

City of Coral Gables City Commission Meeting
Agenda Item H-5
May 21, 2024
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Rhonda Anderson

Commissioner Melissa Castro

Commissioner Ariel Fernandez

Commissioner Kirk Menendez

City Staff

City Manager, Amos Rojas, Jr.

City Attorney, Cristina Suárez

City Clerk, Billy Urquia

Human Resources Director, Raquel Elejabarrieta

Public Works Director, Hermes Diaz

Finance Director, Diana Gomez

Assistant Finance Director for Budget, Paula Rodriguez

Public Speaker(s)

Agenda Item H-5 [2:54 p.m.]

A Resolution of the City Commission relating to the collection and disposal of solid waste in the City of Coral Gables, Florida; determining the solid waste cost and the solid waste service assessments for the fiscal year beginning October 1, 2024; directing the preparation of an assessment roll; authorizing a public hearing and directing the provision of notice thereof; and providing an effective date.

Mayor Lago: Moving on to H-5.

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City Attorney Suárez: H-5 is a resolution of the City Commission relating to the collection and disposal of solid waste in the City of Coral Gables, Florida, determining the solid waste costs and solid waste service assessments for the fiscal year beginning October 1, 2024; directing the preparation of an assessment roll; authorizing a public hearing and directing the provision of notice thereof; and providing an effective date.

Finance Director Gomez: Good afternoon. Diana Gomez, Finance Director. This year we are proposing an increase to the solid waste assessment fee. There are three components in this year's recommended fee increase. The first is the annual pass-through of County and Waste Management tipping fees. The second is additional staff being requested for the department. And the third is for additional safety equipment. The rates for fiscal '24-'25 are proposed to be, if they make the early payment, it's going to go from \$804 to \$838, which is a \$34 increase. And the regular payment, if paid on the tax bill, is going from \$938 to \$976, a \$38 increase. All residential property owners will have the ability to pay their solid waste fee in full at the discounted rate before August 15th of 2024, and therefore, it will not be on the tax roll. If they don't pay by that date, then it will be put on their November tax bill.

Mayor Lago: How many members of our community pay early, would you say, the percentage?

Finance Director Gomez: Approximately 72 percent pay early.

Mayor Lago: Are there any other cities that offer the early versus the regular? Are we the only ones that --?

Finance Director Gomez: I am not familiar with any other city that offers an early discount.

Vice Mayor Anderson: How many cities have a separate fee as opposed to including it in regular taxes?

Finance Director Gomez: I'm sorry, I don't have that information. I don't know. You're saying whether or not they have an actual solid waste fee. The County has a solid waste fee. I'm sorry, I don't have any information on any other cities.

Vice Mayor Anderson: Yeah, I mean, I know that at one time this was part of our regular tax roll. And you know, it got pulled out as a fee as opposed to a tax, but in essence, it really is a tax.

Finance Director Gomez: Right, so we're putting it in the tax bill as a solid waste fee, as a special assessment. But we do give people the opportunity to have a discount.

Vice Mayor Anderson: Yeah, but it was in the regular millage rate before and it was collected.

Finance Director Gomez: Here in the City of Coral Gables that I am aware of? No, I don't know that it was, maybe many years ago.

Vice Mayor Anderson: Many years ago, yeah, and then it got pulled out and charged as a separate fee, just like the fire fee was pulled out and charged as a separate fee. Right. I mean, we've talked about lowering the millage rate as a way to bring residents with the, you know, the most needs some relief. Lowering the millage rate gives a break to everybody but gives a larger break to those that have the larger, more expensive properties. But this is a way to even the playing field and make it the same reduction for all. And we can take it into the regular tax bill. So, I know we were asked last year to lower the millage rate, you know, by Pedro Garcia. And I'd like to have a discussion about this because the relief -- the relief is needed.

Commissioner Fernandez: So, I think the discussion -- it may not have been last year, it may have been the year before, regarding moving the garbage fee into the regular taxes, and I think the issue was that I honestly can't remember what the -- the display -- it was -- it was prior to our time on the Commission. It may have been even prior to both of your time on the Commission. I know the Mayor has worked on this in the past. I had a conversation with the Manager and the Deputy City Manager. I had had the conversation with the prior city manager -- it never -- it never moved forward -- about giving us options as to how we can ensure that the garbage fee is being assessed properly across the board to everybody. In conversations I've had with our folks from Solid Waste, there are homes that have one garbage can that is put out on a regular basis. Others have six or eight garbage cans that are put out. They're obviously producing a lot more. We have residents in the North Gables who are in their 80s, you know, they have that one garbage can that they put out. Families like mine of three, we put out more garbage. So, what I asked for the ACM and the City Manager to work on was options where we can see how we could implement charging it by square footage of the property and a different option where it could be assessed by square footage of the home. Because, obviously, if you have a larger home, you have more probability of having a larger number of people living in that home. And that may apply across the board. You may have a larger home in a 50,000 square foot lot than you have in a 200,000 square foot lot. I'm sorry, 20,000 square foot lot. So, there are different parts of the Gables where it'd applied differently. The DCM said he would work on that for us. Now, this approval that we have today is the final rate or is this similar to the others that we approved earlier which is that we're setting a maximum and we can work our way down from there?

Finance Director Gomez: So, you could, the only issue is that in order to allow people to pay the early payment discount, I need to send the bills out. I try to send them in as early as possible, mid to late June. And so once I send the bills out, the people who take advantage of it, they start paying. So, I guess if you don't reduce the early payment amount and just maybe reduce the full payment amount, that might not be as much of an issue. Because if I -- right now, the early payment, we're saying going to \$838. And let's just argue that I send out the bill for \$838 and they pay, and then we lower it to \$800. I have to go and refund. I have no mechanism. I mean, it would just be a lot. It's 11,000 properties that we bill. It's a very -- you know, it's labor intensive. And I mean,

could we do it? Sure. It's just, it's very difficult to do that. So, that's why we set the rate here. Yes, technically in the September hearing that we will have, you can lower it. And should that happen, we will then refund if the early payment was reduced. But if it's just the regular payment that's reduced, then I wouldn't have to do any kind of refunds or anything.

Commissioner Fernandez: But I guess realistically, we wouldn't be able to change the process this year because technically there will be homes that will be paying a higher amount than what we would approve.

Finance Director Gomez: If they pay the early -- if they pay the early.

Commissioner Fernandez: So, any changes would not apply until the next year.

Finance Director Gomez: This time next year.

Commissioner Fernandez: So, whatever plans we start working on now for changing it would be going forward. But I agree with the Vice Mayor. Cutting the millage rate will be the largest impact for the largest property owners. If we're able to alleviate some of the cost here, this is where those who most need it are going to feel the impact.

Vice Mayor Anderson: So, I started this discussion and we actually, you know, before you came on the dais, we started doing the discussion on the garbage fees. And there were several, you know, votes. I remember at least two where we did not increase the garbage fees because of the ever-escalating. So, the money comes out of the general budget as a result. When the millage rate discussion was had, you know, this topic was brought up as well. You know, there's other ways that you can slice the bread if you want to continue to do a separate fee, but if we're really looking to bring down taxes and give relief to folks, the place to do it where it's even across the board, to where the people in the smallest houses get the same dollar reduction and not a lesser dollar reduction than folks in the larger houses is to absorb the garbage fee itself. We clearly need more employees. We clearly need upgrades in the equipment. I'm not saying that that's not true. We are short on people. We are short on staff and we need to take care of these items as well. But if we're going to be doing budgeting, and we're going to be having budget meetings now, it's better to plan how much we're going to be charging now, whether it's going to be a millage rate reduction or lowering the garbage fee. Do it now instead of asking staff to scramble in September.

Commissioner Fernandez: Agreed.

Vice Mayor Anderson: So, that's the point I'm trying to bring up here now. And my suggestion is that we absorb the garbage fee and give an even across the board relief to all residents.

Commissioner Fernandez: What is the impact?

Finance Director Gomez: So, the rate that we currently are charging still does not cover the full cost of solid waste, right? So, the City, even with the rate increase, the City is subsidizing about \$4.4 million that we're already covering. The fees as we're proposing them and based on the 72 percent collection of the early and the 30 percent of the regular fee generates about \$9.7 million. The total costs of the services are about \$14.25 million. So, we can't -- I mean, I don't see how the budget would be able to absorb that expenditure in the current state of the budget. I don't see how we can do that because this is recurring every year. So, it's not -- it would have to be funded with recurring revenues. So...

Mayor Lago: So, let me, if I may.

Finance Director Gomez: Um-hmm.

Mayor Lago: I've been talking about this for a few years now. I'm in favor of also not increasing the garbage fee. I voted against it in the past. The idea of doing it per square foot of home is a good idea, but it doesn't really discuss the main issue that we're facing here as a city. We're facing a shortfall, like you said, of \$4.4 million, and a lot of it comes from landscaping. Millions and millions and millions of dollars come from landscaping. Before Gables Insider hits an article saying I want to get rid of trash pits, I don't want to get rid of trash pits. They're great, you can have your trash pit. I got rid of mine. I'm not asking to get rid of anybody's trash pit. What we need to do is we need to stop absorbing that \$4.4 million, because that is not realistic. We have - - we have a garbage fee that is not real. It's a number that does not represent the actual cost. That's not -- that's not appropriate. Number two, I have four people in my house. I probably put out maybe one small bag of garbage a week. To not take into consideration landscaping, which is the largest amount of waste or green matter or anything that goes into the waste stream, to me, I think is not appropriate. Especially when we've had studies here done by previous individuals in our Solid Waste Department talking about the amount of illegal dumping that we have here. There is ways -- there is ways to resolve the issue. You can do a container. Let me be very clear before it gets published that I want to now do curbside. That's not what I'm saying. You can do a container where you can put your green matter into it and it can be picked up in the back, just like our current situation, and you know, wheeled over to the front by our incredible staff, and a truck can pick it up there, ensuring that nobody can dump illegally any landscaping. I've taken many, many videos, I have them on my phone, I've included them as a public record, where there's illegal dumping happening all over the city in regards to landscaping, and we turned a blind eye because we don't want to tackle the big issue. The idea that North Gables residents in their 4,500 square foot lots and 5,000 square foot lots are paying the same amount of garbage fee as homeowners in a 12,000 square foot lot or 15,000 square foot lot, 20, 25,000, one acre. It's disingenuous to say that they produce the same amount of landscaping and they don't. You see how lush our city is. So, if we're really going to discuss this issue, it's talking about -- garbage is a minor, minor aspect to it. The real -- the real thing that needs to be addressed here is the landscaping. And you want to keep your trash pit, keep your trash pit. You can have it there on your swale, it's perfectly fine. You can use it for whatever you need to throw away. If it's a TV, if it's a couch, you can -- we can do

whatever. I put it next to my curb, I don't have a problem. I've never had anything -- and my neighbors in front of me do the same thing. They've gotten rid of their trash pits, and it works perfectly fine. But if the community thinks that trash pits is something that is appropriate, then we'll leave it there. I don't have an issue with it. But if we're going to really address this issue, I've mentioned it before, it doesn't just start with garbage and end with garbage. It starts and ends with landscaping, because that is the biggest issue that we're facing. And we have to get our hands around it. I'm not asking you to force your landscaper to take all your landscaping debris. I'm not asking for weekend warriors like myself, who prune -- who prune -- I know the Vice Mayor does the same -- who prune their trees and do landscaping and gardening around the house, which I enjoy doing, to not have a trash pit. But there has to be a way using a container that can be wheeled by staff, not by the resident. So, before they say that I'm talking about doing something like they do in the City of Miami or Miami-Dade County, if we're going to really tackle the issue, let's tackle the issue. Let's not use misinformation in an effort to scare people.

Vice Mayor Anderson: So, I'm going to add to that because I had a recent update conversation with one of those providers on turning our yard waste into soil. Okay, and there might be something available online in August, but I think this is a, you know, a discussion that we have to have because the best way to make that work is it has to be clean. It has to be just yard waste. So, we need to have an honest discussion about that. Now, did I use those types of bins at my father's property that is basically three lots and was I able to manage it with some special pickups? Yes, I was. And he had an immense amount of mango trees that needed trimmed every year and so forth. So, it can be done and then we won't have all that stuff that's being thrown in from beer cans to dog waste bags to kitty litter bags to everything else, you know, and the construction debris and the unloading of the construction debris by drive-through dumpers. And it's happening throughout our county. But if there's a pile, it invites it. So, you know, it's an honest conversation we need to have. My main purpose of bringing this up, though, is we're looking at a way to bring tax relief to folks. The millage rate is not equitable for those who need help the most.

Mayor Lago: So on that point, on that point, because you mentioned the millage rate, I met with the property appraiser this past week, Mr. Pedro Garcia, and he -- we talked about where we stand as a city and a county. We're going to see a reduction in income from last year. We're not going to have a 10 percent increase. The letter will be out in the next week.

Finance Director Gomez: June 1st.

Vice Mayor Anderson: Yeah.

Mayor Lago: Yeah. Probably 6 or 7 percent. The County needs a minimum of 4 percent to continue moving forward at the cost of living. Just to give you a little bit of information. Last year, we had \$400 million worth of permitted construction work in the commercial areas. This year, we're going to have 190. We're trending in the wrong direction. We're going down. These are not my numbers. These are his numbers that were provided in his letter. I took him to

breakfast. So, before anybody says, you know, winter's coming, these are his numbers. We're not trending in the right direction. So, there's going to be less money, and the cost continues to go up. So, we need to find efficiencies on how to make up \$4.4 million so that we can use that money for other things, for employees, for salaries, for insurance if it goes up again this year, which I hope it doesn't go up this year again, and a few other issues. I am in favor of lowering the millage rate. He's going to recommend lowering the millage rate again, but I'm also in favor of lowering the garbage fee because I think that you can do both. And the garbage fee should not be \$800 across the board for every single person. If you live in a 10,000 square foot lot, why should you pay the same as somebody who lives in a two acre site? It's just not -- I know -- I know the argument on the other side is, well, we pay more in taxes. And I understand that argument. I understand that, but we have to come face to face with a \$4.4 million delta that we've been talking about and I've been bringing it up for year after year after year after year. And at one point, we're going to have to deal with it because if you look at the cost, the cost of the way that we do business in between the trash pit maintenance, the delta, all these things, at one point we're not going to have enough money. And the Finance Director shakes her head because she knows that I'm right. So, we can either continue to turn a blind eye on the issue or we can actually address the issue with a plan, with a plan of action.

Commissioner Fernandez: So, a couple of questions. What is the total financial number of the increases that are proposed here today?

Finance Director Gomez: So, for the early...

Commissioner Fernandez: Total, total.

Finance Director Gomez: Yeah, yeah.

Commissioner Fernandez: So, what's the -- the \$30...

Finance Director Gomez: \$34.

Commissioner Fernandez: The \$38 and the \$34 total amongst all the properties, what is the financial change that we will see as a city?

Finance Director Gomez: Oh, so if we do the increases based on the collection rates, it's going to generate an additional \$370,000 roughly.

Commissioner Fernandez: Okay.

Finance Director Gomez: \$375,000.

Commissioner Fernandez: Okay, so I guess along the lines of what the Vice Mayor was saying, if let's say we approve maintaining the rate today, what is your final deadline for us to make changes to that number for those early --?

Finance Director Gomez: So, you can -- yeah, so if you set the maximum rate today and then I'm going to send the bills out, I hope to send them out the second week of June. They have until -- so I try to get it out before July 1st, and in past years, I've only been able to get it right around July 1st, gives them 45 days to pay by August 15th. This year I want to try -- we have a new financial system. I'm going to try to get it done earlier because I don't know -- you know, it's first time billing 11,000 invoices and so I'm hoping to get -- start that process in mid-June at the latest so to get those out into the mail. So, they have until August 15th in order to pay. But I think if we set the rate now, I don't think that I can put anything differently unless you change the rate officially. So, I'm not sure if...

Commissioner Fernandez: Right, so if we direct the Manager to come back with a plan on reducing the garbage fee by our next Commission meeting of July -- I'm sorry, June 11th.

Finance Director Gomez: June 11th.

Commissioner Fernandez: Would that be enough time for you if we have an option that the Commission's favorable with moving forward?

Finance Director Gomez: I guess in theory, I can wait to start trying to print the bills until that point, if that is the will of the Commission.

Commissioner Fernandez: Okay, but I just want to make sure you have enough time. I don't want...

Finance Director Gomez: Well...

Commissioner Fernandez: I don't want us to say -- let's...

Finance Director Gomez: Sure.

Commissioner Fernandez: Let's approve maintaining the rate today and try to figure out a plan moving forward on how we can reduce the garbage fee and formulate a plan, maybe have a couple of options presented to us at the next Commission meeting with what the financial impact will be, because then we can start working backwards, like the Vice Mayor said, on the budget, on this is how much money we need to find in the b budget to compensate for the difference.

Finance Director Gomez: And so I don't know, and I won't speak for Solid Waste or Public Works. I don't know that they can come up with any -- I don't know if they have ideas or things

that they can come up with in this short amount of time. I don't know if that's enough time to revamp the solid waste fee. I honestly don't know if that's enough time. I can't speak for them, so.

Commissioner Castro: There's a representative, I think...

Finance Director Gomez: Sure.

Commissioner Castro: Here with Solid Waste.

Finance Director Gomez: But in terms of the billing, I mean, right, so I come to this meeting in May so that if in fact it doesn't happen, I know I still have the June -- the next June meeting to get it. But by the June meeting, I have to have a rate set or it'll be -- it'll stay at the rate that it is because the County is required by me to give -- I have to give them the rate that was set. And I believe -- I don't know what the date of that is, I don't have it right in front of me, but it's sometime around that same time frame. So, by that meeting, I need to have had a rate set.

Commissioner Fernandez: Okay.

Mayor Lago: Madam Vice Mayor.

Vice Mayor Anderson: My suggestion is to be realistic on providing relief, we need to lower the rate that we're charging. And my feeling is \$500, \$550 and this is effectively giving the tax decrease that we've been wanting to give to residents.

Finance Director Gomez: But then that difference has to be absorbed by the recurring revenue budget of the City.

Vice Mayor Anderson: I understand.

Finance Director Gomez: I just want to make that very clear.

Vice Mayor Anderson: So, it is a millage rate decrease.

Commissioner Castro: But...

Finance Director Gomez: I'm sorry?

Vice Mayor Anderson: So, it is a millage rate decrease.

Finance Director Gomez: Sure.

Vice Mayor Anderson: This is a -- this is an effective way of giving help where the help is needed the most.

Commissioner Castro: So, it's 4.4 plus the other amount.

Finance Director Gomez: The 375. Well, the 4 -- in the 4.4, it includes the increase. So, if -- if we were to increase the rate, the subsidy, for lack of a better word, is about 4.34, so I rounded up to 4.4, but yes. That already includes if we were to increase the rate.

Mayor Lago: And if we don't, it would be almost 4.8.

Finance Director Gomez: Right.

Vice Mayor Anderson: Right.

Commissioner Castro: So, what is the consequence of not approving this?

Finance Director Gomez: It would be that the rest of the budget will have to find the funding within the existing -- the -- next year's existing budget. So, in the regular budget, we have to then fund these expenditures because we're not cutting the services. We have to -- we're not cutting - - you know, we're not lowering the services provided. The service fees are the cost of the services. We have to pay those costs.

Vice Mayor Anderson: Well, I've spoken to our state representatives, both in the House and the Senate. They want us to provide tax relief. This is an effective way to do it, you know, that helps out those who need it the most. You know, if you have a house that's 1,500 square feet or 2,000 square feet compared to one that's, you know, 10,000 square feet, it's not fair that the burden is taken up so much heavier for those who have the smaller homes. So, this is an effective way. Here's our first step. And we can get into a more nuanced way of calculating it in the future because that we're not going to be able to roll out in a short period of time. And bring the rate down. And yes, we're going to have to find the money somewhere else just the same as we would if we did a millage rate decrease. But at least now we're giving the relief to the folks that have the smaller homes, okay? That's my feeling.

Commissioner Fernandez: I agree with you. I think that this is the moment to do it. If we're looking at reducing it to \$550, which is what you said, we're probably looking at an implication of roughly almost \$5 million, \$4.5 million.

Finance Director Gomez: I'm sorry, repeat?

Commissioner Fernandez: If we were to reduce it to \$550, as the Vice Mayor had suggested...

Finance Director Gomez: Oh.

Finance Director, Diana Gomez
Assistant Finance Director, Paula Rodriguez

Commissioner Fernandez: I guess this would be -- you're talking off the early or the --?

Finance Director Gomez: Right. Do we get rid of the early payment and we just make it all \$500 on the tax bill to guarantee? Or we're going to then give still a discount from that \$500 if they pay it early? So, the discount, just so you -- I mean, the way I understand it is in the past we used to do quarterly payments. And so, if you chose to do quarterly, you didn't -- you had to pay the full rate. But if you chose to pay it all in advance, you -- you got a discount. Then when we went to the tax bill, the then Commission decided not to reduce that early payment. But again -- so if we're going to reduce it significantly, are we reducing it and everybody pays the same fee and eliminate the early payment?

Vice Mayor Anderson: No, I would say the \$550 would be the early payment and then you can have a higher amount for...

Commissioner Fernandez: Right.

Vice Mayor Anderson: If you want to put it on your tax bill.

Assistant Finance Director Rodriguez: So, with all due respect, we're talking about budget now.

Vice Mayor Anderson: I understand, but I'd rather inflict the pain now than since September.

Assistant Finance Director Rodriguez: So, it would be remiss of me not to at least give my recommendation. So, I do not want to discourage in any way, you know, your advocacy for the residents and for what they pay. And I understand the concept of reducing the solid waste fee is an immediate relief to the single-family residents for the most part, right? However, reducing that fee and absorbing the cost by the general fund essentially puts more burden on the commercial and on -- and on the rest of the properties in the City because property taxes are paid by all of our properties, not just by the single family. So, you're then reducing the ability to fund services with our general fund revenues, right? So, if we reduce the fee, let's say we just reduce it in half. We generate \$9.7 million now. Let's say we just reduce it in half. You're now going to generate just under \$5 million. That difference is going to be absorbed by the general fund. And that just means

that I'm going to have \$5 million less to put towards new needs, capital projects, and services that exist within the City now.

Commissioner Fernandez: The only reason I'll disagree with you on that is because a 6 percent increase on -- let's say that it's 5 percent that we increase on our -- our general revenue from taxes this year could easily absorb that.

Assistant Finance Director Rodriguez: So, five...

Commissioner Fernandez: I understand. There's going to be additional costs that need to be contemplated, and we're going to have to make decisions up here on how we allocate the funds.

Assistant Finance Director Rodriguez: So...

Commissioner Fernandez: But to the Vice Mayor's point, if we are going to supply the relief to the residents who most need it in our community, this is really the only way to do it.

Assistant Finance Director Rodriguez: And I don't want to take away from that conversation by any means, but I calculated a 5 percent increase to our property values, just a straight 5 based on what we had last year, and it's under \$6 million. And so we already know that our regular costs, right, so we're contemplating union contracts, we're contemplating salary increases to other areas, that \$6 million gets us there. It's -- you know...

Mayor Lago: So, you're saying you have to find another \$5 million.

Assistant Finance Director Rodriguez: Right.

Finance Director Gomez: Yes.

Assistant Finance Director Rodriguez: So, you know, there are other revenues in our general fund, there are other fees that we have, but you know, if we only go up by 5 percent, which was our -- which previously was our normal percentage increase, anywhere from 3 to 5, right?

Mayor Lago: The County -- the County puts in their budget a, you know, 4 percent from what I've talked to...

Assistant Finance Director Rodriguez: So, I believe I'm being...

Mayor Lago: (INAUDIBLE).

Assistant Finance Director Rodriguez: Even a little above conservative with 5 percent. I would - - I really hope it's greater than that and that we do have some new construction. I know, Mayor, you know, we don't know yet, right? We'll know on June 1st.

Mayor Lago: I mean, I can tell you, I mean, everybody on this Commission knows. In 13 -- in 13 months, we've had two projects come before here and get approval. Those are the major projects. Those are the ones that have to come here because they're mixed use in one form or another. Not because they're asking for a variance or asking for anything. If you're a mixed use project, you have to come here as a result of what's required by the Zoning Code. So, you don't have large projects coming here that are paying large tickets in regards to permit fees.

Assistant Finance Director Rodriguez: So, I'm not saying not to consider the solid waste fees or making changes to the solid waste fees. I would just hate to negotiate something on the floor that hasn't been thought through and costed out, and then later come to you on June 12th with a number that is, you know, much less than in years past, right? So, on June 12th, we're going to talk about capital and what the funds are available. And so, I'm not saying not to contemplate a fee change, but I think that it should be thoughtfully done. I think that it's a little more complex than just cutting a fee. I think that we should look at a realistic solution to what those fees should be. But just cutting the fee, impacting the budget, and then figuring out in the long term what the appropriate fees, I don't think that it would be the best decision. But I, again, we defer to your decisions and how I just -- it would be remiss of me not to make that recommendation and just put that on the record.

Mayor Lago: Madam Vice Mayor.

Vice Mayor Anderson: I can't continue to ignore what our state representatives have asked us to do, and that is to provide some tax relief. And this is a simple way to give those who need it the most some relief, okay. I just can't continue to ignore it. Plus, we need to actively start looking for ways to dispose of our yard waste, which is the bulk of this, more efficiently. Because -- and one of the representatives told me, and I won't name the city, that that particular city used to grind it up and offer it as free mulch, and they don't do it anymore. Some cities have stopped doing processes that could reduce the tipping rate, you know, and we're a city that needs to take some proactive steps to do so. We were supposed to be running a pilot project. I understand it was delayed because we have -- you know, the vendors weren't ready, willing and able at the time to do it. But coming August, they're supposed to be ready to have a site ready for starting to roll out this -- let's take the green waste and not have to tip it anymore.

Mayor Lago: And that's -- and Madam Vice Mayor, you know, we brought this two years ago, I brought this two years ago.

Vice Mayor Anderson: Right.

Mayor Lago: From the -- and they're doing this already in Tallahassee.

Commissioner Fernandez: Yeah.

Mayor Lago: They're doing a Tallahassee rollout already, and it's an opportunity. We talked about 72nd Avenue, to being able to use that site to take the green matter over there and instead of taking it to the County and reducing all these tipping fees. I hate to say this, but for a long time, we talked about it's very comfortable just for your budget to pay \$4.4 million. And they just eat up. And we brought -- how many times have we had meetings here and we've talked about illegal dumping, illegal dumping, with all the green matter and how the spike just continues to go like a hockey stick. At one point we're going to have to deal with it. And I -- to me, not only do I believe in cutting the garbage fee, but I'm also going to be presenting a reduction in the millage rate because that's something that's forthcoming from Pedro Garcia. He's also recommending this year a 3 percent reduction in the millage rate, as per my breakfast with him. There has to be relief for the residents. I know it's going to impact, our contract, our numbers, it's going to impact, you know, costs. It's going to impact some of the programming, but we have to find a decision and be more efficient. You want efficiency? \$4.4 million, right there. It's low-hanging fruit. We just have to figure out a way to do what other municipalities are doing. You're seeing it. We've been talking about this for two years. Tallahassee's doing it, and my understanding was that Miami-Dade County was moving in the direction of also applying for a pilot program. You know, we've had multiple meetings with different vendors who provide this type of service. And I wrote a memo about it. I sent it to my colleagues in the Commission, shared it with staff, and I don't know where we are on that.

Commissioner Castro: I'm a little skeptical in slashing the garbage fee. I think we need to think of another way so that it wouldn't affect the budget as much. Yeah, maybe not provide 100 percent relief to some properties that maybe won't feel it as much, but to provide it for properties that maybe are a little smaller.

Mayor Lago: You can't do that. So, you can't provide -- (INAUDIBLE), correct me if I'm wrong -- the tax -- you cannot tax and reduce taxes by, you know...

Finance Director Gomez: Not the millage.

Commissioner Castro: The garbage.

Finance Director Gomez: But the garbage fee, you could, yeah.

Mayor Lago: But at the end of the day, I mean, I think that if you're going to cut something across that really, like you said, hits home, this is the perfect opportunity. And especially when you're talking about people who live in 5,000 square foot lots, you know.

Commissioner Castro: Do you have any ideas to bring forward regarding that idea that I just put up?

Assistant Finance Director Rodriguez: So, as far as -- so as far as making the operation more efficient or reducing the cost of the operation, that I would rely on our Public Works. But as far as providing some relief, you know, there are other ways of getting there. Last year we did, you know, a small grant per se, right? A payment out to certain -- to certain homes. There's, you know, the ability -- we don't have a mechanism to apply for some kind of financial assistance towards your garbage. But I think that -- which is why I say that rather than trying to do something like wholesale, that we sit down, evaluate other opportunities, and see how else we can get to what you're trying to achieve.

Mayor Lago: But what my understanding is, maybe I don't want to speak for the Commission, this is something that we've been talking about for years. It's not a band-aid. We need an answer for \$4.4 million. You want reoccurring revenue, here's \$4.4 million of reoccurring revenue. There's an opportunity to address it. It exists. We're not the first to be -- to do this. Other municipalities are doing this. We even have the facility on 72nd where we could even use a portion of those facilities. It could be an opportunity to do something which could reshape the way that we do garbage here in the City.

Vice Mayor Anderson: So, I'm...

Assistant Finance Director Rodriguez: In my current role, I have to defer to Public Works.

Mayor Lago: I know, I know, I know. I'm just sharing, I'm just giving you what I think. I'm not looking -- I don't want a band-aid. I want something like to really address this issue once and for all. Because if we're going to continue to do business the way we do it, in a sense of a trash pit, you know, and those kind of things, let's have trash pits for no green waste. Let's put people to put their green waste in a bin, and the bin gets taken out by our great team so that we eliminate illegal dumping. And if you need a special pickup, we can call for a special pickup. There has to be a way to not skimp on services and to provide the same services, the rear pickup, but just to not allow millions of dollars of taxpayer money to go out the window. We could use that for so many other things.

Vice Mayor Anderson: So, I'm going to clarify. I'm not saying not charge for the special pickups. So, when I trim my three oaks every two years, the same \$450 or whatever dollars that you get for the green waste that's filling my driveway from those trees, you'll still get. And the special -- and the fees for hauling a mattress or an appliance, which you know, you will still be able to receive that. But we really need to move forward on having that green waste recycled, okay. You eliminate the tipping fees there. And this will provide, you know, a great incentive for industrious development of these ideas to reduce our tipping rates. We can mulch this stuff up. You know

you're going to be picking up tree trimmings, you know it's clean because that's all it is, and be able to do that. And I believe Commissioner Menendez wanted to add to our thought process here.

Commissioner Menendez: Thank you, Vice Mayor. Looking for yet another possible option, a balance, but again, I know there are legal constraints as to what we can or can't do in terms of identifying who gets discounts and who doesn't, or reductions. I know the tax rolls, you know, the properties, there are all kinds of homes that exemption, widow exemption, there's exemption for seniors. Would it be just another option on the table to identify those properties that have the senior exemption and apply the garbage reduction to those properties that are already qualified for senior exemption? That way at least we target -- we know a group that definitely could use it and then that's like a baby step at a first step. And it sort of gets us in the right direction, but perhaps the concerns, the ramifications on the other end aren't as strong. I'm sure there are plenty of folks in Coral Gables that have the senior exemption, and it's not -- shouldn't be that difficult to identify what those properties are.

Finance Director Gomez: We were able to identify those properties when we did that grant last year. It would be based on the County's tax roll as of a certain date and whatever number that is, then we would apply. We could, I guess in theory, we could pull out those invoices and just bill those people maybe a lesser rate, if that is what -- as long as that's legally allowed, we could do that in theory.

Commissioner Menendez: I think it fulfills the spirit, I think, of what we want to accomplish. It's in the spirit of what we're trying to do.

Commissioner Castro: I don't know...

Mayor Lago: Are you talking about the \$600 -- the \$600 senior...

Finance Director Gomez: No.

Mayor Lago: Discount that it gives in the County?

Finance Director Gomez: No, no, no. So, I'm saying that we can identify those residents within the City of Coral Gables that have the senior exemption, the homestead -- the senior homestead exemption. And those individuals, we could then -- what he's saying is to apply a discount to them for their solid waste bill. So, let's just argue to the sake of the -- 100 individuals have that senior exemption. I don't know what the number is, but let's just say it's 100. Then we would then pull those 100 customers out if they are property owners and get assessed because some of them may live in condos or things like that, apartments that they don't -- and so, and then maybe bill them a lesser amount. I don't know if that's legally able to be done.

Commissioner Menendez: That's why I started with that legal part.

Finance Director Gomez: But we could theoretically identify them and then bill them those rates.

City Attorney Suarez: So, I would want to look into it a little bit further, but I think that there would be a way, even if perhaps it's not through the invoice, if perhaps a special grant or some other method that it can be -- it can be accomplished that way.

Assistant Finance Director Rodriguez: And if you want to explore that, what I would say is we can do those numbers when we get the June 1 estimates because then we'll have -- sometime in June, we'll have an updated list. We can bring you that cost and then you can decide as part of your budget process if you want to that -- that into our budget.

Finance Director Gomez: A grant.

Commissioner Fernandez: And last year it was...

Assistant Finance Director Rodriguez: As a grant.

Commissioner Fernandez: 263 households?

Finance Director Gomez: I don't remember.

Commissioner Fernandez: Something to that effect?

Finance Director Gomez: I don't remember, I'm sorry.

Commissioner Fernandez: Out of 11,000.

Assistant Finance Director Rodriguez: I don't remember the criteria specific that we selected last year.

Commissioner Fernandez: I see what the premise is, but I think the Vice Mayor's point of, there's an expectation on us to find some sort of tax relief for our residents. And I think if we're just providing it to a very small group, it won't really have the effect that it would need to have. Here's a suggestion. Let's approve not touching the rate today with the ability to put it on the agenda next Commission meeting to have a more thorough discussion and make a decision at that point as to what it should be. And I'd like to see real concrete numbers. You know, if we reduce it to \$550, if we reduce it to \$600, if we reduce it to \$650, you know, I want to see what these numbers are and what the implication would be on the budget so that we can make a decision based on -- on hard numbers. And I think the Vice Mayor even said \$500. Give us all those numbers, because obviously each household works differently. Each one of these would count in a different category as to when people pay. And I would say base it off of a percentage. Reducing to \$550 is about a

34 percent. So, maybe give us 35 percent, give us 30 percent, give us 25 percent, give us even 40 percent just to see what these numbers would be so that we have options to choose from. I think there's an appetite here to get this done. I don't think anybody here wants to affect the services, but we do want to provide the relief to -- to residents the best way we can without eliminating services in the long run.

Commissioner Castro: Do we need to --?

Mayor Lago: I'm ready -- I'm ready to vote today.

Commissioner Castro: That was my question. Do we need to vote on this today or can we defer it for next meeting?

Finance Director Gomez: So, as I mentioned before, you can defer for the next meeting, just because -- then just the bills will not go out as early as I was hoping to get them out. But we -- I always have that meeting. I had that meeting as a backup if this did not get approved. But at that meeting, it does need to be approved because I believe there's no other meeting before the date that I have to submit the rate to the County.

Commissioner Fernandez: Okay, another question. Would you be able to get -- come back with numbers at the end of this meeting? Just giving us...

Finance Director Gomez: Let's see how long the meeting is, we can try.

Commissioner Fernandez: I know, I'm just...

Finance Director Gomez: I don't think so, but I can -- I mean, we could see. And again, so based on the direction of just trying to get reductions. So, for instance, like while we were standing here, I said, okay, \$500 for the early payment, \$600 for the regular payment. And so that would generate a total of \$5.4 million of revenue against the 9.7 that we are generating. It's a \$4.3 million difference. So, there's a deficit...

Mayor Lago: Of a million.

Finance Director Gomez: Another \$4.3 million deficit on top of the 4.4 that we're already carrying. So, any reduction is...

Mayor Lago: The numbers aren't going to change.

Finance Director Gomez: And respectfully, it's detrimental to the budget as a whole. It is. Again, but I will, what you asked us to do, we will -- we'll try to do, but recommendation-wise, we need to charge enough funds in order to get -- to cover the costs we need to. And as the Finance Director,

that is my recommendation. You need to charge -- actually, you should increase it because you need to cover the costs. I understand that we don't necessarily want to do that because the increase will be -- right, so that would be roughly either \$1,300 all one rate, no discount, or would be roughly \$1,443 for the regular rate and \$1,227 for the discounted rate, right? So, that's what we should be charging in order to cover the services provided. And I'll say that period, that is what we should be charging. I understand the sentiments, I really do, but from the purposes of a budget, we're subsidizing costs.

Mayor Lago: But why don't we do this?

Commissioner Fernandez: I don't like the term subsidizing.

Finance Director Gomez: The general fund is subsidizing the expenditures of the Solid Waste Department.

Mayor Lago: Why don't we -- why don't we come back in an hour?

Finance Director Gomez: Um-hmm.

Mayor Lago: Everyone can think about it. You know the numbers. The numbers aren't going to change. They are what they are. It's pretty simple math. Come back in an hour or whenever we finish. We have about -- I think we have about 10 commission items that we have to discuss. We can finish these and we can finish the day off with making this decision.

Finance Director Gomez: And I'll let you know if we -- maybe we won't -- have been able to come up with anything, and then we'd have to defer it and...

Commissioner Castro: I would feel more comfortable deferring it and actually having time to think this out. This is not just any -- any question.

Mayor Lago: We've been talking about this for how many years now?

Vice Mayor Anderson: Oh, it's been years.

Mayor Lago: (INAUDIBLE) we've been talking about this.

Vice Mayor Anderson: And you know, we're going to have to be creative and move forward in a direction that's going to be more sustainable for our future. Because the way we've been doing it is not very sustainable, and the costs are just going up and up and up every single year. Okay, I mean that's my attitude to it. We've been asked to lower, you know, taxes. This is a tax to me and so we should do that. And if we have to absorb it in other areas of the budget, then we have to absorb it in other areas of the budget. There's only so much that can go around. Or are we

going to start charging fees for something else? We'll have a police fee, we'll have a, you know, a roadway maintenance fee, and pretty soon all our taxes will be fees. So, let's not call it something that it's not. It's a tax, okay?

Mayor Lago: So, you want to -- we'll come back in an hour, and we'll have a conversation?

Unidentified Speaker: Sure.

Finance Director Gomez: Thank you.

Mayor Lago: Thank you.

[Later...]

[Note for the record: The Commission ended the discussion and went onto finish the remaining agenda items. They asked the Finance Director to come back in an hour with numbers and scenarios for further discussion]

Mayor Lago: Mr. Clerk, you're ready? Perfect, alright. Let's resume H-5. Madam Finance Director.

City Clerk Urquia: Oh, Mr. Mayor, Mr. Holmes wanted to make a comment at the last item.

Mayor Lago: Go ahead.

Jackson Holmes: You're very gracious with...

Mayor Lago: Oh, I'm here to serve you.

Mr. Holmes: The public -- let me turn my phone off here, I'm sorry. You're gracious with having promoted the public comments and with allowing people even to speak out of turn. It wasn't my intention. I was charging my phone. So, with respect to the last item about the charter amendments, I know I've already said it, but I'm desperate, right? So -- because I just don't want to fail to stress that if we're going to go forward, which God willing we will, to please try to include the Inspector General thing. And again, the reason being that I think we've lost the ethics department. Mr. DeSantis basically said they can't do their job that they used to, so we need an Inspector General. Thanks.

Mayor Lago: Thank you, sir. All right, Madam Director. Thank you.

Finance Director Gomez: So, again, Diana Gomez, Finance Director. So, I was asked to try to come up with different percentages, reductions, and what would it affect. And so, I'm going to do

a little something. Again, I'm going to give you rounded numbers because it's not an exact or whatever. So, obviously, one of the options would be to not increase the rates and leave them where they're at. That way, we would have to then cover an additional subsidy of \$380,000, roughly. A 5 percent reduction to the current rates, so the rates that are currently now in effect, which the early payment rate currently is \$804, the full rate is \$938. So, that's the current rates. A 5 percent reduction would take the early payment to \$764 and the full rate to \$891. So, a \$40 and a \$47 reduction, respectively. And that would generate a loss, or an additional subsidy of about \$860,000 on top of the \$4.4 million that we're currently funding with general funds. A 10 percent reduction would be -- would take the early rate to \$730 -- sorry, \$724 and the regular rate to \$844, and -- which would be about an \$80 reduction and then a \$94 reduction. That would be an additional \$1.3 million loss, loss for no other better way of saying it. A 20 percent reduction would take the rate, the early rate to \$643, the full rate to \$750. So, a reduction of \$160 for early payers and \$187 for regular payers. That would be a \$2.3 million additional subsidy. 25 percent reduction would take the early rate to \$603, the full rate to \$703, so a \$200 -- \$201 decrease and a \$234 decrease, respectively, to \$2.725 million. So, I've done it all the way to 45 percent reduction. Do you want me to keep going on them? Okay, so a 30 -- a 30 percent reduction would take the rate -- the early rate to \$562 or \$563 and the full rate to \$657, so a \$1,240 -- \$241 versus \$281 reductions and that would be \$3.2 million additional cost to the general fund. A reduction of 35 percent would take the early payment rate to \$522, \$523 and the regular rate to \$610. So, the reduction would be \$281.

Mayor Lago: Could you repeat the first one? I apologize.

Finance Director Gomez: Sorry.

Mayor Lago: Five.

Finance Director Gomez: 35 percent...

Mayor Lago: Yep.

Finance Director Gomez: 35 percent reduction, the early payment would go down to \$523 and the regular payment will go down to \$610. So, it would be a \$281 reduction for the early payers and \$328 reduction for regular payers. And that would generate a \$3.7 million additional loss. A 40 percent reduction would take the early payment to \$482 and \$563 for the regular pay, so a \$322 reduction, \$375 reduction for regular pay. That would generate a \$4.125 million additional loss, or again, for lack of a better word. And then a 45 percent reduction would go to the early payment of \$442 and the regular payment of \$516, so it would be a \$362 reduction or a \$422 reduction, but it would be a \$4.6 million additional subsidy for the general fund. I think I was also asked to look at a flat rate for everyone with no early payment. So, let's just say we did a flat rate of \$550 for everyone. It would be -- \$550 would be what would be charged and it would generate about a 300 and -- no, a 300 -- \$3.9 million shortfall or loss or sub -- additional subsidy.

Commissioner Castro: How much, I'm sorry?

Finance Director Gomez: If we would do a flat rate and charge everybody on the tax bill, or I guess early, but not different rates, \$550, it would gen -- it would cost an additional \$3.9 million of a subsidy or loss or additional funding that the general fund would have to fund.

Commissioner Castro: On top of the 4.4?

Finance Director Gomez: Yes, all of these numbers were on top of the 4.4 that currently exists.

Commissioner Castro: That's almost \$9 million.

Finance Director Gomez: Yep.

Commissioner Castro: Wow.

Mayor Lago: So, what is the will of the Commission?

Commissioner Castro: Where will we take those \$9 million from?

Finance Director Gomez: So, the -- the 4.4 is -- the 4.4 has already been contemplated. We already balanced our budget expecting that we have to subsidize that. So, the additional \$3.9 million would have to come out of available general fund or other special revenue fund dollars. So, any available dollars in the budgeting process. So, it just means, let's just say for argument's sake, \$4 million less for other recurring needs.

Mayor Lago: For capital.

Finance Director Gomez: It could be for capital, it could be for wages, it could be for operating expenditures, it could be for, you know, anything that we use general fund or -- yeah, that we use general fund or dollars for -- no, unrestricted dollars for. But they're recurring dollars, which means it's not like just one-time funds can be used to pay this down. It has to be recurring. We balance our budget with -- recurring revenues cover recurring expenditures.

Commissioner Castro: No, I understand the intent of the Commission 100 percent. I just feel like the burden is going to be so big on the City and so not significant for the resident. And I -- and I also feel that we're not being fiscally responsible with this amount of money. I would approve the increase of 38, probably remove the early payment option because we're not getting a discount from anywhere from getting that extra money and we'll actually be covering a little more of the 4.4. And I would love Commissioner Menendez's idea to provide a grant to the 260 residents, maybe with 50 percent deduction of their...

Finance Director Gomez: So, the last time we did this senior relief grant, there was about 260 individuals. That number may go up or down a little bit. Some people may -- of that 260 may live in a condo so they don't pay the solid waste fee so they wouldn't get the reduction necessarily, if that's the way it's written. And so then they would -- so yes, and then we would do what you're saying, to give a grant for whatever, 50 percent.

Commissioner Castro: Like \$450...

Finance Director Gomez: Yeah.

Commissioner Castro: Like \$450, what is it, \$450 -- four something, right?

Finance Director Gomez: Right. So, yeah, so roughly then that would be -- it would cost an additional about \$115,000 maybe.

Commissioner Castro: And then removing the early payment would actually make us a little more money too.

Finance Director Gomez: Yes.

Commissioner Castro: Because we're not really getting a deduction from -- we're absorbing that deduction is what I'm trying to say.

Finance Director Gomez: Yes, we are. We are.

Vice Mayor Anderson: Mayor.

Mayor Lago: Of course.

Vice Mayor Anderson: The directive that, you know, we've been charged with from -- and this is the second year in a row, that our state representatives have pressed and urged and expressed disappointment that we haven't decreased our millage rate. This is a mechanism to do it in a less painful manner and in a manner in which it gives our budget staff ample time to work with the budget going forward rather than, you know, addressing this on what our first budget meeting is in September, when we start discussing the millage rate. I mean, it's -- there's months here of preparation. So, looking up what the 65-year-old discount is on property taxes, the last amendment on that was in 2021, and at that point, the income requirement was under \$20,000 per year. That's a very extremely low threshold for folks that are struggling out there, especially considering the fact that, you know, the cost of living just for food can easily eat up. I did some rough calculations on what average food costs are for folks. It's eating up about \$5,000, \$4,515.48 per person per year, okay. Medical costs, \$5,800 per year. You know, you can easily blast through \$20,000 in a

heartbeat for just basic living expenses. We've been asked to give relief. This is a way we can give everyone relief and especially those who need it the most. Expecting everybody to navigate this application process for seniors and seniors only, okay, because not a lot of seniors need this. So, you have families of four or families that are struggling to make ends meet on the food bills. We might be a rich city, but we also have folks that are forgotten and having a difficult time and have been having a difficult time paying these ever-escalating garbage fees. And this is a great way to address that population. So, you know, my suggestion, the number that I felt was fair was \$550. I still think that we can have that as the early payment option. And if people want to pay it in their tax bill, they can pay the higher rate. And we could discuss what that is, whether it's \$100 over or \$200 over the amount. So, I'll have some thoughts on this. Thoughts?

Commissioner Fernandez: I guess the question would be, \$550 would be what percentage and what would the correlating --?

Finance Director Gomez: So, \$550 for everybody?

Commissioner Fernandez: No.

Mayor Lago: It's 3.9 million.

Commissioner Fernandez: No, no, \$550, and then what would the correlating late payment be?

Finance Director Gomez: So, \$550 -- so right, it falls right in between. So, let's just say \$562, right? And between 35 percent is \$522, 30 percent is \$562. So, let's just say \$562 as the early payment and -- which is a 30 percent reduction, and then it would be \$656, \$657 for the regular payment. It would generate a \$3.2 million additional loss or subsidy.

Commissioner Fernandez: But I guess what the Vice Mayor is saying is rounding it off to \$550, where would that put us?

Finance Director Gomez: 33 percent maybe. I didn't do the math on that. I did it in 5 percent increments. But -- so if my computer doesn't die, I can try to do that.

Vice Mayor Anderson: So, you're roughly, let's see, \$85 to \$90 difference between one figure and the next.

Finance Director Gomez: I'm sorry, I don't...

Vice Mayor Anderson: (INAUDIBLE) plus the -- \$523 to \$610.

Finance Director Gomez: So...

Vice Mayor Anderson: We're talking \$87 difference between.

Finance Director Gomez: 68, 68, 50, 68, 50. So...

Vice Mayor Anderson: \$563 to \$657.

Finance Director Gomez: So -- I'm sorry, 68.

Vice Mayor Anderson: Or we could just pick one that you've already calculated.

Finance Director Gomez: Yeah.

Vice Mayor Anderson: \$563 is close enough.

Finance Director Gomez: So, it would be a -- so it would be -- sorry. Sorry, give me one quick second. So, it would be, I guess, a 32 percent reduction.

Vice Mayor Anderson: Yeah.

Finance Director Gomez: 32 percent reduction, \$550 is the early payment, you have \$642 as the later pay -- as the regular payment. It would be a \$3.3 million, \$3.3 high million shortfall.

Commissioner Menendez: If I may.

Vice Mayor Anderson: You may.

Commissioner Menendez: Because I think it's good that we have more than one option that we're looking at thanks to your numbers. It's providing a lot of clarity. I'd like to follow up on what Commissioner Castro was talking about, mentioning the seniors which -- mentioned earlier. On that path there is a way to expand the pool of residents. I did some research, and there are other exemptions that qualify in terms of what we're looking for, people in need. So, besides senior, there's permanent disability, veteran disability exemption, and exemption for if you're blind. If we added those, anybody who falls into any one of those categories, then the pool grows from the 230.

Finance Director Gomez: Sure. I don't have that population though.

Commissioner Menendez: No, I'm not saying that you do.

Finance Director Gomez: I'd have to request it.

Commissioner Menendez: I'm not asking you to find out.

Finance Director Gomez: I don't know if it's 200 or 10 -- you know, 500 or...

Commissioner Menendez: But it's more than what we have now, under the seniors.

Finance Director Gomez: It would be, yes, yes.

Commissioner Menendez: And obviously, you know, we always talk about our seniors and our veterans, always talking about folks with disabilities, and these are things that they had to provide the County with the doctors, you know, verifying that they actually have a permanent disability. So, I'm just saying along the discussion that Commissioner Castro brought up, in addition to seniors, if this is something we bring back for a conclusion at some point, next meeting, let's say, I would love to see, you know, your team, somebody could do the research, how many residents would qualify if we added those other categories.

Finance Director Gomez: You're saying senior, disabled, veterans, widow? Did I get them all?

Commissioner Menendez: No, seniors, blind, veteran disability, and then permanent disability. Those are several of the different exemptions that Florida provides property owners.

Vice Mayor Anderson: So, I'm going to give you a little perspective. One of the number one things that causes bankruptcy, number one things that causes homelessness are medical issues less than a permanent disability. Dealing with some folks right now, homeless, and would never qualify under any of these exemptions.

Commissioner Menendez: Right.

Vice Mayor Anderson: What we're trying to do is we're trying to give relief to people that need it the most, not give them more hoops to jump through. We're also trying to be responsive to the requests of our legislators to give tax relief across the board. I mean, people with permanent disabilities are usually those in wheelchairs. That's a small microcosm of what we have in our community. And people, you know, trying to put food on the table, this will put some money back in their pocket. It's less harmful than doing a total budget -- than doing a complete millage rate reduction. And it's fair to everybody across the board.

Commissioner Menendez: But you mentioned people in need. I think earlier there was a discussion that I think anybody could benefit from savings of \$100, but there are some folks that it's such a large net that dollars may be going to folks that really don't need the extra \$100. And in this situation, if you're filing an exemption for senior, disability, blind, or veteran, that means you filed the exemption because you need the exemption. And it's tangible and you can quantify it, and it's already measured by the County and certified by the County. So we don't have to interview anybody because it's already a permanent record.

Finance Director Gomez: Right. How we did it with the senior...

Commissioner Fernandez: (INAUDIBLE).

Finance Director Gomez: I got the date from the County to say as of what date is that roll that we need to do it by. And so we put into the resolution the name of the roll that they called it. And it was as of that date, whoever had qualified for the senior exemption, they got that senior grant.

Vice Mayor Anderson: So, would you prefer...

Commissioner Fernandez: No, I did receive phone calls from residents who needed it, but they didn't qualify under the County's parameters. They were just outside that number. So, I see your point, but I also see Tallahassee has been clear with us and so has the property appraiser. They would like to see some sort of relief provided. This is our way of providing relief without throwing everything out because a millage rate cut right now is something that the City cannot afford to do. Just, we cannot. If we cut the millage rate, we're going to have to remove money from the reserves. We're going to have to stop making extra payments for -- for our pension. Things that have been set in course over the last few years. So, I think this is an opportunity that we have to provide the relief, and I'm willing to go on board on 30 percent if that's -- if you're okay with that.

Vice Mayor Anderson: What's the number?

Mayor Lago: May I ask you a quick question?

Commissioner Fernandez: That was the \$563/\$657.

Mayor Lago: I want to -- I want to -- when you say in the past people were talking about, I don't remember anybody on the Commission before this Commission talking about dipping into the reserves and dipping into -- and underfunding the pensions. I mean, correct me if I'm wrong.

Commissioner Fernandez: Nobody said that.

Mayor Lago: You said in course, it was said before about...

Commissioner Fernandez: No, I said that the Commission has worked on before, getting us to where we are today. I was giving you and the former Commissioners credit.

Mayor Lago: I thought I...

Commissioner Fernandez: No, total opposite.

Vice Mayor Anderson: Yeah.

Commissioner Fernandez: I was saying that we've gotten to where we've gotten, let's not take steps back.

Mayor Lago: But we don't need to take steps back.

Vice Mayor Anderson: No, no.

Mayor Lago: We don't need to take steps. We can do both.

Vice Mayor Anderson: Right.

Commissioner Fernandez: No, we can't. Not when it comes to the millage rate.

Mayor Lago: Listen to me, we can. There is ways to do it. We just have to, again, do things the right way. We have to be efficient. We have to finally address issues like a \$4.4 million shortfall that we've been kicking the can down the curb for years and have never addressed that across the board. We can lower the millage rate, and we can also cut the garbage. Today, we're starting with the garbage. So, you're -- what would you like to do, Madam Vice Mayor?

Vice Mayor Anderson: I'm fine with the 30 percent at \$563. I (INAUDIBLE)...

Mayor Lago: Why don't we just leave it at \$550?

Vice Mayor Anderson: Okay. (INAUDIBLE).

Mayor Lago: Want to make a motion?

Commissioner Fernandez: So, going up to 32 percent, you're saying?

Mayor Lago: Would you like to --?

Commissioner Castro: I...

Mayor Lago: Would you like to make --?

Commissioner Castro: Before...

Vice Mayor Anderson: I'll make a motion.

Mayor Lago: Hold on one second.

Finance Director Gomez: Clarification please.

Mayor Lago: Yes.

Finance Director Gomez: So, one -- just want to make sure we...

Mayor Lago: I have a motion on the floor. Give me one second.

Finance Director Gomez: I'm sorry.

Commissioner Castro: But discussion wasn't over.

Mayor Lago: We're going to have further discussion. I have a motion on the floor. Is there a second?

Commissioner Fernandez: Well, we had an agreement at 30 percent.

Mayor Lago: You didn't. There's no agreement.

Commissioner Fernandez: Well, no, the Vice Mayor and I.

Vice Mayor Anderson: No, no.

Mayor Lago: But I requested that we go to \$550. I think we're perfectly fine at \$550.

Commissioner Fernandez: What's the difference between --?

Commissioner Castro: Early.

Commissioner Fernandez: 30 and 32 percent?

Finance Director Gomez: Again, so the differences that I would -- the \$550 that I gave you was everybody pays \$550, no early payment discount, just \$550 for everybody. That would hit -- have a \$3.9 million hit.

Mayor Lago: And that's where I think we should be at.

Finance Director Gomez: And the 30 percent reduction, where it's \$562 -- \$563 because it's \$562 with 80 cents, you know, and \$656 with 60 cents, that would be a \$3.2 million dollar hit to the budget so...

Mayor Lago: If I may, if I may. We sat here three months ago and we contemplated a \$30 million COLA. \$28 million, I think, COLA.

Finance Director Gomez: COLA?

Mayor Lago: Yeah, we did. We contemplated and we voted on a \$28 million COLA. That would have hit the City for 10 years close to what, four point something million a year?

Finance Director Gomez: Oh, I'm sorry, the retirement COLA.

Mayor Lago: Yeah.

Finance Director Gomez: I'm sorry. I was not in my head, retirement.

Mayor Lago: It's okay, no problem. I know it's late.

Finance Director Gomez: Yes.

Mayor Lago: I'm tired, we're all tired.

Finance Director Gomez: It's just -- no, it's just that it's totally (INAUDIBLE).

Mayor Lago: It would have been -- it would have been -- and I'm going to ask you for numbers because I'm probably wrong on the number. I remember it was about 28, 29, 30 million.

Finance Director Gomez: If you give me a second, I can pull it up.

Mayor Lago: And my understanding was that it was close to four point something million a year would have cost the City for 10 years.

Finance Director Gomez: Something like that. I can pull it up.

Mayor Lago: We had that discussion and we went -- we went deep in that discussion and we're willing to accept that for 10 years. And thank God that vote required a four-fifths vote and it didn't happen because the voters in the City would not have gotten a penny. So now, Madam Vice Mayor, I'm in favor of \$550 across the board. If you feel comfortable with that, you've been having this conversation. I think it's late. I think we've talked about this. We're at 7:30. I'd like to have your opinion on \$550. This is the first time I speak on the issue.

Vice Mayor Anderson: Yeah, \$550 is where I started. My only concern is if we have to put it on the tax roll, there's a time value of money and encouraging people to pay earlier, you know, helps, I think, the City out.

Mayor Lago: My question is...

Vice Mayor Anderson: So...

Mayor Lago: To the Vice Mayor's point, educate me, does it help us? Does it help us pay it early? Yes or no?

Finance Director Gomez: I mean, it's a matter of two months, I don't know that I'm going to -- the effort that has to go into the billing and collection and the cost with sending out 11,000 bills and making sure it's properly, you know, all that, there's a, you know, so there's a cost benefit. I'm not saying -- we do it every year and I'm perfectly fine doing it.

Mayor Lago: Okay.

Finance Director Gomez: I'm saying that if we're going to move towards a flat rate...

Mayor Lago: Yep.

Finance Director Gomez: We should just move to a flat rate and get rid of the early payment discount.

Mayor Lago: That's what I'm saying.

Finance Director Gomez: We could give people the opportunity to pay it early and not get put on the tax bill, but the rate should be the same.

Vice Mayor Anderson: So, if it's just put on the tax bill, waiting for the money, is that an issue?

Finance Director Gomez: That's what I'm saying, it's only two months. I mean, because we're going to get the majority of them in November, at the end of November, instead of end of August.

Vice Mayor Anderson: A (INAUDIBLE).

Mayor Lago: That's what I was trying to make.

Finance Director Gomez: It's not that much time.

(MULTIPLE PARTIES SPEAKING IN UNISON)

Vice Mayor Anderson: Other than we wanted to mail a lot of goodies with the mail.

Finance Director Gomez: Right, that's another thing. We're going to be mailing...

Vice Mayor Anderson: But the postage costs money too.

Finance Director Gomez: Yes, it does. We -- but we already budget for those costs because every year I send out a tax -- a solid waste bill. So, that's -- there's no additional cost, that's already budgeted for. So, we'd save that money in theory if we just put it on the tax bill. But if we put it on the tax bill, you know, right, so let's -- technical, right. I love to get technical because there's always technicalities. If we put \$550 on the tax bill, technically, we're only going to get 522 because if people pay, they get a 4 percent discount.

Mayor Lago: That's why it's a flat -- flat rate.

Finance Director Gomez: So, and the County charges me a one to one and a half percent fee, administrative fee for putting it on the tax bill.

Mayor Lago: Yep.

Finance Director Gomez: So -- but that amount that I told you that would be the subsidy is already factoring that in. So, we charge them \$550. I know I'm only going to get \$522, you know, and so therefore, that \$3.9 million that I told you the deficit is factoring that in.

Mayor Lago: And to give -- and to give the individuals that don't remember or were not aware, how much did we have -- how much did we have in debt before we put it on the tax bill when I got -- when I was elected?

Finance Director Gomez: It was just under \$4 million...

Mayor Lago: \$4 million.

Finance Director Gomez: That people hadn't paid for years and years. And that's why that shows.

Mayor Lago: We had certain people that hadn't paid for almost two decades for their garbage fees. And when we put it on the tax roll...

Finance Director Gomez: It forced everybody to have to pay.

Mayor Lago: 80 percent of people complied.

Finance Director Gomez: Yeah, well you have to by -- for the tax bill.

Mayor Lago: I mean, it was brief, quick.

Vice Mayor Anderson: Yeah.

Finance Director Gomez: So...

Vice Mayor Anderson: And we do that right now with the fire fee. It goes right on the tax bill.

Finance Director Gomez: Yeah.

Mayor Lago: So...

Finance Director Gomez: So, again, flat rate \$550, we talked about it, it would be a \$3.9 million deficit. A \$600 flat rate would be a \$3.4 million deficit. A \$700 flat rate would be a \$2.3 million deficit. I also want to throw away different numbers or whatever, throw out different numbers. A \$750 flat rate would be a \$1.8 million deficit.

Mayor Lago: So, if I may, Madam Finance Director. Mr. Clerk, do we have any public comment?

City Clerk Urquia: Yes, Mr. Mayor.

Mayor Lago: (INAUDIBLE).

City Clerk Urquia: Ms. Maria Cruz.

Commissioner Fernandez: I did have a question, though.

Mayor Lago: Let's go to the public. We'll get into it now. We have all night.

Commissioner Fernandez: He doesn't want me to talk today.

Commissioner Castro: I was trying to talk too.

Commissioner Fernandez: Yeah. Takes two votes.

Maria Cruz: Mrs. Maria Cruz, 1447 Miller Road. Several years, we've been discussing what some people consider the unfairness that we have with solid waste, the landscape pickup, or whatever it's called. When you have a set price for everyone, regardless of size, really, I don't like to use the word subsidy, but the poor people are subsidizing the other people. Because the people that have larger families, larger property, you know, more trees, more grass, et cetera, et cetera, use more than the people that don't. Okay, so even though I don't like the word subsidized, because subsidized for me means money from someplace else. When the money is from our taxes to alleviate us, it's not a subsidy, it's moving money from this to this. It's our money that you're

choosing to use for something else. Nobody's subsidizing, nobody's coming in from other city to give us money. It's our money that you're choosing to use differently. Okay, now, so I say that given this, having a set price for everybody is really the same thing that we're doing now. The people that most need the break are not getting the break. For a person that lives in how many million dollars, because now we have people that live in more than \$1 million, lots of million dollars, to save \$300 a year is what? Not going to Burger King one day. You know, it's not a big deal. For a poor person, it's a lot of money. And this is what I'm saying to you. I know that it may be too late for this year, but you need to address the issue of charging based the same as the taxes, every other tax, based on the property that you own. That's it. It's a simple matter. You use more services than the people that live in a little house and have no grass to cut, okay? That's one thing. The other thing is when you're talking about the exemptions, you need to realize that there are some exceptions that are based on need and some that are not, okay? Widow is no need. It doesn't make any difference. Senior citizen is based on need. So, that's a good one, because when you are a senior and you apply for a senior, you have to show that you're under whatever amount of money it is.

Vice Mayor Anderson: Twenty.

Ms. Cruz: Huh?

Vice Mayor Anderson: Under 20.

Ms. Cruz: 120.

Vice Mayor Anderson: No, no. \$20,000. That was my point. It's an extremely heavy burden.

Ms. Cruz: No, because I looked at it and there's -- I think there's two senior exemptions; one is based on -- listen, one is based on need and one is not, I think. I think you're talking about...

Vice Mayor Anderson: 196.075, additional homestead exemption for persons 65 and older. Under paragraph A says you get an additional \$50,000 in deduction if you've attained the age of 65 and whose household income, not just that person, does not exceed \$20,000. It's a heavy burden.

Commissioner Castro: I think...

Ms. Cruz: There are different things, okay? So, you need to consider that because, you know, that \$20,000, who can live on \$20,000? That's -- okay? All right, so you need to consider that. And I'm sure that, you know, the handicap and the blind or whatever, that makes sense. That's not based on need. That means you qualify because you have a circumstance, okay? So, once again, I think it's time. And the millage, the millage will not help the poor people. The millage, when you do -- when you -- it's like salaries. When you're at the top of the line and you get 10 percent, you get much more money than the poor person that's at the bottom of the line. So, if you own --

and remember we're at Beverly Hills now. We have lots of people with big price properties. When they get a millage reduction, they're going to save a lot of money. The person that has the house that's what -- we have some people that have homes for what, \$300,000? Is that the lowest that we have in the City? \$300,000, \$400,000?

(COMMENTS MADE OFF THE RECORD)

Ms. Cruz: What do they save? You see what I'm saying? So, if you really want -- if the mission is to help the needy, the millage wouldn't help them as much as they would help the other end that doesn't need the help.

Vice Mayor Anderson: So, proportionally, with the wealthier homes or the higher priced homes pay a greater proportion of the garbage fee. How is that true? Because they're filling the delta of what is not the...

Ms. Cruz: If you -- if they -- but they do not pay the higher proportion of garbage.

Vice Mayor Anderson: Yes, they do. Yes, they do. Because if they -- if we have a \$4 million hole to fill, and these are the homes it has to be taken from, the homes with the less value fill that bucket less than the homes that are worth more.

Ms. Cruz: But you can have as many buckets as you want for recycling and for garbage, you can have as many as you want. Trust me, I've seen people.

(MULTIPLE PARTIES SPEAKING IN UNISON)

Commissioner Fernandez: Let me explain it. So, the difference, we're not passing through as a garbage fee and we're assuming that the general fund is coming from the general fund...

Ms. Cruz: Correct.

Commissioner Fernandez: Which those properties are paying a higher tax. So, if we're moving these \$3.9 million into the general fund, those larger properties in essence will be paying more for the garbage.

Mayor Lago: So let's do this.

Ms. Cruz: That's fine.

Mayor Lago: You have anything else you would like to add?

Ms. Cruz: Well, I say that we need to move into and consider for in the future the possibility of basing fees on prices.

Vice Mayor Anderson: We'll have to do a deeper study to do that. Today, we don't have enough time.

Ms. Cruz: Okay, no, I know, not today.

Vice Mayor Anderson: Square footage or number of bedrooms.

Ms. Cruz: Yes.

Vice Mayor Anderson: We can -- but that's going to take some time.

Mayor Lago: Thank you very much.

Ms. Cruz: Okay.

Mayor Lago: Mr. Clerk, do you have anyone else?

City Clerk Urquia: No, Mr. Mayor.

Mayor Lago: Commissioner Castro.

Commissioner Castro: I completely agree with Commissioner Menendez. I think we need to figure out how to increase the population of the people that are in need so that the people that aren't in so much of a need are receiving this relief. As I said, when I started talking, I don't -- I don't -- I don't agree with the \$550, and it breaks my heart to even say that, but I don't. I think we should still be providing relief in a grant form to the 260, and I would love to increase the population to the people that are really in need.

Mayor Lago: Commissioner.

Commissioner Menendez: I have no comment.

Mayor Lago: Commissioner Fernandez.

Commissioner Fernandez: I guess, going back to the early payment versus the later payment, there really isn't that much of a later payment difference because it's taking out of the fees that Miami-Dade County is keeping.

Finance Director Gomez: So, it's a four -- they -- so the amount that they pay, so if we say that the later payment is \$500 or whatever, \$600, and yes, we are only going to receive at best -- well, no, I mean, not at best. We always -- 95 percent of it, because if people pay in November, they get the full 4 percent. Not everybody pays in November. Some people don't pay till May, and so we get the 100 percent of the amount that we charge, but there is a portion of it that gets discounted because they have that early payment discount. So yes, and it's very hard to factor that in so we don't necessarily -- I use round numbers just so that we know generally where we're at. But it's a -- you know, at the end of the day, it's a budget, it's an estimate. It's how much we believe we're going to generate. But it depends because, for whatever reason, maybe everybody pays early this year and then we're going to get much less revenue than we otherwise would have thought. That 72/28 percent split is based on historical. If for whatever reason, 100 percent of people want to pay early, the subsidy is going to be larger because everybody would pay that early payment rate and the 28 percent wouldn't pay the full pay. But it has over time been consistent at that 72/28.

Commissioner Fernandez: Right, and I think the argument could be made that the late payment is also more beneficial to the people who have less money because they may be allowing it to pass through to their mortgage because that's divided up into 12 months versus having to pay it all up front.

Finance Director Gomez: Sure.

Commissioner Fernandez: I know there have been years where I myself have found it hard to make that early payment because you have to come up with the \$800 at one time. I guess, question for you, would you consider a flat rate of \$550 with a 4 percent fee that can be added to it if it is assessed through taxes to cover that difference? I mean, credit card fees are charged all the time. This would be the equivalent of that. So, it would be \$550, but there would be a 4 percent charge to cover that difference.

Finance Director Gomez: It would be a 5 percent charge because they also charge 1.1 percent.

Commissioner Fernandez: 5 percent charge if...

Finance Director Gomez: So, it would be a \$550 or \$577.50 if it put on the...

Mayor Lago: My request is simple. I'm ready to vote. It's \$550 flat.

Finance Director Gomez: For everyone.

Mayor Lago: For early or late, it's \$550. That's it, it's simple. I don't want to complicate it. It's real simple.

Finance Director Gomez: And so I just feel like I must state for the record again, four million -- \$3.9 million dollar additional hit to the -- to the budget.

Mayor Lago: I understand.

Commissioner Menendez: And what's the hit with what Commissioner Fernandez just said about the 5 percent?

Finance Director Gomez: Oh, I mean so the difference would be -- I mean, it'll be a little bit less. It would be, let's just argue -- hold on, I'll tell you right now. Sorry. So, if we charge the full \$550 in theory, or get the full \$550, it'd be 3.625. So, it's just a couple hundred thousand dollars different, because that's the 4 percent, the potential of that 4 percent.

Commissioner Menendez: Last question.

Finance Director Gomez: 5 percent, yes.

Commissioner Menendez: Commissioner, I've lost track of all the options. At some point, the Vice Mayor and Commissioner Fernandez were sort of on the same page a little while ago.

Vice Mayor Anderson: Yeah, yeah, I -- but I think the paperwork burden, et cetera, it's just not worth it. \$550 is the motion right now across the board.

Commissioner Fernandez: Without the 5 percent late fee?

Vice Mayor Anderson: Right, let's just make it simple.

Mayor Lago: So we have a motion.

Vice Mayor Anderson: Right.

Mayor Lago: I'm willing to second that motion. We've had public comment. I think we're ready to take a vote unless anybody else has anything else they'd like to add.

Commissioner Menendez: First, I would like to push it to the next meeting. It's a lot of money to make a decision when we still can't even totally agree.

Commissioner Castro: I would second that.

Mayor Lago: Well, we have a -- we have a motion and a second on the floor first. Let's take it to a vote, Mr. Clerk.

City Clerk Urquia: Okay, just to be clear, previously I had Commissioner Fernandez as the seconder.

Commissioner Fernandez: Right, but I -- yeah, I had seconded the 30 percent.

Mayor Lago: It was a different motion.

Commissioner Fernandez: Right, we had a motion and a second for that one.

Mayor Lago: You're the -- you're the...

Commissioner Fernandez: So, you would have to...

Mayor Lago: Do you want to vote on that?

Vice Mayor Anderson: No, I just want to do the \$550. You know, it's late. A few minutes of eight, right?

Commissioner Menendez: I'd rather defer.

Mayor Lago: But do you want to strike -- do you want to strike your motion?

Vice Mayor Anderson: Yeah, we'll strike.

Mayor Lago: And then we'll move on with the motion that we said before, \$550 flat. We have - - we have the Vice Mayor made the motion and I seconded. Mr. Clerk, can we have a roll call vote?

City Clerk Urquia: Commissioner Fernandez?

Commissioner Castro: I would prefer to defer.

Commissioner Fernandez: I'm still torn on that late fee component.

Commissioner Menendez: I have a question. If this motion fails, can a new motion be made?

Mayor Lago: Yeah, of course. You can do -- you can defer. You can do whatever. If you'd like to defer, you're more than welcome to do that.

Commissioner Fernandez: I'm going to vote no because it's not truly \$550 because it will be \$522 in some cases.

City Clerk Urquia: Commissioner Menendez?

Mayor Lago: Wait, hold on. Wait a second. Why would it --?

Finance Director Gomez: Because if it's on the tax bill...

Mayor Lago: But it's on the tax bill. At the end of the day, it's -- the flat rate \$550 is...

Finance Director Gomez: We only receive \$522.

Commissioner Fernandez: We will not receive the full amount.

Finance Director Gomez: If you put on the tax bill and people take advantage of the 4 percent plus the County fee, we would only receive the equivalent of \$522.50.

Commissioner Fernandez: Okay, perfect.

Finance Director Gomez: That's what I'm saying, yeah.

City Clerk Urquia: Commissioner Menendez?

Commissioner Menendez: I believe we're rushing into this. I would like it to come back so we can think clearly and take into consideration the Administration's concerns and find a solution that I think is more balanced. So I vote no.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

Mayor Lago: Yes.

(Vote: 2-3)

Commissioner Fernandez: I would make a motion.

Mayor Lago: If you just give me one second, I think that the -- Commissioner Menendez wanted to -- wanted to make a motion. I think he wanted to say something.

Commissioner Menendez: I'll allow Commissioner Fernandez.

Commissioner Fernandez: So, I'll make a motion at \$550 with a 5 percent late fee.

Finance Director Gomez: So, \$550...

Commissioner Fernandez: When it's assessed on your tax bill.

Finance Director Gomez: So, \$550 if it's paid early.

Commissioner Fernandez: Correct.

Finance Director Gomez: And whatever I said.

Commissioner Fernandez: Right.

City Attorney Suárez: So, \$550 plus 5 percent.

Commissioner Fernandez: But 5 percent.

Finance Director Gomez: Right, so about \$577.50...

Commissioner Fernandez: If it is...

Finance Director Gomez: If placed on the tax bill, which then they would get a...

Commissioner Fernandez: To ensure we get the full amount.

Finance Director Gomez: 4 percent reduction if they paid in November.

Commissioner Fernandez: Correct.

Finance Director Gomez: Again, still a 3.76...

Commissioner Fernandez: 3.625.

Finance Director Gomez: Yes.

Vice Mayor Anderson: We understand.

Finance Director Gomez: I would not be doing my job if I did not tell -- stress how detrimental this will be to the budget. So, forgive me, but I just want to be very clear so we don't have these discussions during the budget.

Commissioner Menendez: I have a question for you.

Finance Director Gomez: Yes.

Commissioner Menendez: I know there's a motion. If you had more time, would you be able --? Do you think we'd be able to find a way forward to lessen the hit to the City?

Finance Director Gomez: No, there's no additional -- this is taking revenues out of the original -- already existing general fund. Lowering it to any capacity is going to be an additional hit. Could one -- you know, could a smaller, like not do an increase, leave it the same and that's a \$380,000 hit, is that more palatable for the budget as a whole? Perhaps, right? Perhaps. But again, the three point -- you know, \$3.9 million on top of a \$4.4 million is a significant detriment to the budget. And I just, again -- and I apologize, but I just want to make sure it's very clear.

Mayor Lago: May I ask you a question?

Finance Director Gomez: Yes.

Mayor Lago: And I ask you just because I want to kind of understand it in the context. You're very adamant about this, and we've worked together for many, many years. How come you didn't take that same position when we were talking about over \$4 million and change in regards to the COLA? You were -- you opposed it, but you weren't...

Finance Director Gomez: I did. My memo was very clear.

Mayor Lago: Not your memo, but you weren't this -- this public about it.

Finance Director Gomez: So, I happened to not be here for that meeting. I was on a planned vacation at the time. So, I was not physically here. I was out of the country for that meeting. But my memo was very clear that we should not do it. And I believe that that was the -- I think we came up with a possible solution because we hadn't fully allocated all of the extra payment at that time. And I chose to not allocate all of it and leave it there in case the Commission had decided to pay -- I think it was a thousand or maybe up to \$1,200 could have been absorbed. And so that was the direction I believe that the staff had talked about, but then that did not happen.

Mayor Lago: But we're talking about a 10-year window of almost \$30 million.

Finance Director Gomez: Not what I was talking about. What I was talking about was a one-time flat payment. My recommendation, per my memo, it was very clear, we should not make this payment. And I am always adamant when I have those -- when it comes to those meetings and letting this Commission or any Commission know that we should not do it.

Assistant Finance Director Rodriguez: So, like Diana said, she wasn't here that day, but I was standing in for her. And I believe that I was extremely adamant about not -- about the impact that that COLA would have. When we did discuss that item, we had found an option with one-time funds to give a one-time...

Finance Director Gomez: Lump sum.

Assistant Finance Director Rodriguez: A one-time lump sum payment. And so that was something that was more palatable because it was one-time funds that we were able to identify, but the COLA that was being proposed was something that I believe -- I can go back and listen to it -- but I believe that I was extremely adamant about our concerns about -- about that passing and what that would do to our...

Mayor Lago: Thank you.

Assistant Finance Director Rodriguez: Unfunded liability.

Mayor Lago: So, I think we have a motion on the floor. Do we have a second?

Vice Mayor Anderson: I'll second.

City Clerk Urquia: Commissioner Menendez?

Commissioner Menendez: For the reason I mentioned earlier, concern based on the advice of the Administration on the impact, I think we're rushing it. I vote no.

Vice Mayor Anderson: Yes.

Commissioner Castro: No.

Commissioner Fernandez: Yes.

Mayor Lago: Yes.

(Vote: 3-2)