 not touching it. We are not doing any, you
10 know, work towards it. What we're doing in
11 consideration of that is giving them an
12 abatement.

13 MS. GOLDSTEIN: I think we were all excited
14 and encouraged about the lease and the move,
15 but we wanted to make sure the City was getting
16 as much for it for possible, versus excited to
17 put someone there and not go for more.

18 MS. KNIGHT: Year 6 to 10, what is the
19 rate?

20 MR. ROBERTS: Year 6 to 10 is 49.50.

21 CHAIRMAN MENENDEZ: One last question. The
22 other two Boards that you took the deal across,
23 were there comments?

24 MR. ROBERTS: The Property Advisory Board
25 approved the deal yesterday. It hasn't gone to

1 the Economic Development Board.

2 CHAIRMAN MENENDEZ: Okay. And the first
3 time around, they went to the Economic
4 Development Board?

5 MR. ROBERTS: Yes. The first time around,
6 it went to all three boards.

7 CHAIRMAN MENENDEZ: They had comments?

8 MR. ROBERTS: Yes. The Property Advisory
9 had the most comments. I mean, they're
10 primarily realtors.

11 And most of the terms that we reviewed, I
12 mean, there's a lot of changes they requested,
13 but they felt that this was a pretty good deal,
14 versus where we were. The big thing for them
15 is a market rate, to go to market. They would
16 like to have gone to market a little earlier in
17 the option period, but they felt very
18 comfortable with it, because it's a
19 long-standing tenant, and the end of that Mile
20 is not as active as the Ponce side. So they
21 felt as though the off-set, by bringing an
22 additional business, having Haagan Dazs, having
23 Starbucks on that side, will help to activate
24 that area. So they felt pretty comfortable
25 with it.

1 MS. GOLDSTEIN: And where are we in --
2 where is Supercuts in --

3 MR. ROBERTS: Finding a different space?

4 MS. GOLDSTEIN: Right. Yeah.

5 MR. ROBERTS: The broker that I know that's
6 working with them has showed them space, but
7 I'm not sure, exactly, if they've signed a deal
8 or not. They're not obligated to tell me if
9 they have.

10 MS. GOLDSTEIN: Okay.

11 MR. HOLIAN: Just to be clear, we did go to
12 market rate in the renewals?

13 MR. ROBERTS: Yes.

14 MR. HOLIAN: Okay. And the base starting
15 rate that you were concerned about, we brought
16 that up?

17 MS. GOLDSTEIN: Yes.

18 MR. ROBERTS: From 44 to 45.

19 MR. HOLIAN: Okay. And the termination of
20 the lease, you're saying, since they're going
21 to 100 grand from 70 or whatever, then that's
22 our other concern?

23 CHAIRMAN MENENDEZ: Yeah. Giving us a full
24 year to find a new tenant, in case they were to
25 walk off.

1 MR. HOLIAN: All right. Okay.

2 MS. KNIGHT: And where is Haagan-Dazs
3 going?

4 MR. ROBERTS: They're currently there.
5 They relocated one store over.

6 CHAIRMAN MENENDEZ: Supercuts is the one
7 that needs to get relocated. They're in the
8 current space.

9 MS. GOLDSTEIN: It's at the corner --

10 MS. KNIGHT. Right. I know, but I have a
11 picture -- I must have missed it.

12 MS. GOLDSTEIN: It recently went in.

13 Didn't they go in like last year?

14 MR. ROBERTS: They went in, actually, in
15 July of this year. So they've been there for a
16 couple of months.

17 MS. GOLDSTEIN: It's not like it's been
18 there forever.

19 MR. HOLIAN: Didn't we have a Haagan-Dazs
20 across the street that closed a few years ago?

21 MS. GOLDSTEIN: Coldstone.

22 MR. ROBERTS: Yeah. I think there was a
23 Hagan Daz in the Village of Merrick Park, when
24 they first opened.

25 MR. HOLIAN: Okay.

1 CHAIRMAN MENENDEZ: So if anyone doesn't
2 have any other questions, I appreciate you
3 coming back and taking a look at our concerns
4 and addressing them.

5 Anybody else have any questions?

6 Do we need to go through those three
7 questions, again?

8 MR. ROBERTS: Well, you guys answered them
9 with a motion, but if you'd like, I can repeat
10 them, just to kind of confirm what you guys
11 want.

12 CHAIRMAN MENENDEZ: Yeah, that would be
13 good.

14 MR. ROBERTS: Sure.

15 Okay. So part of the Procurement Code,
16 there are three questions that this Board had
17 to answer. Is the lease consistent with the
18 property appraisal as required under Section
19 2-2014?

20 That section says, whenever the City
21 purchases or sells or is involved in a lease of
22 real estate, and the fee simple value of the
23 property being sold or the annual value of the
24 property being leased is in excess of 250,000,
25 the City shall, prior to consummating the

1 purchase, sale or lease have the property
2 appraised by two real estate appraisers holding
3 an AMI designation in order to determine the
4 estimated market value.

5 This wasn't over or in excess of \$250,000,
6 so the Board responded, the annual value of the
7 lease is less than 250,000, so no appraisal is
8 required.

9 What is the immediate impact on the current
10 fiscal budget and the long-term effect of
11 future budgets, the long-term overall effect in
12 the City?

13 And the long-term effect is that the City
14 will have ten years of rent as a result of this
15 agreement. The proposed rent rate is an
16 increase over the previous tenant's rate.

17 Consider the City's Mission Statement, are
18 there other alternatives other than entering
19 into a proposed transaction?

20 This Board responded, and these are
21 responses that I had suggested, so the response
22 was, this transaction is appropriate, as this
23 is lease space that will generate income for
24 the City, a property chain that's an establish
25 business in Miracle Mile and direct pedestrian

1 traffic closer to the 300 Block of Miracle
2 Mile.

3 CHAIRMAN MENENDEZ: Okay.

4 MR. ROBERTS: Are you also in agreement
5 with those responses?

6 CHAIRMAN MENENDEZ: I am.

7 MR. HOLIAN: I am.

8 MR. LEONARD: Okay. Will you guys move to
9 pass this deal?

10 CHAIRMAN MENENDEZ: I would make a motion
11 to move for passing the deal as is.

12 MR. HOLIAN: Second.

13 CHAIRMAN MENENDEZ: All in favor?

14 MR. SMITH: Aye.

15 MS. KNIGHT: Aye.

16 MS. GOLDSTEIN: Aye.

17 MR. ROBERTS: Okay. Thank you very much
18 for your time.

19 CHAIRMAN MENENDEZ: Thanks a lot.

20 MS. KNIGHT: You are on schedule.

21 CHAIRMAN MENENDEZ: All right. So next up
22 is Lori. Lori is going to be doing a
23 Historical Research Department Audit.

24 Then we've got a budget update.

25 And I do have to be out of here by 8:45.

1 I've got about 30 minutes left. So I don't
2 know how long your is or how long the budget
3 update is, but --

4 MR. KLEIMAN: Budget update is very short.

5 CHAIRMAN MENENDEZ: Just everybody keep it
6 in mind.

7 MR. KLEIMAN: Absolutely. I can be done in
8 five minutes.

9 MS. ST. JOHN: Yeah, this will take at
10 least half an hour.

11 MS. GOLDSTEIN: A half an hour?

12 MS. ST. JOHN: Well, I don't know --

13 MS. GOLDSTEIN: You have to assume that
14 we've all read it.

15 MS. ST. JOHN: Okay. If you really all
16 read it.

17 MS. GOLDSTEIN: I did read it. I don't
18 think we need a half an hour.

19 MS. ST. JOHN: Okay. I'll keep it short.

20 MS. GOLDSTEIN: That's my opinion.

21 MS. ST. JOHN: I'll keep it short. If you
22 want more detail, then --

23 CHAIRMAN MENENDEZ: Yeah, that will be
24 good, if we went through like all of the
25 highlights, and then we can be --

1 MS. ST. JOHN: I mean, I -- yeah, that's
2 what I'll do.

3 (Simultaneous speaking.)

4 MS. GOLDSTEIN: And there was plenty in it,
5 and it's not to take away from --

6 MS. ST. JOHN: Yeah. No, I just want to
7 make sure that everyone's read it.

8 So the Internal Audit Division reviewed the
9 operations of the Historic Resources
10 Department. The purpose, scope and methodology
11 is outlined in the report.

12 For the purpose of presentation, as you
13 know, through the report, the Department is
14 divided into the two divisions, the Historic
15 Preservation Division, and the Museum Division.

16 They have various boards that comprise both
17 divisions. The Museum Division oversees the
18 Merrick House Governing Board and their trust
19 under that.

20 For your purposes, and I'm sure you already
21 know, there are 22 locally designated Historic
22 Districts in the City of Coral Gables.

23 There are several findings related to this
24 review, of which the first finding had to do
25 with the Coral Gables Museum and the

1 contractual relationship with the City of Coral
2 Gables.

3 In that contract, there was a provision
4 that we either provide a Staff member or
5 compensation for agreed-upon services. As you
6 can well imagine, the Staff member that we do
7 provide in the museum has very little
8 oversight, because they're -- the person in
9 Historical Resources is not really there to
10 evaluate them, keep track of their time, and
11 what have you. So there really is very little
12 oversight in that regard.

13 We recommended that they either amend the
14 agreement to either provide for compensation,
15 instead of oversight, or otherwise to manage
16 it, and, you know, have oversight of the
17 receptionist and her hours. That pertains to
18 Finding Number 1.

19 Number 2, we looked at the other compliance
20 areas with regard to the contractual
21 relationship we have with the museum, and one
22 of the things that came to my attention was
23 that there really was no certainty or knowledge
24 with regard to who actually was keeping track
25 of the contract and the provisions, as it

1 pertained to the collection of monies, as it
2 pertained to various things within the
3 organization.

4 The auditor's review of the contract
5 revealed a couple of different monetary
6 consequences, of which, really, didn't impact
7 this particular audit.

8 The concern here that I had in going back
9 in time, and some of you were here, some of you
10 were not, was, the contract management system
11 several years was evaluated and Internal Audit
12 had realized that there was a major deficiency
13 in the area of contract management for
14 compliance and proper controls over managing
15 contractual agreements.

16 This actually stood out as just one of the
17 many, where there really was not just one
18 person that was handling it, nor did anyone
19 really know who was handling the agreement.

20 So the auditor had identified, some time
21 ago, the City's failure to delegate the
22 management of a contract, after its execution,
23 and as noted in the recommendation of when,
24 actually, Leonard came on board, he evaluated
25 some of the revenue generating contracts, and

1 brought in about \$450,000, because people had
2 failed previously to follow through with either
3 updates of the collections of monies, even
4 insurance compliance areas.

5 So we recommend that the contract be
6 continually monitored by Economic and Cultural,
7 and that all of the contracts in the City
8 really be assigned to one person for management
9 over its compliance issues.

10 CHAIRMAN MENENDEZ: Lori, real quick, and
11 in a real simple way, is this, they weren't
12 collecting on the rent or they weren't
13 collecting on -- what part of the contract
14 weren't they collecting on?

15 (Simultaneous speaking.)

16 MS. ST. JOHN: There's utility bills that
17 are paid for by them. So that was one area.
18 And, then -- and not specifically for this
19 collection of revenues, but that's just one
20 area. It's a small area.

21 CHAIRMAN MENENDEZ: When you say, "Them,"
22 you mean, the Coral Gables Museum?

23 MS. ST. JOHN: Yes.

24 CHAIRMAN MENENDEZ: They were paying for
25 the electrical?

1 MS. ST. JOHN: Yeah -- we --

2 (Simultaneous speaking.)

3 CHAIRMAN MENENDEZ: We were and we weren't
4 reimbursed?

5 MS. ST. JOHN: Right. Exactly.

6 CHAIRMAN MENENDEZ: Okay. So we weren't
7 getting reimbursed for certain -- for costs?

8 MS. ST. JOHN: Yes, and that's on the next
9 finding.

10 CHAIRMAN MENENDEZ: Okay.

11 MS. ST. JOHN: So just to go right directly
12 to what he's saying, on Finding Number 3,
13 according to the contractual relationship, we
14 get reimbursed 25 percent of the utility bills.
15 For whatever reason, it's more efficient.

16 Our Public Works Department failed to bill
17 every two months for a period from February
18 2011 to 2014, in August. We requested all of
19 the billings and matched them.

20 In reviewing the billing process, we found
21 that there was a huge delay in the request for
22 receipts. There was a \$4,136 reimbursement
23 from October of 2010 to May 2011, and, again,
24 there was an obligation that was paid later in
25 the year, with a subsequent billing, and in

1 reviewing some of the obligations, it was found
2 that there was an overpayment of 2,374 by the
3 Coral Gables Museum for the period 2010,
4 October, through February of 2011.

5 Secondarily -- I don't know if we really
6 need to go into the rest of it. You already
7 read it. It just has to do with utility
8 billings.

9 We move forward to the timings. Things
10 were being billed a little bit late, so we
11 might have cash receipts, you know, being
12 received in August, you know, several months
13 after the due date, which, according to the
14 contract, is 15 days after receipt of the bill.

15 Obviously, the recommendation is to
16 reimburse Coral Gables 2,374.

17 Finding Number 4, and moving forward, we
18 reviewed the organizational chart of the
19 department, and in doing so, we looked at the
20 Merrick House as being governed by the Board,
21 and, obviously, the Board is appointed by the
22 Commission and the City Manager.

23 There are seven members of the Board, and
24 pursuant to the Resolution, the board has
25 established, you know, written Collection

1 Management Policies, a creation inventory --
2 inventory and collection records and
3 acquisition of the assessing policy.

4 This is consistent with the Strategic
5 Management's Mission Statement. Some of their
6 things include, in their action plan, and I'm
7 going to take you down to the issue here,
8 there's an increase in the number of docents.

9 Part of the finding has to do with the
10 managing of the docents, and, at this point in
11 time, we have three active docents and it's
12 been that way for the past several years.

13 Upon a citizen complaint that the Merrick
14 House was not open on many Wednesdays and
15 Sundays, and they -- you know, apparently the
16 citizen saw people peeking through the windows
17 and what have you, I did do an evaluation to
18 find out, you know, if, in fact, it was closed,
19 how many docents were there, do we need more
20 docents and what have you.

21 Part of this was, who is administering the
22 affairs of the House, and because the
23 Resolution only has the word, administer, it's
24 vague and vast, and so there was a little bit
25 of confusion between the Historical Resources

1 Director and the Board as to what really that
2 meant.

3 So, in this particular regard, to jump to
4 the recommendation, you know, we recommend that
5 the Resolution be more clearly defined, as it
6 pertains to the roles and authority of the
7 Governing Board, to achieve the goals of
8 management.

9 Also, we also recommended that they retain
10 and train docents so that the Merrick House is
11 available to the residents on a more routine
12 basis.

13 And moving to Finding Number 5, I
14 evaluated, by visual inspection, the Merrick
15 House, which was quite, frankly -- and when you
16 walk inside the house, there are certain parts
17 of it that are quite deteriorated and in need
18 of great repair.

19 As we know, it's in the Capital
20 Improvements Budget.

21 At this point, I looked at a report that
22 was done, entitled, Property Conditions
23 Assessment Report. They estimated the
24 improvements would be 819,000. The 918,000
25 that you see right after that includes a 10

1 percent fee for architect fees, and this is
2 consistent with the amount of money that's
3 being set aside for capital improvements for
4 the Merrick House.

5 I won't go into the physical description of
6 the building, because it's actually very well
7 laid out, I think, for you. If there's any
8 questions, you can ask.

9 It's my understanding that they are going
10 to be moving forward with that.

11 MS. GOLDSTEIN: We did go through that
12 extensively in the Capital Plan, when you
13 weren't here.

14 MS. ST. JOHN: Oh, when I was gone, yeah.

15 CHAIRMAN MENENDEZ: And it shows on
16 Collections Management -- is there a fee to go
17 into the Merrick House? I thought it was free.

18 MS. ST. JOHN: It is free.

19 CHAIRMAN MENENDEZ: Okay.

20 MR. HOLIAN: It's a million dollars to go
21 into the Merrick House.

22 CHAIRMAN MENENDEZ: Because John had
23 brought it up meetings ago, is like we should
24 make it something that's a revenue generating
25 thing, make it more of an attraction, have

1 people go -- but then I saw something here,
2 that there's no written Collections Management
3 Policy.

4 Is there a donation or --

5 MS. ST. JOHN: Yeah. The recommendation is
6 to actually -- yeah, there are donations -- is
7 to actually adopt the revised collection
8 policy, because it's kind of sitting out there,
9 but nothing has formally been done with that.

10 CHAIRMAN MENENDEZ: Okay.

11 MS. ST. JOHN: So that's the recommendation
12 there.

13 Let's move to Finding Number 6. Again,
14 with the Merrick House, the grounds were
15 actually in need of routine maintenance,
16 similar to other things that Internal Audit
17 found while reviewing the operational
18 activities of the City. There's a lot of times
19 there's a failure of communication between
20 departments and/or Staff.

21 In this regard, Historical Resources
22 thought that Public Works was doing it, and
23 Public Works thought Historical Resources were
24 doing it. They were kind of going back and
25 forth.

1 So I think we have clarified that, at this
2 point, and Historical Resources is going to
3 work a little bit more closely with Public
4 Services, to make sure, you know, we have
5 improved maintenance on the grounds at the
6 Merrick House.

7 Next, I look at the inventory system, in
8 order to ascertain whether documenting valuable
9 and sometimes irreplaceable property -- a
10 visual inspection actually revealed a couple of
11 folders, in a closed closet, on the bottom
12 floor, and I tested some of those items.

13 Two of the three items were not where they
14 were supposed to be. One, we couldn't find at
15 all. The employee thought that it was either
16 stolen in 1980, when we had a theft at that
17 time, or maybe it was in the garage, in the
18 back. There was really no monitoring, with
19 regard the specific items in the Merrick House,
20 especially, on the top floor, in the back,
21 there's antiques, some dating in the 1800s, on
22 an open book shelf, in the study, that the
23 interview that I had with the Director revealed
24 that the books had not been inventoried.

25 MS. GOLDSTEIN: I'm sorry, Lori, to

1 interrupt.

2 Keith, isn't the inventorying of all of
3 this, that was also in the plan of everything
4 in the --

5 MR. KLEIMAN: Yes. That's why the budget
6 is so high to renovate.

7 MS. GOLDSTEIN: Right.

8 MR. KLEIMAN: Because everything is going
9 to be inventoried. Everything is going to be
10 -- there are special people who come in, who
11 know how to inventory historical artifacts, and
12 they will be taken out and stored.

13 MS. GOLDSTEIN: And that's in the --

14 MR. KLEIMAN: Yes, that's in the budget.

15 MS. GOLDSTEIN: That was approved?

16 MR. KLEIMAN: That's part of it, yeah.

17 MS. ST. JOHN: Perfect. Thank you.

18 Obviously, we recommended updating the
19 inventory to reflect the property over at the
20 Merrick House, and mostly in consideration that
21 it's going to be renovated. We want to make
22 sure we do that before the renovations.

23 Moving on to Number 8, again, talking about
24 effectiveness of communications, there was a
25 little problem that I identified with regard to

1 the permit processing. There was some
2 frustration between some of the parties, and it
3 was identified that there was a lack of
4 communication between Historical Resources,
5 Public Works and Development Services.

6 This actually caused some of the delays.
7 Things had to go back to Historical Resources,
8 because they weren't considered in the first
9 place, and so, after identifying that, we kind
10 of educated all parties with regard to what it
11 took to, you know, be on the same page.

12 We recommended that the Historical
13 Resources Department review its policies and
14 procedures, so that we can have more efficiency
15 of operations regarding the permit process of
16 historic properties, and Public Works really
17 needed to communicate more effectively with
18 Historical Resources, when it came to
19 identifying historic significant properties,
20 and making sure that the department was
21 included in decision-making processes.

22 Number 9, we interviewed Staff Members of
23 the City, regarding the nature of Historical
24 Resources, and we found -- and with regard to
25 the -- specifically, public request, and how

1 the public felt about the department, and we
2 found that there was a greater degree of
3 communications that would enhance public
4 relations regarding the essence and the role of
5 the department, and particularly as it
6 pertained to its business processes and how
7 important it was to protect the integrity of
8 the City Beautiful.

9 So we have recommended an increase in the
10 form and level of historic information, that
11 provides the City and its residents information
12 via the website, social media or other
13 promotional activities, and providing such
14 information would assist the public in that
15 endeavor, and it'd also serve the needs of
16 both, the City and the public.

17 Again, moving on to 10, I had an
18 opportunity to interview the archivist in the
19 department; doing so, in order to find out how
20 we were moving forward with an inventory
21 control, because she had joined, on a part-time
22 basis, some time ago. She's now a full-time
23 employee.

24 But I was brought to a large room now,
25 that's full of archives. She's now documenting

1 all of that. But in my conversation with her,
2 I got the sense and verified that she really
3 didn't have an idea with regard to centralizing
4 all of the City's historic assets.

5 In other words, she had no idea that there
6 were two boxes of index cards at the Merrick
7 House, nor was she aware of potential historic
8 photographs at the Venetian Pool. And, again,
9 later in the finding, you'll see that she
10 didn't have any knowledge with regard to
11 historic property that would be at the Biltmore
12 Hotel.

13 In addition, in moving the information to a
14 database, it was important to verify best
15 practices. So I checked with the National Park
16 Service Archives Processing Manual. These are
17 the guidelines used by South Florida
18 Collections Management Center, and I chatted
19 with them with regard to the best way to use
20 data collection, and there's certain, quote,
21 trends for requirements that are outlined by
22 the NARA, and those requirements, you can't
23 just transfer data, on your own, without
24 following certain requirements for retention.

25 And she wasn't aware of those requirements.

1 So I brought that to her attention. And then I
2 also brought in the City Clerk and our
3 Retention Specialist to meet up in the same
4 area, to find out whether we had protection of
5 the actual archives.

6 At that point, we noticed the sprinkler
7 system was up there, and that was a question
8 that I posed to the Director, and she realized
9 it was a problem, but it was Code related. So
10 that was important to evaluate, with regard to
11 preserving and protecting the assets for the
12 City of Coral Gables.

13 MS. GOLDSTEIN: Lori, let's move on. This
14 is something more non-financial.

15 MS. ST. JOHN: Okay. All right. This is
16 the last one, and this is important. Finding
17 Number 10, as it pertains to the preservation
18 of assets, I found that, also, at one point,
19 she was not aware of the assets over at the
20 Country Club.

21 Internal Audit had provided an non-audit
22 service, in consolidating all of the inventory
23 over at the Country Club, for purposes of
24 identifying what we owned.

25 At that point, because no one followed

1 through with that, some of the assets were
2 missing, when the developer left, and we
3 could -- we couldn't identify what those were,
4 because no one followed through with the
5 control of the assets that we owned.

6 The lack of control and the custody of the
7 location resulted in the fact that several
8 pieces of art were missing, and we didn't know
9 exactly what those were, because they weren't
10 tracked to begin with.

11 This brings into mind the Biltmore Hotel
12 audit of 2010. It's very important that we
13 follow-up on this, because the provisions in
14 the audit, while the negotiations between the
15 City and the Biltmore Hotel resulted in the
16 financial settlement, it did not stop the
17 enforcement of the rest of the provisions.

18 The rest of the provisions are very
19 important, with regard to the property and
20 equipment and identifying historic property and
21 equipment, which we gave to the hotel a long
22 time ago, at the very beginning, and it was
23 outlined in Scheduled C of the agreement
24 between the City and the Hotel -- I mean,
25 pardon me, Schedule G.

1 No one's been able to find that. I checked
2 with the City Clerk. I checked with the entire
3 -- the City Attorney's Office, and Schedule G
4 is kind of missing. Schedule G identifies all
5 of the historic property that is current at the
6 Biltmore Hotel.

7 There was also a dispute between the
8 Biltmore Hotel and the City of Coral Gables,
9 and in consultation with outside counsel, he
10 agreed with me, that the interpretation of the
11 lease meant that we, the City of Coral Gables,
12 own the property and equipment and all of the
13 assets over at the Biltmore Hotel.

14 So it's really important, and I'm
15 encouraging the City to follow through with
16 what is at the Biltmore Hotel, specifically
17 what is historic property, so that we can
18 identify it and keep track of it, so we don't
19 have any problems in the future.

20 I think that's about it. I'll conclude --

21 CHAIRMAN MENENDEZ: And that last concern
22 that you had, that's something the Historical
23 Department has taken over?

24 MS. ST. JOHN: Well, our attorney and
25 outside attorney has recommended that we follow

1 through with that. I've made a recommendation
2 that the City follow through with that.

3 I think that that might take the
4 cooperation between Historical Resources and
5 potentially the City Attorney, because it was a
6 contentious agreement. They believed that they
7 owned the property, and we believe that, no,
8 that we own the property.

9 So I'm not sure whether they'll be able to
10 accomplish that on their own, but, certainly,
11 I'm sure that they would try. If not, then the
12 City Attorney would intervene and assist in
13 that process.

14 Any questions?

15 MS. GOLDSTEIN: No. Other than, I just
16 noted that everyone was in agreement with all
17 of your recommendations, and that it was added
18 to do an audio tour of the Merrick House, which
19 I thought was a good idea and kind of takes the
20 pressure off the docent thing.

21 MS. ST. JOHN: Yes.

22 CHAIRMAN MENENDEZ: One person didn't sign,
23 right? I remember that from the electronic --

24 MS. ST. JOHN: Yeah.

25 CHAIRMAN MENENDEZ: Craig Leen didn't or --

1 MS. ST. JOHN: No, Craig Leen did. The
2 Clerk --

3 CHAIRMAN MENENDEZ: The City Clerk.

4 MS. ST. JOHN: Yeah. And I asked him,
5 because everyone always signs. It's the first
6 time, in my seven plus years, that someone
7 didn't sign. And he felt that he didn't want
8 to sign. He didn't agree or disagree. He just
9 didn't feel --

10 CHAIRMAN MENENDEZ: He was neutral. There
11 was no option for --

12 MS. ST. JOHN: Yeah, he just didn't feel
13 like he needed to sign. I can't force someone
14 to sign, but, you know, that was the
15 decision --

16 MR. KLEIMAN: We are budgeting money for a
17 docent for FY 16. We are budgeting money, in
18 Historical Resources, for docent services at
19 Merrick House in FY 16.

20 MS. ST. JOHN: That's great.

21 MR. KLEIMAN: That was a request that was
22 done --

23 CHAIRMAN MENENDEZ: Those docents are
24 volunteers, so I guess -- it's volunteers --

25 MR. KLEIMAN: Well, I think it's to keep

1 the house open more, because right now the
2 house is closed too many --

3 CHAIRMAN MENENDEZ: So we might have some
4 paid docents in the future?

5 MR. KLEIMAN: Yes, exactly.

6 MR. HOLIAN: I have a question on that. Is
7 there a new plan to manage the house, because
8 when you read all of this, and we're spending a
9 million dollars to repair the house and get it
10 up to speed, is there an adopted --

11 MR. KLEIMAN: It's a great question, and I
12 don't have the answer to that. I can find out
13 for you.

14 MR. HOLIAN: Unless if they had an updated
15 plan, because if we're going to dump a million
16 bucks in there --

17 CHAIRMAN MENENDEZ: Next year, it will go
18 downhill --

19 MR. HOLIAN: Yeah. Yeah. Right.

20 (Simultaneous speaking.)

21 CHAIRMAN MENENDEZ: I know, yeah.

22 So we appreciate it.

23 MR. KLEIMAN: That's, actually, an
24 excellent question.

25 CHAIRMAN MENENDEZ: Thank you very much,

1 Lori.

2 MS. GOLDSTEIN: And it's not really a
3 million, because you have to take off the
4 inventorying, a couple of hundred thousand.

5 MR. KLEIMAN: Well, we actually budgeted
6 1.2 million for the project.

7 MS. GOLDSTEIN: In total?

8 MR. KLEIMAN: In total, yes.

9 MS. GOLDSTEIN: Right, but the actual
10 physical --

11 MR. KLEIMAN: It's going to be very
12 expensive to do the inventorying. I forget the
13 dollar amount, but it's very expensive.

14 MS. GOLDSTEIN: Right. So it's not --
15 right, a couple of hundred thousands, if I
16 remember correctly.

17 CHAIRMAN MENENDEZ: It sounds like they
18 pilferaged the whole thing. There won't be
19 anything to inventory.

20 MS. GOLDSTEIN: So it wasn't like a million
21 going into the actual construction.

22 You don't have to write all of the details.

23 CHAIRMAN MENENDEZ: Okay. So next item
24 would be an update by Keith on the budget.

25 MR. KLEIMAN: Okay. I know we're short on

1 time. It's going to be short and sweet.

2 There's not many changes at all.

3 I'm just going to hand out the -- this was
4 the change sheet that we brought you up-to-date
5 for the first budget hearing. I highlighted
6 items. The top part is the revenue, where the
7 revenue came from. The bottom part is what
8 it's going toward.

9 It's basically three projects. There's the
10 Garage 2 and 6 renovations, and roof fencing,
11 the 1.5 million dollars; and Channel Markers,
12 and that's 50,000. The funding is on the top.

13 So those are the only changes you will see
14 in the Capital Improvement Plan, which we went
15 over with this Board when we had the Workshop
16 for the City Commission. I think it was in
17 May.

18 MS. GOLDSTEIN: So they took it out of the
19 Capital Plan and put it on the Operating
20 Budget?

21 MR. KLEIMAN: No. No. No. No. This
22 basically is the entire City's budget. So
23 basically -- we went -- this was the changes
24 from the July 1 budget to the --

25 MS. GOLDSTEIN: I'm talking about like the

1 parking fund, specifically.

2 MR. KLEIMAN: Right.

3 CHAIRMAN MENENDEZ: Was it re-classified or
4 was it --

5 MR. KLEIMAN: It comes out of reserves, and
6 the parking fund reserve goes -- it gets
7 appropriated --

8 MS. GOLDSTEIN: Into the budget.

9 MR. KLEIMAN: -- into the budget.

10 MS. GOLDSTEIN: Okay.

11 MR. KLEIMAN: Whether it's operating or
12 capital.

13 CHAIRMAN MENENDEZ: Because there's going
14 to be some this year.

15 MR. KLEIMAN: So those are going to be
16 done. Okay.

17 CHAIRMAN MENENDEZ: And the fence is for
18 the kids that were climbing up to the roof?

19 MR. KLEIMAN: No. Well, that's part of it.
20 That's so they can't go around the edge of the
21 roof, but on the very top, there's now put
22 gates on those open windows that were there.

23 CHAIRMAN MENENDEZ: Okay.

24 MR. KLEIMAN: This gates everything in
25 there. And, plus, now there's a rolling gate,

1 that closes off the roof, when the roof is not
2 needed for parking.

3 CHAIRMAN MENENDEZ: Okay.

4 MR. KLEIMAN: We're going full board on
5 that.

6 Okay. Now, that was just the changes for
7 the Capital Improvement Plan. The new book is
8 going to be online very soon. We printed a
9 draft for Cathy yesterday. We're going to send
10 this Board, each, a copy of this, okay.

11 And if you just turn, very quickly, to the
12 presentation that was part of your packet, I'm
13 just going to go through the changes, and
14 they're really minuscule between the first
15 hearing and second hearing.

16 It will be done within a minute.

17 Please turn to Slide 2, and you're going to
18 see, this is just a -- it was a minor
19 re-balancing of two of the funds, because we
20 had some minor personnel changes. So the
21 revenue budget, basically, it just got
22 decreased by forty dollars. It's simple. It's
23 sort of just rounding.

24 CHAIRMAN MENENDEZ: How much did it cost us
25 to change that?

1 MR. KLEIMAN: It probably cost more to do
2 it. But, unfortunately, you know, we have to
3 balance to the penny -- or the dollars, I
4 should say.

5 Okay. The second page, you're going to
6 see, on the expense side, again, it's still
7 next to a change of forty dollars, but as part
8 of the ongoing negotiations with Teamsters, the
9 City is offering, and it's been approved by
10 Teamsters, a health care supplement. So that's
11 \$348,000 that came out of contingency.

12 We had money in contingency just for the
13 Collective Bargaining. So it's not going to
14 keep us short of contingency for the next year.

15 We have minor salary changes of almost
16 \$35,000. We budgeted 29,000 extra for a
17 Medical Director for the Fire Department,
18 because we were going out to RFP. The RFP came
19 through. The choice that was made is the
20 same -- the one we had last year, at the same
21 price, so we took back the 29,000.

22 Item Number 4, \$28,000 for a full page
23 advertising. Commissioner Slesnick suggested
24 this at the first hearing. She wanted this in
25 there. So we're budgeting that. It's coming

1 out of contingency, basically, but it's
2 basically that 29,000, we're netting it.

3 Item 5 is just re-balancing contingency,
4 and then 6, 7 and 8 are just re-balancing the
5 funds due to the personnel changes.

6 And that really is -- I can go through
7 anything, if anybody wants. It's the same
8 presentation we went through for the Workshop.
9 If there are questions, please just ask.

10 CHAIRMAN MENENDEZ: And the health care
11 supplements, the excluded employees, that's a
12 one time, one year supplement to --

13 MR. KLEIMAN: No. That's for the --
14 generally, the Teamsters and the excluded.
15 Basically the excluded get whatever the
16 Teamsters negotiate, just by default, and, no,
17 what -- now, what the City Commission did, we
18 based the supplement on 50 percent of the
19 family cost to the health insurance, but it's
20 going to be a flat amount.

21 The reason, this year we created it. It's
22 based on 50 percent. Next year, if the prices
23 go up, it's still the same amount that we're
24 going to give them.

25 CHAIRMAN MENENDEZ: Okay.

1 MR. KLEIMAN: Unless it's negotiated
2 differently in another contract.

3 CHAIRMAN MENENDEZ: Okay.

4 MR. KLEIMAN: But the Teamster's contract,
5 I believe, is going to be three years, so that
6 will pretty much be set for three years.

7 Okay. Any other questions?

8 And if you do, please feel free to just
9 e-mail Diana or myself, and we can get the
10 questions to everybody.

11 CHAIRMAN MENENDEZ: Okay. There's no other
12 issues? Any questions?

13 Go ahead.

14 MS. GOLDSTEIN: Yeah, I do.

15 This is off -- you don't need to write
16 this.

17 CHAIRMAN MENENDEZ: Should we end the
18 meeting?

19 MR. HOLIAN: I don't think you're allowed
20 to do that.

21 MS. GOLDSTEIN: You can't?

22 MR. HOLIAN: I don't think so.

23 MS. GOLDSTEIN: Okay. Then you can end the
24 meeting, and then I can --

25 CHAIRMAN MENENDEZ: Go ahead.

1 MS. KNIGHT: I know you have to go, so I'm
2 torn.

3 CHAIRMAN MENENDEZ: No. No. I'm good. I
4 have ten more minutes.

5 MS. KNIGHT: Okay. This isn't that
6 relevant, but going back to this report,
7 Finding 9, okay, "During the course of the
8 audit, the auditor interviewed several staff
9 members in the City and received information
10 regarding request from the public related to
11 the Historical Resources Department."

12 In the summary, we found a greater deal of
13 communication needs to be --

14 CHAIRMAN MENENDEZ: What page are you on?

15 MS. KNIGHT: Page 13.

16 MS. KNIGHT: And then we go into, then, the
17 recommendation. I'm curious as to, does this
18 recommendation happen? Is it just out there?
19 What is the follow-up?

20 I'm just trying to understand this process
21 of the audit, in general.

22 MS. ST. JOHN: You know, that's an
23 excellent question. We have a status of
24 recommendations. It used to be every three
25 months. Now, with the reduced Staff in

1 Internal Audit, they dropped it to every six
2 months and a year.

3 The status of recommendations takes all of
4 the outstanding issues and we follow-up on all
5 of the outstanding issue. Typically what
6 happens is, the City Manager's Office holds the
7 Directors accountable to implement all of the
8 recommendations, accordingly, and then we
9 follow-up, not by audit procedures, but
10 ensuring that -- the Directors' answer as to
11 what actions they have put in place to respond
12 to the recommendations.

13 MS. KNIGHT: Okay. So in this case, you
14 are sitting with them and just asking Staff,
15 how is it going, when people are looking to
16 find out information about historic properties,
17 and the Staff is telling you, the public seemed
18 frustrated, I get the same call all of the
19 time?

20 MS. ST. JOHN: Yes. I interview a lot of
21 people in the City, Staff Members, and I've
22 gotten information that comes, and I don't
23 identify people, just people automatically will
24 talk, when I ask them questions, to identify
25 what the issues are.

1 And some of those issues came back, that
2 there was a lot of frustration with the
3 Historical Resources Department, but I think
4 it's the fact that they just weren't really
5 communicating as much as they should, and if
6 they communicated better, and the citizens
7 understood why this had to be done and were
8 more visible, then it would benefit the City in
9 a better fashion.

10 MS. KNIGHT: Okay. I just picked that one,
11 not that I have any great concern with Finding
12 9, but I was trying to follow-up --

13 CHAIRMAN MENENDEZ: Just to know what
14 happens with the recommendations.

15 MS. ST. JOHN: Yeah. You know, for the
16 Staff, that's an excellent question.

17 MR. HOLIAN: It's to get a spreadsheet. It
18 shows the date, this is what they're
19 recommending, and this is the status.

20 MS. ST. JOHN: Yes, and it shows the dates
21 that we asked for it to be done, the dates they
22 replied. You know, sometimes it takes six
23 months. Sometimes it takes a year. We don't
24 have control over that.

25 MS. KNIGHT: Okay.

1 MR. HOLIAN: Years ago there was no
2 follow-up. There were a lot of
3 recommendations, but no follow-up.

4 (Simultaneous speaking.)

5 CHAIRMAN MENENDEZ: Like P-cards, like, you
6 know, expensive cards, cards that we would see
7 them before, and it would show the status and
8 it would show recommendation and it would show
9 approved.

10 MS. ST. JOHN: Right. And payroll. You
11 know, there was a lot of problems in payroll
12 previously, that we had overpaid and underpaid
13 employees, and then we had -- those that were
14 underpaid or overpaid, had a schedule of
15 repayment. So we followed up, to make sure
16 that that was done.

17 MS. KNIGHT: That was my question. Thank you.

18 MS. GOLDSTEIN: I'll ask my question on the
19 record.

20 Based upon the appointment of Hudak to
21 Chief, how do we feel that will impact head
22 count of the Police Department and the plan on
23 a go forward basis?

24 MR. KLEIMAN: Well, I think now that they
25 actually have an Official Chief -- first of

1 all, it's going to help him operationally,
2 because when you're interim and someone else is
3 vying for interim, I mean, there was obviously
4 some drama going on.

5 Now that the decision has been made,
6 everybody has to follow him. There's no
7 separate factions. They have to follow him.

8 And, plus, we have the Public Works -- the
9 Public Safety Director, and he is going to make
10 sure that things are going the way that Cathy
11 wants them.

12 I mean, Chief Hudak is -- I mean, he's very
13 operational oriented. I mean, he's really --
14 he's going to be terrific. He did have a tough
15 go this last year, because of the separation --
16 the factions that were going on.

17 And now that there's one, it should be very
18 successful.

19 MS. GOLDSTEIN: Thank you.

20 CHAIRMAN MENENDEZ: And to that point, I
21 wasn't -- leaving the politics behind, just
22 when I would read about it in the paper and
23 stuff, it would say that they were like
24 creating new positions in order to split the
25 Chiefs and stuff and like that, and I would

1 look at that and say, "We didn't see anything
2 about that in the Budget Board Meetings, and we
3 weren't even brought -- you know, brought up to
4 date with that."

5 Would that have been, hypothetically
6 speaking, something we would have seen after
7 the fact?

8 MR. KLEIMAN: First of all, honestly, and
9 this is on the record, I didn't know anything
10 about.

11 CHAIRMAN MENENDEZ: Okay.

12 MR. KLEIMAN: But, however, the only thing
13 I do know, because Cathy did tell me, it was
14 staying within the budgeted head count of the
15 City. So it was actually going to re-classify
16 some positions, in order to fund it all. So
17 there would have been --

18 CHAIRMAN MENENDEZ: It would have been two
19 different departments, from what I understand.
20 It was like from Finance -- they were going to
21 move the monies from Finance, from a position
22 that was open there, and close the position, or
23 some other department, and then not open it --

24 MR. KLEIMAN: I'm not sure. See, I have
25 never heard that.

1 CHAIRMAN MENENDEZ: Yeah. So I was only
2 curious, when I read that. I go, oh --

3 MR. KLEIMAN: That is absolutely news to
4 me.

5 CHAIRMAN MENENDEZ: I could be confused,
6 but it was definitely closing one position from
7 one department, that had nothing to do with
8 Police and Fire, to open up a new space. So
9 that's why I asked.

10 MR. KLEIMAN: Okay.

11 You know, we have to be very transparent
12 with the budget. So anything that's -- you
13 know, there's nothing non-transparent when we
14 present it to the Board and the Commission.

15 CHAIRMAN MENENDEZ: All right. Great.
16 Thank you very much.

17 MS. KNIGHT: I think we made this the 29th.

18 MR. HOLIAN: Yes, that date -- is that the
19 right date? I thought it was a Thursday.
20 Wasn't it supposed to be Thursdays?

21 CHAIRMAN MENENDEZ: You wanted it on a
22 Thursday.

23 MR. KLEIMAN: I think we changed it to
24 Thursdays.

25 MS. GOLDSTEIN: Once a month it's on a

1 Thursday. Not every meeting.

2 MS. KNIGHT: I see.

3 MS. GOLDSTEIN: I thought you had one --

4 MS. KNIGHT: No. I have a standing problem
5 on Wednesdays and I thought it was okay for you
6 to move it once a month, but okay.

7 MS. GOLDSTEIN: Yeah, it is okay once a
8 month.

9 MS. KNIGHT: We only meet once a month.

10 MS. GOLDSTEIN: Once a month. So, yes.

11 CHAIRMAN MENENDEZ: So right now it's
12 scheduled for Wednesday, October 28th. I had
13 the 29th in my calendar.

14 MR. KLEIMAN: Right. The 29th. I think
15 this is a mistake.

16 MS. GOLDSTEIN: Sorry. Sorry.

17 CHAIRMAN MENENDEZ: So let's just make sure
18 that that's okay, and it goes on the Agenda, it
19 will be the 29th.

20 MR. KLEIMAN: Yeah, if everyone here votes
21 on that. You're all in agreement?

22 MS. GOLDSTEIN: Yes.

23 MR. HOLIAN: Yes.

24 MR. SMITH: Yes.

25 MS. KNIGHT: Yes.

1 CHAIRMAN MENENDEZ: The same time, just the
2 29th.

3 MR. KLEIMAN: Right.

4 CHAIRMAN MENENDEZ: And I think, moving
5 forward, we're going to be doing the Thursday
6 instead of the Wednesday.

7 MS. GOLDSTEIN: Right.

8 MR. HOLIAN: That's right. That's what we
9 agreed to. It took me three times to get it in
10 my phone.

11 CHAIRMAN MENENDEZ: Now we're off.

12 (Thereupon, the meeting was concluded at 8:50
13 a.m.)

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C E R T I F I C A T E

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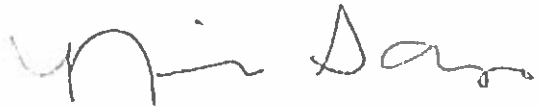
STATE OF FLORIDA:

SS.

COUNTY OF MIAMI-DADE:

I, NIEVES SANCHEZ, Court Reporter, and a Notary Public for the State of Florida at Large, do hereby certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 30th day of September, 2015.



NIEVES SANCHEZ