

City of Coral Gables

*405 Biltmore Way
Coral Gables, FL 33134
www.coralgables.com*



Meeting Minutes

Friday, November 7, 2014

1:00 PM

City Manager Selection

City Hall, Commission Chambers

City Commission

*Mayor Jim Cason
Vice Mayor William H. Kerdyk, Jr.
Commissioner Patricia Keon
Commissioner Vince Lago
Commissioner Frank C. Quesada*

*Carmen Olazabal, Interim City Manager
Craig E. Leen, City Attorney
Walter J. Foeman, City Clerk*

ROLL CALL

Present: 5 - Mayor Cason, Commissioner Keon, Vice Mayor Kerdyk Jr., Commissioner Lago and Commissioner Quesada

PUBLIC HEARING**RESOLUTION NO. 2014-248**

1. **14-3530** A Resolution appointing Cathy Swanson-Rivenbark, City Manager of the City of Coral Gables.

A RESOLUTION APPOINTING CATHY SWANSON-RIVENBARK, CITY MANAGER OF THE CITY OF CORAL GABLES.

A motion was made by Vice Mayor Kerdyk, Jr., seconded by Commissioner Quesada, that this matter be adopted by Resolution Number 2014-248. The motion passed by the following vote.

Yeas : 5 - Commissioner Keon, Vice Mayor Kerdyk, Jr., Commissioner Lago, Commissioner Quesada and Mayor Cason

City Clerk Item No. 1

RESOLUTION NO. 2014-250

2. **14-3531** Resolution of the City Commission of Coral Gables, Florida approving a salary and benefit package for City Manager Cathy Swanson-Rivenbark.

A RESOLUTION APPOINTING CATHY SWANSON-RIVENBARK AS CITY MANAGER OF THE CITY OF CORAL GABLES, FURTHER APPROVING A SALARY AND BENEFIT PACKAGE, AS SET FORTH HEREIN.

A motion was made by Vice Mayor Kerdyk, Jr., seconded by Commissioner Lago, that this matter be adopted by Resolution Number 2014-250. The motion passed by the following vote.

Yeas : 5 - Vice Mayor Kerdyk, Jr., Commissioner Lago, Commissioner Quesada, Commissioner Keon and Mayor Cason

City Clerk Item No. 2

RESOLUTION NO. 2014-250

3. **14-3532** Resolution of the City Commission of Coral Gables rescheduling Agenda Item E-7 from the October 28, 2014 City Commission Meeting to be heard on Second Reading during the regularly scheduled City Commission Meeting of November 18, 2014.

A RESOLUTION OF THE CITY COMMISSION RESCHEDULING AGENDA ITEM E-7, FROM THE CITY COMMISSION MEETING OF OCTOBER 28, 2014, RELATING TO THE ISSUE OF MEDICAL MARIJUANA, TO BE HEARD AT THE REGULAR CITY COMMISSION MEETING OF NOVEMBER 18, 2014, WHICH BEGINS AT 9:00 A.M.

A motion was made by Commissioner Quesada, seconded by Commissioner Keon, that this matter be adopted by Resolution Number 2014-250. The motion passed by the following vote.

Yea: 5 - Commissioner Lago, Commissioner Quesada, Commissioner Keon, Vice Mayor Kerdyk, Jr. and Mayor Cason

City Clerk Item No. 3

[Note for the Record: The verbatim transcript for this meeting is available for public inspection in the Office of the City Clerk and in Legistar].

ADJOURNMENT

[Note for the Record: There being no further business on this Special City Commission Meeting Agenda. The Commission of the City of Coral Gables adjourned its meeting at 2:47 pm on November 7, 2014.]

JIM CASON
MAYOR

ATTEST:


WALTER J. FOEMAN
CITY CLERK

**City of Coral Gables City Commission
November 7, 2014
City Commission Chambers
405 Biltmore Way, Coral Gables, FL
Special Commission Meeting**

City Commission

**Mayor Jim Cason
Vice Mayor William H. Kerdyk, Jr.
Commissioner Patricia Keon
Commissioner Vince Lago
Commissioner Frank Quesada**

City Staff

**Interim City Manager, Carmen Olazabal
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman**

Public Speakers:

**Bud Park
Cathy Swanson-Rivenbark
Jim Barker
Dorothy Thomson**

[Start: 1:17:40 pm]

Mayor Cason: Well, good afternoon, everyone. Welcome to the special November 11 [sic] meeting to consider a new City Manager. We're going to start off this morning with Bud Park, who has been leading the selection process and ask him to go through the process and the recommendation that you're making to the Commission.

Bud Parks: Thank you, Mayor Cason, Mayor Kerdyk, Commissioner Keon, Commissioner

Lago, Commissioner Quesada. It's a great pleasure to stand before you today to recommend that you engage Cathy Swanson-Rivenbark as the next City Manager for the City of Coral Gables. My recommendation comes at the end result of an executive search process that was extensive and comprehensive, as well as sharply focused. During the recruitment process, I had conversations with over 100 people, some of them potential candidates, some of them people who might suggest potential candidates. These one hundred or so people represent the glorious diversity of the people of South Florida, including Hispanics, African Americans, Anglos, and others. My focus was on finding the best possible candidate to be our next City Manager. My initial strategy was to aim first at professionals with deep public service experience and with reputations of significant stature in the South Florida community. I asked each one of you to meet with four individuals for preliminary conversations. Based on your feedback and on my own meetings with these individuals, I have decided to present Cathy Swanson-Rivenbark as the best candidate for City Manager. Ms. Swanson-Rivenbark is currently City Manager of Hollywood, a city with roughly three-times the populations and three-times the budget of Coral Gables. In her relatively short time as City Manager, working with the Hollywood City Commission and with her outstanding staff, she has chalked up some remarkable accomplishments. First, she turned Hollywood finances around from reserves of 900,000 to 28 million; second, she got the City of Hollywood out of the legal state of financial urgency and on to a sound footing. This involved working fearlessly through a difficult series of problems and negotiations with the Commissioners, Police, Fire, and other constituents. Third, she launched Margaritaville, a public-private development initiative to build a hotel and conference center on Hollywood Beach, a project that has been a catalyst for change and improvement of the beach area, which has provided jobs and which has lifted the City's morale. Three attempts to do this failed before City Manager Swanson-Rivenbark made it happen. Fourth, she put together and executed a plan to purchase several properties from the COSAC Foundation, a homeless hotel on

North Federal Highway near downtown Hollywood. COSAC Foundation was difficult to negotiate with, but Cathy was relentless. The Foundation is now developing a homeless village for its clients, while the City is leasing the property to businesses eager to set themselves up in downtown Hollywood. Fifth, she hired a new Police Chief, a new Director of Development, and a number of excellent top-level City Managers, plus 79 new police officers. Sixth, she has built a strong and cohesive staff. Seventh, she communicated very openly and extensively with all the City's constituents. This does not mean that everyone always agreed with her. She stood her ground in pursuing the City's best interest as she came to understand them after dialogue with all concerned. And finally, eighth, she brought a can-do and get-it-done, solution-oriented approach to every problem or issue she faced. Several of these were very tough assignments. She managed to accomplish them with grace, intelligence, tact, tenacity, and good humor. In the process, she was the recipient of a good deal of verbal abuse, some of which came from the three Commissioners who were elected after and in reaction to the downsizing. The lack of civility in the Hollywood Commission Chambers presents the City of Coral Gables with the opportunity in front of us today, a chance to engage Ms. Swanson-Rivenbark as our next City Manager. You all know that Cathy Swanson-Rivenbark served the City of Coral Gables as Development Director for almost 20 years. Very largely to her efforts, we owe Gables Grand, where the bus station once stood, the Village of Merrick Park, the revitalization of downtown Coral Gables, Fourth of July celebrations at the Biltmore, the reorganization of the Miracle Theater, many improvements in Historic Preservation, the attraction of numerous European and Latin American businesses to Coral Gables, planning for the palace and the Farmer's Market where Cathy could be seen every Saturday morning during the winter months, making sure that everything was working well. Yes, Cathy Swanson-Rivenbark is special, but so are the other individuals on my short list, some of whose names were leaked to the press. All of the professionals on my short list have remarkable depth of experience; they performed very well in the meetings with the individual

Commissioners; they have all the skills, talents, and personal characteristics to perform the office of City Manager at a very high level. In the end, I had to make a difficult decision to put forward Cathy Swanson-Rivenbark as my recommended candidate. I made that choice for two very clear reasons. She brings to us two things that no other candidate could bring. First, she has a long-term successful interest, experience in working for the City of Coral Gables. Second, she's currently a sitting City Manager with some outstanding achievements to her credit. The background checking process on Ms. Swanson-Rivenbark has been completed. Upon review of the information, I found no impediment that would cause me to hesitate to recommend her as our next City Manager. I sent you all a memorandum explaining the inadequate controls regarding temporary services in Hollywood that preceded her tenure as City Manager. Since then, I have consulted with Tony Argiz, Morrison Brown Argiz and Farra, certified public accounts and advisors, regarding this matter, and his review has reinforced my confidence in presenting Ms. Swanson-Rivenbark. And so I give you Ms. Cathy Swanson-Rivenbark.

Cathy Swanson-Rivenbark: Thank you, Bud, for those overly generous statements. I greatly appreciate it, and it's really exciting to be back here. I have not been back at this microphone for probably six years, and Vice Mayor Kerdyk will know I always like this side of it rather than that other side, so I'm going to follow off of that. Since then, I've changed and our city has changed, but what has not changed is my house. I still live in the same house I've lived in for 30 years. I'm a little street just south of the public library and by the Youth Center, and I am still loving and being a part of Coral Gables. It's nice to see Walter again. I will tell you that whenever we're in a pickle with our City Clerk responsibilities, we always suggest "go ask Walter," because Granicus -- we now have Granicus, thank you very much; public records search, thank you very much, Walter. I believe Walter represents the best practice of -- as City Clerks, and I really appreciate all that you do, and what you do for other clerks in making them even better. I

also have gotten to meet Craig Leen during this process, and our City Attorney up in Hollywood will tell you that I really value not only the legal review, but the counselor relationship that City Attorneys provide City Managers while they report to the City Commission. It is that collegial role that protects the City and makes us better, and I've had a great opportunity getting to meet Craig. And I've watched you on television and now it's nice to see you in person. From a Commission today, I represent a little bit of history and many of it is in the audience today, and I appreciate them being here, but I also represent a whole lot of future. I have developed an expertise as a City Manager on listening to Commission goals, listening to your aspirations and hopes, and weaving them into a work program collaboratively with staff so that your vision is incorporated in the day-to-day practice in a very successful and understandable way for our citizens and also for our staff. It has been incorporated with our residents, our businesses, and our employees. And I'm also good at identifying and dissecting challenges, treating people with respect and decency, serving as a positive role model for our employees on all matters related to integrity, accountability, responsibility, and courtesy. My leadership is all about collaboration, professionalism, and empowerment, and it has helped transform Hollywood's organizational culture as one of inclusiveness, innovation, and inspiration. I lead from the front and the others join me. The comments and the accomplishments that Bud mentioned were only done because it was full team, all team, upfront and making it happen. I'm a credentialed City Manager with the International City Manager's Association. That means I have the expertise, the experience, and the training for a City Manager, but it also means I carry the high ethics and life-long learning with me in my day-to-day practice. In our business, you have to commit yourself and your city to constant learning and improvement, because cities, employees, residents, and challenges change, and we need to be ready to understand and accept that change. That means introducing new technologies and efficiencies without losing the personal touch and hallmark of excellence that makes your city, Coral Gables, great. It means challenging old practices and replacing them

with Best Practices. That is a difficult and hard process, but we are committed to it. It means uncovering problems, not covering them up, and it means investing in your employees with better tools, ongoing training, competitive benefits, because they are your most valuable resource and your first point of service for your residents. It means wrestling with legacy costs and unfunded pensions liabilities while introducing new and sustainable business models while not losing competitiveness in the marketplace. From an emergency preparation standpoint, it's no longer about hurricanes. It's about terrorism. It's about Ebola. It's about a lot of other issues that are confronting our cities and our country and also globally, and we must be ready for it. It means our biggest threats are manmade, and they warrant our attention and they warrant our being well-resourced and prepared to act. As a Manager and as a person, I am honoring transparency, Florida Sunshine Law, and the highest levels of ethical practice in my day-to-day activities. In addition to being a credentialed City Manager, I'm also a Certified Economic Developer and a member of the American Institute of Certified Planners. That means I understand the importance of maintaining a diverse and robust economic base, influential role of sight selection in relocation considerations, like a high quality of life, and the importance of attracting and maintain a well-designed and right size quality development that enhances rather than challenges our residents' quality of life. I'm a successful negotiator, whether it is labor or public-private joint ventures, because I strive for the win-win. I don't want to just obliterate my opponent; I want to bring them with us to find the right solutions where it works for both parties. That's evidenced by five successful labor contracts. If you ask our Fire President, our Fire Vice President, IAFF (International Association of Firefighters), Local 1375, who both called me yesterday saying that they were sorry that I was interviewing, that they wish me the best, but that they really didn't want me to leave, as well as the General Employee Union President, where he gave me the best comment. He said I was fair and decent, and in negotiations that is a really good comment. We talked a little bit about my experience in real estate negotiations: Gables

Grand, Village of Merrick Park, Palace here in the Gables, but Margaritaville, as Mr. Park mentioned, three times the City had failed in the attempts to redevelop that property. It had all but lost hope and the citizens had lost pride. For some history: My professional history actually began in the City of Miami. I graduated with my master's in Urban Planning, with a concentration in Economic Development, and no one was hiring in economic development at the time, but they were hiring in land planning, in zoning and land use, and I was able to get my first position there. I got promoted to the Department of Development and Economic Development, and then I was later promoted to Assistant Director for Planning and Development at Off-Street Parking. That becomes relevant because as a resident of Coral Gables while I was an employee of the City of Miami, I read an article in the paper that said the future of Miracle Mile is an office, and that made me really sad, because it's such a stunning street. So I took out my typewriter and I wrote a letter to the editor saying that it can't be an office, and I talked about the important role that a main street has to a downtown, but also to a community. And then I got a call from the Chamber of Commerce, and they asked me -- the Gables Chamber, they asked me would I join the Miracle Mile Think Tank Committee. I did. The City's Planning director, who was Diana Wheeler at the time, was on it, and she later called me to say that the City was advertising for a Development Director and they were looking for someone with land planning, they were looking for somebody with economic development, and they were looking for someone with parking experience, all three of the things provided by the City of Miami, and she encouraged me to apply. There were 140 applications. There were two interviews with the City Manager, Jack Eads, and a lunch with Mr. Eads and Mayor Corrigan, and I was hired. They had very specific projects in mind. They wanted the bus terminal redone. Many of you may not know the bus terminal like we do. They wanted the equipment yard redeveloped. They wanted a new parking garage behind Miracle Mile, behind the McCrory's, and they wanted multinational recruitment and they wanted us to address the high vacancies on Miracle Mile. As

you know, the bus terminal became the Gables Grand; the equipment yard became the Village of Merrick Park; and Parking Garage Number 6, which is where Fritz and Franz is, has been around for more than 20 years. We later added the museum garage on the parking lot that used to be called the John Martins Parking Lot, and we developed a game plan Miracle Mile where we initiated a retail development program, building on a captive audience market: nearby residents, downtown employees, and existing shoppers. Food and culture became the non-traditional anchors, and we worked with Houston's, Barnes & Nobles, Starbucks, Ortanique, Tarpon Bend and others to begin activating Miracle Mile. Our office was also involved in the Country Club renovation and the Books and Books renovation where we sold historic -- transferred development rights so that the build out could happen. Because of successful high-end multinational recruitment requires a high quality residential and corporate quality of life, we were also partners in cultural development, resulting in the City's purchase of Miracle Theater, the establishment of the Art Cinema on Aragon, and the -- and we were staffed to the Cultural Development Board, which developed an arts in public places program and a competitive grants process to encourage year-round cultural offerings. We launched the Coral Gables Farmers Market, the Fourth of July -- and Mayor, we are so glad the Fourth of July is back in the community -- and we've facilitated Gables Gallery Night. I wanted to thank Jack Eads who's here today, for believing in me and for serving as my lifelong mentor and an example of calm, steadfast, high integrity, high demanding professional leadership. He is truly influenced my career. But in 2008, I was in search for a new challenge. I applied for a position entitled "Assistant City Manager for Redevelopment," responsible for economic development, public-private joint ventures, and redevelopment in the City of Hollywood. Hollywood, I had never been to, but I really liked the job description, and I thought it would call on my skills while also building new skills for me. Like Coral Gables, it had a Class-One Fire Department. I told them when I got there that I only worked for Class-One Fire Departments, and they appreciated that,

but it also had a lot of great assets, like six miles of blue wave oceanfront, and 80 percent of Port Everglades was actually in Hollywood, but it also had a lot of challenges. The challenges were what really made me excited. It was the only position I applied for, and I went up for an interview in February 2009, and I was greeted with a panel of eight people. That was a big shock when you hadn't interviewed for a job in over 20 years. They asked me a lot of questions about the public-private joint ventures, about working with developers, about facilitating permits, about the role our department played in the organization and also in the community, but I will always remember one question they asked: What was the biggest accomplishment you had, and what was your most regrettable failure? After reviewing our department's accomplishments, I said that our biggest accomplishment was we earned the trust of our residents. Because when you're in development, when you're doing economic development and redevelopment and you're in government, that trust is very special. As for my most regrettable failure, it was not being able to convince the City Commission on the important role that public education plays in quality of life. So you can imagine how excited I am that under Commissioner Keon and Commissioner Lago's leadership, you are working to improve access to neighborhood schools for our residents and our family. It's great to have A-rated schools, but if you can't get in them, it doesn't matter. I joined the City of Hollywood in May 2009 with a list of to-dos, the redevelopment of the six-acre beachfront property, a citywide economic development strategy, the redevelopment and facilitation of a university presence in the City of Hollywood -- now we're negotiating for 6,000 seats. In addition, I supervised six separate departments that previously acted as independent silos: Public Works, Planning, Building, Public Utilities, which is our water and sewer, Parking, Community and Economic Development, and consultation with the community redevelopment agency. We brought them all together, and we worked on jumpstarting a new bold vision for the City of Hollywood. At that time, I was just on the redevelopment side of the house, and I had never been involved in union negotiations, financial

matters, revenue projections, procurement, citywide administration, like Human Resources, Labor, or Information Technology. My education in these categories was by baptism by fire, or perhaps I should say, baptism by spontaneous combustion. In 2011, after financial urgency was declared, the City Manager and the Budget Director were separated from the City and I was appointed interim City Manager for nine months as the Commission searched for their new Manager. The City Commission looked to me to pick up the pieces and implement the already-approved plan that would bring us back to financial solvency. You can't imagine my first day when I was handed a bunch of pink slips and had to give them out to hard-working employees that we just could no longer afford. I told them that I would not compete for the position of permanent City Manager, but I would do my best in charting a course moving forward and to prevent those kinds of pink slips from ever having to happen again. It was clear our problems were more than just money. We had significant operational issues. We had years of deferred maintenance. We had unsustainable processes. We had no game plan. And we had a discouraged and beaten down staff who needed to believe again. Our problems were more than no reserves. We were on the brink of insolvency with less than 900,000 in reserves. Our biggest problem was we had not hope; thus began a remarkable journey of a city unfummed to a city with a future and as my role migrated from Manager to leader. During that time, we faced some very critical challenges, like an 18-million gallon sewer spill in a residential neighborhood one week before Thanksgiving. The spill happened as part of a \$200 million capital development plan as we replaced 75-year-old crumpled infrastructure. Despite the pay cuts, despite all of the challenges our employees had, they put their boots on, they got out there, they treated the neighborhood with great respect, and we dealt with the issue, and I was so proud to be a part of that team. As I commented to one of your colleagues, it's a big difference when you're dealing with a water spill than you're dealing with a sewer spill. And they did a fabulous job. We also needed to develop a more sustainable business model to avoid future financial uncertainty,

address skyrocketing foreclosures and disinvestment, rebuild employee morale, recruit new police officers, do a mass planned Exodus, negotiate the five labor contracts, and address a negative outlook that had been placed on us by Moody's and Fitch. They were ready to downgrade us while completing the 99-year lease agreement with Margaritaville and Starwood Capital. At the beginning of 2012, a newly recruited City Manager lasted 16 weeks while there was an unfortunate DUI (Driving Under the Influence) at 3 a.m. on Easter morning. The Commission then turned to me and said, "Look, you need to take it this time," and I did it. And we moved on. The negative outlook was removed. We're now in the process of an upgrade. Our reserves are at a respectable level, about 30 million. We're going by a 17 percent, which is the minimum required or recommended by GFOA (Government Finances Officers Association) for standing, so we're at about 30 million right now. We have changed our organizational culture. We have removed the silos. We have built a team that had the courage and the ability to initiate and maintain a successful turnaround. We have a sustainable business model in place. Margaritaville is opening July 2015 with 350 new hotel rooms. We have turned around the city by taking a hard look at past practices and opening up with best practices. I have several examples, if you're interested, on the changes that we have made working together as a team. I always say to our staff, if you always do what you've always done, you'll always be where you always were, and we needed to move to a different direction. We still have some structural challenges that need to be addressed, but I believe and our staff believes and our Commission believes in the vision that is now set in place for greater things to come. Why am I here today? I didn't apply for your City Manager's job when it was first available. I say that because I had so many people say to me, "Why didn't they pick you the last time?" And I did not submit the last time. The second time around, I got a very persuasive call from Bud Park asking me to breakfast just to sit down and talk. During the conversation, he explained what the City Commission was looking for and he encouraged me and other highly qualified professionals just to sit down with

you all and meet individually and informally. My biggest fear wasn't the work program; wasn't the challenges for Coral Gables, but rather to determine if you all were on the same page. Because when a Commission is all on the same page, staff can write a phenomenal chapter for you. When you are not all on the same page, the writings become hodge-podge of incomplete sentences and disjointed thoughts. So as a part of the process, I had the pleasure of meeting with each of you, and here are some things I learned. One, you all love your city very much, and you take your responsibilities as elected officials very seriously and you want Coral Gables to be its very best. You not only want to protect the brand; you want to make it better. We talked about the differences being in the details. You want development that enhances quality of life but doesn't threaten it. You want to ensure the access of quality schools for families. You want performance measurements built in as a tool for budgeting. You want to first figure out what the goals are and then figure out how to fund them. You want public policy to solve City challenges. You want to address foreclosures. And you want to use the tools of government to make your city better. You want problems addressed before they become issues. And you want to be informed, and by informed, that means you want all the information. You want the least amount of government for the most amount of service, and you don't want to over-government it. You want to solicit public input. You really believe in the board process and you know that it will improve City output in doing so. You want to manage a large number of construction projects citywide: Miracle Mile Streetscape, RFP (Request for Proposals) for garages, the Neighborhood Renaissance, the Citywide Tree program, and you want to do that with full communication and coordination of the residents. You want us to become a more green and sustainable community, and you want that in your City's business practices as well. You want the City to use more technology, but you don't want it to replace the important public service that is a signature for Coral Gables. You want the City to address the unfunded liability. You care deeply about your City employees at all levels, and you want them acknowledged, recognized, and respected. You

want new initiatives in training, in employee empowerment, in wellness and morale. You want professionalism from your Manager and you want full disclosure. You want our residents, your residents, businesses, and employees all treated with respect. And you want to make permitting and City processes easier. You don't want to compromise the process, but you want to facilitate it. And you have a real problem with permits that cost more than the actual improvements themselves. You want us to protect the significant financial gains that have taken place over the last five years, but you want to use those gains to help move the City forward. It is clear that your wishes are not only what you demand, but what the residents expect and what the employees deserve. I just have one closing thought before you begin grilling. I always thought that at some point, I would be leaving Hollywood for a new challenge, and I wanted to take my skills and experiences in participatory leadership, organizational culture, strategic planning and innovation to a city with a very high quality of life, where there's a university as part of the community, where it's right size, not too big, not too small, but it's big enough for good, cultural offerings, where it had a good sense of history without living in the past, where it had a high community aesthetic in appearance, where it is not just a desirable residential community, but it was a vibrant and diverse business community. As I looked around and thought about what those cities were, I realized it's my hometown. As someone recently told me, sometimes you have to go away to get the experience you need to come back. I think that's why I'm here today. I have an experience and integrity that you want as a Manager. I treat all people with respect, employees and residents alike. I have the ability to inspire a talented team to work collaboratively with each other and with you, our elected officials, so that working together, we can take Coral Gables to that next level of excellence. I stand ready to answer questions, to provide additional information in whatever other topics of interest to the Commission.

Mayor Cason: Thank you very much, Cathy. Very eloquent, very thorough. Really appreciate

it. Before we move any further, I'd like to thank Bud Park for a really wonderful search. I mean, we tried a different approach --

APPLAUSE.

Mayor Cason: Very, very thorough. You brought forward wonderful candidates. As Commissioner Keon mentioned last time, our original approach was more of an advertising approach and it led to -- we had 105 applicants, but a lot of very qualified people were not approached because of the former company's philosophy of not poaching, and they had put, I think, 94 or 84 -- 94 City Manager in Florida, so those people were off limits under that approach, and so when that didn't work out, we went to Bud and asked for a different approach, which was feel free to poach, feel free to call people that are happy in their jobs that you're going to convince to leave a job and consider Coral Gables, and you did it quickly, you did it very, very well. So I want to thank you on behalf of, I think -- I'm sure of all of us for that. Before we have a discussion, I think it would be nice to ask anybody in the audience who would like to come forward. We have at least one card: Jim Barker.

Commissioner Quesada: Can I mention something before we get going? I owe an apology to Commissioner Keon, because when you brought up originally bringing Bud, I disagreed with you at that time, and I told him throughout the process that we met that I was -- you know, I apologized to him privately, but I owe it to you as well, because you were right; I was wrong. That's it.

Commissioner Keon: Thank you.

Commissioner Quesada: So, I think he did -- I think he's done a great job throughout the process as well. I just wanted to mention that and bring that up.

Commissioner Keon: Thank you. I could tell you one of the greatest pleasures in serving on this Commission, and this to our perspective City Manager too, is the collegiality that I have found on this dais since I have been elected, and I hope that that will always go forward, that that circle of trust always includes five Commissioners or four Commissioners and a Mayor, but that it is inclusive, that circle of trust. So thank you.

Mayor Cason: OK, Jim, and anybody else who would like to make some comments before we –

Jim Barker: Thank you, Mr. Mayor. It's a pleasure to be with you; and fellow Commissioners, it's good to see all of you. I congratulate you on having this meeting. I'm just here to support Cathy, having watched her grow and develop over the years when Jack Eads promoted her years ago and I watched her grow; did a great job for the City. We worked together for 12 years during my stay as a Commissioner here. I can't endorse her anymore. She's smart. She's dedicated. She loves this City, and that's very important to me because I do too. And why look anywhere else? You've got her right here, and you got a gem. She has a calming influence with people. She loves to work with people. And I've always been an advocate, even when I was with AT&T as district manager over here in the Gables, it is great for morale when you promote from within, and I feel like you're promoting from within when you choose her. All I'm asking you today is to believe in her, believe in the people that believe in her, and bring her home. Thank you very much.

Mayor Cason: Thank you. Dorothy.

Dorothy Thomson: Yes. Thank you.

Mayor Cason: Mayor.

Mayor Thomson: My name is Dorothy Thomson, former Mayor and Commissioner of the City of Coral Gables, and I served 16 years on the Commission, the last 8 of which were -- with the same time, that is, that Cathy was here, doing a marvelous job. Actually, none of us is necessary to be here today to speak in her behalf because her record speaks for itself. And we certainly -- you all have heard her accomplishments. Bud Park has brought forth them, and she, herself, has brought up whatever that was not already mentioned, and I think everyone can agree that her record has been spectacular. She is stellar perspective City Manager for the City of Coral Gables. We just -- just to look at who's here today from the past, it's like history itself. When you have a former Manager, Jack Eads, in the audience, and Jim Barker himself coming out today, and familiar faces that, really and truthfully, some of us haven't seen for several years; they will all come out for Cathy, and none of us, as far as I know -- I know I wasn't asked to come. We've come of our own volition. She has been such a wonderful person in all respects, her personality, her leadership, her ability, her credentials. I mean, everything goes for Cathy. Truly, you are blessed to have this opportunity. You know, during the years, specifically that I worked with Cathy while she was here in the City, she always did the most thorough of thorough jobs. She never left any ends be untied. She very neatly puts everything together in her own inimitable way of being very, very calm. She has a very calming influence and positive. Her actions are always positive. She is, in all respects, almost like a perfect person, in my estimation, really and truthfully. That's how deeply I feel for her. When I was in charge or put in charge by Mayor Valdez-Fauli to be the Commission committee person had -- for the 75th anniversary of

our City of Coral Gables in 2000-2001, Cathy worked with me throughout that entire year, and we -- between her and me, we put together like 75 events for the 75 -- you know, it was symbolic. Seventy-fifth anniversary. And she worked tirelessly, and she did a marvelous job so that each department in the City has something to contribute to the City. For instance, the Board of Architects even. Board of Architects put up a collage of different places that they have -- of interest in the City; the Public Works Division -- Cathy, you remember this? They put 75th on some of the manhole covers on the streets. It was very visible, and it culminated in April a very -- very appropriately in April of 2001 with a marvelous reception and dance and dinner/dance on the bottom of the Venetian pool floor. That's true. And that hadn't been done since 1925, I think? But she got it done, and it -- there was some protest about that, as a matter of fact, from within saying, "No, you can't do that to the Venetian pool." She said, "Yes, we will." And she did, in a very nice way, and that was very indicative of the way that Cathy does things. Her economic development prowess is, to me, unmatched. Her signature is all across Coral Gables, and some of these things were pointed out to you a few moments ago; your Farmer's Market, for instance; your Fourth of July celebration, which is so very, very popular. Both of those events are very, very popular. She has brought in businesses from across the nation. I remember her calling me up and saying, "Would you" -- or coming to my office, I should say across the hall, and she'd say, "Could you come with me to lunch; I'm going to be entertaining and interviewing and being a hostess, if you will, to some perspective business people from 'X' number -- whenever in the states, and she would go to lunch or to her office, wherever, and have me come to speak from the Commission side. That's how hands on she is. There's one problem with Cathy. I have one problem with her, and I don't know how I'm ever going to get around it, but I still think of her Cathy Swanson, and I'm sorry, but it's just engrained in my head. I'm too old, I guess, to change, but I'll tell you one anecdote. I ran across -- I came across her husband at the polling place this past Tuesday, and he identified himself, and I said, "Oh, you're Cathy

Swanson's husband." He was very gracious, just like she is. He said, "Yes, I am Cathy Swanson's husband." So I'm very sorry, Cathy, if I do that to you on occasion. I don't mean to, but it's Cathy Swanson then; it's Cathy Swanson now in my books. But wherever she's been, whatever she's done -- you know, she really is a very local individual. She lives here. She never changed her address all these several years she's worked up there in Hollywood. She's a product of the Coral Gables schools. She graduated from Coral Gables High School. I mean, how much at-home type of person you possibly look for with all the other qualities that have been already spoken about, and she is just a perfect, perfect solution. You know, way back in early -- towards -- getting towards the mid '80s, we had an instance where our City Manager, Martin Gainer, left, and we didn't go through all this routine. From the podium, we -- I made a motion and somebody probably Bill your father seconded it, or maybe he made the motion, whatever, but on the spot, we selected Don LeBrun, who is working over in the basement of the Police Department at the time, and he became our City Manager on the spot. I hope that's what you'll do today, because it proved to be very, very, very fortunate, because he was a good City Manager for the years he was here, and he came from within. He knew the people; everyone knew him. And, very frankly, you've done already a good job in naming Ed Hudak as your Police Chief right, because everyone I've talked to says, "That was a great selection. That was really wonderful." It's a good step in the right direction. And the same thing will be if you did that with Cathy Swanson -- how do you say it, Rivenbark? -- Cathy Swanson. I'm only kidding. I'm exaggerating. But nevertheless, it would be the same type of thing. You will make the citizens very, very pleased. Everyone who knows Cathy says -- let's hope that she is the one that who is named, because she is unsurpassed, and the dealings that she has with the public are exemplary. You'll -- I bet, you'll never hear of any kind of a complaint or criticism from the public, because that's the way she is. She doesn't do those kind of things. She's very, very, very pleasant at all times. We don't need any more drama in the City. Cathy Swanson is the calming

influence that we so need. Cathy Swanson lives in Coral Gables. We need her to come home; she never left. She's still here. I hope that you'll figure that out today. Thank you.

Commissioner Keon: Thank you.

Mayor Cason: Thank you, Mayor, very much.

Commissioner Lago: Thank you.

Mayor Cason: Very eloquent. Bobby.

Ms. Bobby: I hadn't really thought that I would speak, but I am the one that wrote the letter to the editor on May 14, 2014, before you ever started your search, saying why a national search for a new City Manager for Coral Gables when the most perfect candidate was right in our community, and it goes on to say what she did. Of course, you all know that. And I ended it with "Please start the search in our own community." Nobody read it; nobody listened, unfortunately. I was on the Cultural Board with Cathy. It was the first time I had met her. And I have lived in this community since 1959. I will be 81 years old. I have been involved in culture in this community every single day of my life, since I have lived here, and I have never had an experience like Cathy; working with her, being with her. It was amazing; and what I learned and what she taught us. I hope you will make the right decision.

Commissioner Keon: Thank you.

Mayor Cason: Thank you. All right, let's start -- Frank.

Commissioner Quesada: Yeah.

Ms. Swanson-Rivenbark: Excuse me, Mayor. I do have to alert the public that the 90th Anniversary will be this April, so there's six months to get ready, so 90 things that need to have to be created.

Commissioner Quesada: You know, I got to tell you. I've been tried to recreate that event with the Coral Gables Community Foundation. We run some speed bumps, so --

Ms. Swanson-Rivenbark: drain the pool?

Commissioner Quesada: Yeah.

Ms. Swanson-Rivenbark: But because they drained it in 1925 and so all we were doing was what they did in the past.

Commissioner Quesada: Well, here's the -- it gets drained every three days any ways, and it gets pressure washed, so that's a whole other story. I had one question for you. It's a hypothetical, and this Commission knows that I enjoy hypotheticals. So you and I have had a pretty lengthy discussion prior to today, an informal meeting that Bud had set up for us, but I just -- if you can just bear with me here. Assume that this Commission, this dais, we unanimously vote in favor of issuing a bond to pay the unfunded liabilities for our pensions. I believe right now it's about \$247 million. Also for the purpose of this hypothetical,, assume that you strenuously object and disagree with our decision to move forward so much so that you bring in the outside consultants

that we had discussed with the previous Manager -- I mean, I had ad nauseum -- in public meetings and in private meetings, so that's why -- I guess the point is that's what my mindset is moving forward.

Ms. Swanson-Rivenbark: I understand. It's a tough issue. Let me tell you how some cities are solving it. Some cities are saying it's not just one solution, but you need to put a multitude of solutions on there. You need to get better performance, lower costs on your pension funds. You need to migrate, in a very positive way, some employees -- maybe employees that are not vested -- into a defined contribution rather than defined benefit. Given the amount of money that you're charging general employees to participate, you migrate to a defined contribution; they're going to have more money in their paycheck. They may not have that guarantee when they retire, but they're going to have more money, and they'll have a 401, and they'll be able to manage their accounts. Some have also done a hybrid, and you could do a portion on your money on bond but not all bond. And so that diffuses the risk that you might take in looking at that, but there are -- I mentioned to Commissioner Lago today there is -- was a doctoral student at FIU (Florida International University) that did a study. They published their study in June saying that the real issues aren't changing the multiplier and changing the cost of pension but changing to a defined contribution away from a defined benefit. And so looking at the multitude of solutions in full conjunction and collaboration with our unions, because it's in their best interest too to have a sustainable business model, I think that is a very worthwhile study for -- to get top priority from the Commission moving forward, and we can bring people in that have that expertise to further that dialogue.

Commissioner Quesada: Thank you.

and the outside actuary and our pension counsel and our City Attorney and everyone's against it, and you are as well. What do you do?

Ms. Swanson-Rivenbark: Well, first of all, before you even took that consideration, we would have reviewed it and brought in people so that you would be fully informed. And then, at the end of the day, it's the Commission that sets the policy. You vote for it, and we will make it work.

Commissioner Quesada: If you feel that our decision is going to -- the term is a little -- probably too strong -- bankrupt the City or the decision is such one that you, again, that you strenuously object with us, and so that's what you would -- do you do everything you could to try to make it happen and carry out the will of the Commission? Is that -- am I understanding you correctly?

Ms. Swanson-Rivenbark: The whole role of pension liabilities unfunded is hurting every city, and different cities have chosen different solutions for that. Some cities have chosen to go out for bond and to do away with their liability that way, but they have to meet a certain percentage. They have to meet -- in some instances, cities that I've been talking with, they have to meet a 8 percent return in the marketplace. That's a really hard 30-year point to meet. But at the same time, the Commission gets to decide those kinds of policy decisions. What you may see afterward isn't me pouting in my office, but me saying at the budget hearing when this great project is coming on that will have a lot of new revenue that rather than earmark that into the general fund, then let's earmark it as a safety net, because I'm not an aggressive risk-taker when it comes to taxpayer dollars. And so, what you might see as in response is us creating a fund that creates that safety net. You guys have made that decision; we're going to make that work, but we're going to build some precautionary measures to make sure that the City is not at risk.

Commissioner Quesada: OK, one quick follow-up. Do -- OK, outside of hypothetical now, you're a little different than the other people that we met with, obviously, because you have issues with the City, so I assume you have more knowledge than everyone else. Do you believe, as we sit here today -- now, obviously, you got to get caught up, and I'm not -- again, outside of the hypothetical. From what you know right now, do you think the issuance of a bond is something that you think is worth looking into at this point for the City?

Ms. Swanson-Rivenbark: I think -- and Commissioner Lago and I spoke at length this morning on that very issue.

Commissioner Lago: If I could just interject one second?

Ms. Swanson-Rivenbark: Of course.

Commissioner Lago: That's a problem -- that's one of the main problems that I have with the Sunshine. He basically stole my question. Right now, if you don't see me looking at you, it's because I'm scrambling to try to figure out which is going to be my next question. But he stole -

Commissioner Quesada: You don't have to ask questions.

Commissioner Lago: You stole -- I met with her this morning on purpose on a second occasion just to make sure that we had -- that I -- it's OK.

Ms. Swanson-Rivenbark: I think it's just an example of you are on the same page.

Commissioner Quesada: Yeah.

Ms. Swanson-Rivenbark: That it isn't --

Commissioner Quesada: What -- you know what it is? We've focused really on pension reform for some time, all -- everyone that's on this dais.

Commissioner Lago: The last Commission meeting, we're actually going to discuss that hopefully in January.

Commissioner Quesada: And even though we've made -- you know, we've made positive strides, I think right now -- you know, again, it's the first time in a long time that, a Police Union representative sitting over there. First time we have a good relationship with him and every -- and we're really moving things forward in a positive way, in a way that the employees can be happy about and that the residents can be happy about, and our budget is... So even though we've done a lot, this Commission understands that we're far from being done with that task. Just because the economy's gotten better, it doesn't mean we're out of the woodwork, and that's -- it is a major focus for us. that's why it's so important for me, and I know -- again, what Bud Park mentioned earlier and what I had researched on you, and what we had discussed, it's incredibly impressive what you did in Hollywood, but the point is if there's a single most important issue, obviously quality of life residents, but we can't do anything if we have to continue making such a large payment yearly to meet our pension obligations. So that's why, again, the bond question is something that we had discussed on this dais recently. It's something

Commissioner Lago: If I could just add something in regards to that, because I was very impressed this morning by the way the -- we spent about an hour-and-a-half together this morning, and I know it was short notice that I requested for a second meeting, but I appreciate you coming in this morning. Just to go off what Commissioner Quesada said, you mentioned the issue of legacy cost, and I have a very good relationship with the unions, which I'm very excited and very happy to see that they're here today, but let's be honest. You know, the unions have not sat at the table with the Commission or with the City for many -- for some time now. It's been more of an adversarial relationship with the previous City Manager, and that's something that, you know, we want to avoid, because there's something that you mentioned that, I think, is the most important thing, which I've harped to the unions on a multitude of occasions, and that is we want to make sure that whatever we do in the future, we do it so that it's sustainable, because it's not in your best interest if the City goes bankrupt trying to provide you with a benefit that is not in the best interest of the City and it's going to cost the residents either to have a -- I mean, God for -- you know, let me forbid saying it, but it is the truth. I mean, at the end of the day, we're not going to go in a direction of hiring taxes -- of raising taxes, so we need to, obviously, do something where we -- when I say we, I mean everyone in the City understands that we've got to get along and we've got to make sure that the pensions work for not only for the City and for the residents who pay the taxes and the business community, but for also the employees. Because if the system doesn't work and it's broken, you know, we could find ourselves in a very uncomfortable situation. And so that's why I was very happy to see that my colleagues, when we discussed it the other day at the Commission meeting about having a Sunshine Meeting in January when, hopefully, the new City Manager is named -- because we got to start having that conversation. We got to start dealing with the unfunded.

Ms. Swanson-Rivenbark: I appreciate that, but it needs to be with -- in consultation with the

unions. We were able to do some very responsible adjustments, but it was because we did it together.

Commissioner Lago: And that's what I was impressed about --

Ms. Swanson-Rivenbark: And that was really important.

Commissioner Lago: -- what we discussed this morning. When we discussed the fact that it was done in unison. It wasn't just the Commission, the Mayor basically saying "this is what we're going to provide." You know, that's not what you guys did. You guys were very thorough. You guys sat down with the unions. You guys explained the situation of the City, what's the temperature and how can we make sure that this is sustainable for everyone involved for the future.

Ms. Swanson-Rivenbark: We also did salary compensation study so that -- we wanted to make sure that we were competitive in whatever we were doing. Public safety, people can go somewhere else. And so, what was our multiplier? What was our base salary? What were the benefits associated with that? But as a part of the discussion, we had a very interesting experience, because good, solid discussions with IAFF, the Fire, and I said, and I want to make a change -- I want to make two changes; one, I want to introduce a flexible spending card so that it helps offset co-pays for singles and families, but I want to have the family coverage this amount. And the president looked at it and thought I wasn't sure what I was doing. And his union attorney took him outside and he came back and said, "thank you," because what I wanted to do was lower family coverage. Because when family coverage is too high for our employees, families don't have coverage. And so it's that kind of -- what are the values and -- how we treat

our employees also needs to show up in negotiations. Yes, it's about sustainability, but it's also about competitive nature, that competitive marketplace, and their being able to predict their revenues. But I would absolutely welcome the opportunity of talking about unfunded. I believe that should be the union's concern as well, because as we talk today, when cities -- not Coral Gables -- but when other cities choose to go bankrupt, all is off the table, and we don't want to have that kind of situation. But thank you for bringing up, Commissioner Quesada, followed by Commissioner Lago, a very hot topic, so I hope that we don't start the discussions in the hallway today.

Mayor Cason: Anything else?

Commissioner Lago: Yeah. My second question I was going to mention to you was in regards to infrastructure. As you can tell, being a resident of the City, I don't know how often you've been to City Hall recently, but we're pretty much packed in here like sardines, and we have a little bit of an issue in regards to deferred maintenance, because, obviously, we haven't had the monies available -- or we've been saving and budgeting for future costs in regards to our -- I hate to use the word dilapidated infrastructure or, you know, deferred infrastructure, but at the end of the day, it's there and we have to deal with it. As you look at City Hall, which hasn't gotten the necessary attention -- it's been more of a Band-Aid after a Band-Aid after a Band-Aid. I've looked at some of the budget numbers that we have, that we've been saving up, and I see them having a background in construction and design, and I see that it's -- probably wouldn't even get us a 50 percent of what this project -- what this gem truly deserves. What would be your guidance in reference to what we could do to hopefully alleviate some of the pressures that we've put on this beautiful structure?

Ms. Swanson-Rivenbark: And Commissioner Keon shared with me some concerns too, about the physical condition of City Hall and the other facilities. Some of it is phasing. Some of it is earmarking. No, that was another Sunshine violation discussion there.

Commissioner Quesada: I was just saying, he tries to take everyone else's questions.

Ms. Swanson-Rivenbark: You know, you've got a great Public Works Department that really takes super pride in their facilities, and so I'm sure, if we sit down and talk about phasing costs, repainting, you know, scrubbing, and taking care of things, I'm sure that that will be a one-year plan that will be able to be developed, and it's a perfect time to look at your historic structures as you do ready yourself for the 90th anniversary to make sure that we're sparkling and ready for it.

Commissioner Lago: Thank you.

Mayor Cason: Pat.

Commissioner Keon: I was very pleased in listening to you speak. You heard what our priorities -- as many of the things that you talked about are -- I know I've heard from each one of us from on this dais over the last year and a half that I've been here, so thank you. I heard from a lot of the business community and developers in our community that you worked with previously while you were here, and they all speak very, very highly of you. I hope that our residential community will, as Manager, that your -- our resident community will have the same trust and respect for you that the business has. I do want to ask you about the issue in Hollywood; that there was an article in the paper about -- with regard to the expenditure for -- related to a police department and personnel, and whatever, that seem to go out of proportion. I'm asking you

because -- when it's a public meeting, I think it's an issue that will come -- that our public -- if they're not aware of now, they will be aware of. and I think that for purposes of transparency and openness, it's something that I want people to know we do know, we have talked about; and for the public's benefit, I'd like you to address it and talk a little bit about it.

Ms. Swanson-Rivenbark: Perfect. Thank you for asking that question. Labor Day weekend, it became clear on a Commission agenda item, when I was up at my daughter's school, that there was an issue that required Commission approval. We found out that there was something going on in mid-August, but our first Commission meeting would be September 3. We thought that it was -- and our newly hired HR (Human Resources) Director brought the issue forward. And you need to understand, I welcome people bringing issues forward rather than, you know, being afraid to talk about it or trying to put it under the carpet. It was a procedural issue. It was an important one, but it was a procedural issue. Because had we gone to the City Commission and said we need to hire FBI (Federal Bureau of Investigation), Homeland Security, and unblemished police officers that had been retired that would do the background checks to make sure that we will have no scandal in hiring the 88 police officers, that we need to have latent print examiners that can help us with the uptake in burglaries so that we can get those resolutions faster; that we need to have 911 dispatch, because our 911 dispatch was migrating over to the County in a regional system, and our people were overworked and in limbo because it took longer than a year for that migration to happen. So we needed to bring in more 911 people to answer those emergency calls. That was the majority of the TransHire expenses. The problem was we should have gone to the City Commission to ask that permission. I was not aware of it until the Tuesday -- you know, until right before the meeting, but the old budget director was no longer there, the former HR director was no longer there, the former assistant HR director was no longer there, and the former financial analyst for the Police Department was no longer there. So all of the

people I could have gone to and held accountable weren't there. And so the people that were moving those, what's called the direct payment voucher, forward, which went right to Finance rather than -- you know, it wasn't my signature. It went right through Finance. -- they were the ones that were following the practice that the people before them told them to do. And so I chose to present that item to the City Commission. I chose to explain to them how the money was used; that we ended up saving 17 percent; that it was absolutely in the best interest, from a public safety standpoint, for our citizens, but because the process exceeded my authority -- 'cause nobody put a limit on it at the time -- it didn't happen. So I went to them at the meeting, explained to them what it was, and asked them for their retroactive approval. That was the TransHire issue that you're speaking about. From my standpoint, I did the right thing, because I am -- if I found any staff member that had deliberately violated a process, I would have easily dealt with that situation. But the people that set those procedures in motion were no longer there and I couldn't hold them accountable, so I presented that item. I will say that I also asked your City Attorney to speak to our City Attorney in case he had any issues with that, and you can hear from him; and then I can also tell you, after you hear from him, what our City Attorney said to me.

Commissioner Quesada: Let me -- Commissioner Keon, if I may jump in real quick?

Commissioner Keon: No, go ahead. Yeah.

Commissioner Quesada: When did you discover the issue?

Ms. Swanson-Rivenbark: When did I discover the issue?

Commissioner Quesada: Yeah, roughly the date, approximately.

Ms. Swanson-Rivenbark: The first issue that I discovered was they wanted to move forward with TransHire for 2015.

Commissioner Quesada: OK.

Ms. Swanson-Rivenbark: But -- for Fiscal Year 2015, but it no longer had a contract.

Commissioner Quesada: What was the approximate date of the month and --?

Ms. Swanson-Rivenbark: It was mid August. I could get you the exact.

Commissioner Quesada: No, no, that's fine.

Ms. Swanson-Rivenbark: It was mid August. So we needed to go -- I said, we need to immediately take this to the City Commission for best interest. So that process was in motion. As they began to do the research, it turned out that not only did they need to address it -- and the City Attorney was working with our staff on that -- not only did they need to move forward with 2015, Friday afternoon on the no Monday because it's Labor Day and yes, Tuesday is the, you know, first day back, Friday afternoon, as they booked the agenda item, it turned out that that amount was also needing to be, at our City Attorney's encouragement, for 2013 and 2014. That was the big dollar issue that was under discussion. So our first agenda to the City Commission, Hollywood's best interest -- Craig, what is Coral Gables' best interest?

Craig Leen: Waiver, four-fifths.

Ms. Swanson-Rivenbark: Four-fifths. Hollywood is all seven, so it -- you know, that's a difficult thing, but we -- I presented the item. I outlined what happened. At the same time I outlined the immediate corrections that we had implemented to catch that. Our External Auditor didn't catch it, our State Auditor that was in Hollywood for nine months didn't catch it. I mean, there could have been other safety nets there, but we're moving to an ERP system that will catch it. We have now the Finance Director reviews all DEPs. That will -- we have now several different safeguards in place. At the same time, we're also reviewing all of our processes, because if that didn't -- if that happened, are there any other things out there that we need to make sure are tightened up. And that's when I said, past practices is not best practices, and those are the pieces that we're changing.

Commissioner Quesada: So you discovered it mid-August, the issue; was the first time it became to your attention.

Ms. Swanson-Rivenbark: That there was an issue for 2015.

Commissioner Quesada: Understood. And you had the process moving. The next Commission meeting was September 5; am I correct?

Ms. Swanson-Rivenbark: I found out the dollar amounts --

Commissioner Quesada: Yes.

Ms. Swanson-Rivenbark: -- on Tuesday, September --

Commissioner Quesada: Early September.

Ms. Swanson-Rivenbark: The day before the City Commission meeting.

Commissioner Quesada: OK. And then you brought it up at the Commission meeting, at the --

Ms. Swanson-Rivenbark: I presented it at Commission.

Commissioner Quesada: Got it.

Ms. Swanson-Rivenbark: But I chose to present it because when I came in Tuesday, I -- you know, full disclosures, I asked who's presenting the TransHire item, and Human Resources -- it was a Human Resources item. And Human Resources said Police is presenting it. We asked Police and Police said Procurement's going to present it. I asked Procurement and he said, "I don't want to present it." So that's when I realized I am presenting that item, and that's what I did.

Commissioner Quesada: OK.

Ms. Swanson-Rivenbark: I had never been involved in it before, but when you have -- I went to the budget director -- new budget director. I said, how come this didn't -- how did this fall through? And he said, DPVs -- direct payment vouchers -- never come to budget as long as they have the money. We had such a high number of vacancies in our Police Department, police

officers, that they had the money, but they didn't have the process. They didn't realize that. And so we've made those corrections. But that's the question that Commissioner Keon was asking about with the TransHire item.

Commissioner Keon: Right.

Commissioner Quesada: OK.

Commissioner Keon: I mean, and the issue that I just want clarified for all of us and for the public also is it was -- it was -- first came through procurement under a direct voucher, which is a \$50,000 -- OK, it didn't come to the Commission, because it -- supposed, it was under \$50,000 and for that, you don't need to come before the authority of a Commission. But I think what's important to note and ask you is, is it an issue of how those expenditures were coded so that they weren't coded as personnel, you know, that where there already was money in the budget for personnel and they were coded differently, or how were they -- do you know how they were coded?

Ms. Swanson-Rivenbark: They absolutely were paid for by salary savings for temporary personnel for the -- you know, in the Police budget. The other important piece here is nothing was criminal. Nothing was --

Commissioner Keon: I think it's important to -- right, that's right. I think it is important for everyone to understand that the money was already budgeted for Police personnel. It was in their budget. And because your personnel expenditures for Police never got out of whack, that it may not have been noted as quickly or as easily if it wasn't already budgeted dollars, because it's

generally when they are non-budgeted dollars at that rate is when -- you know, you know -- whenever. But still, I mean, it's -- it was -- it seems to me it was somewhat of a coding issue as to how you were -- how they were being paid and whatever else.

Ms. Swanson-Rivenbark: But we (UNINTELLIGIBLE).

Commissioner Keon: (UNINTELLIGIBLE) -- you know, it grew from a \$50,000, you know, payment to, you know -- it went over 18 times before, you know, it came to somebody's attention. And you acted to put some controls in place that should bring that to your attention in the future so it shouldn't happen again.

Ms. Swanson-Rivenbark: Just like we talked about pension liability and the multi-prong approach that's needed, we have a lot of new processes in place, including training, mandatory training, with anybody in the City that touches procurement. Employees come and go, and so you may have been hired last year and you may not have gone -- everybody's going through that. We have that with FAU (Florida Atlantic University). They're doing our training for us. We have the reporting process that has been changed. We have the new software program that is going to prevent you from doing that. So it is another example of processes that needed to be improved, amidst all of the other work that was being done. And once it was identified, we brought it to the Commission. It's the Commission's -- you know, we need to be briefing the Commission on those issues, and we brought it to them and explained it.

Commissioner Keon: OK. There is an Inspector General investigation in Broward County of this issue.

Ms. Swanson-Rivenbark: Right.

Commissioner Keon: And -- I mean, I don't -- how -- I could ask Craig maybe. How long does it take to have those things resolved?

Mr. Leen: I spoke with the Inspector's General's Office, with their ethic's counsel. They would not -- they are not at liberty to disclose anything about a pending investigation, and they can't even confirm or deny that one is going forward. But they did inform -- they did take me through the process of what an investigation involves. And what they said is that, initially, there's an inquiry phase, and that that inquiry phase can last for, you know, several weeks or months; that they will talk to people and they'll determine if there's good cause for an investigation. If there's good cause for an investigation, at that point they look at two things. The two possible grounds for an investigation are gross mismanagement or misconduct. If they're investigating gross mismanagement, they will issue a report whether they find it or not, and they'll explain their complete findings, their interviews, is my understanding. If they're investigating misconduct and they determine that there's none, they're not required to issue a report. At some point they issue a preliminary report, and there's 30 days to respond. It would be provided to whoever the subject is, and at this point we don't know, exactly, who the subject will be because that depends on the inquiry. That presumably could be anyone in the City of Hollywood and whoever has been referred by the Inspector General. So -- to the Inspector General -- at that point, a report's issued. If the report finds gross mismanagement, there will be findings; with misconduct, it's more of a probable cause determination, and that could be referred then to the appropriate enforcement authority. The -- if there is no appropriate enforcement authority, I was informed that they can also give a penalty, and that penalty can be in the form of a fine. And that's basically all that they could tell me. They did say that these investigation stake anywhere from

three to four months to two years, and that's just based on experience. At some point, it would become public record, but at this point, although they can't confirm if it's ongoing, presumably, if it is, it would become a public record at some point. The other thing, is I did speak with the City Attorney of Hollywood at length, and Cathy was very kind to give me his number and let me ask any question I wanted to look into this. And also, this issue is in the background report. We did a comprehensive background report. There's not much in the background report, but there is this. So this was in there. So it's on page 13, so you can take a look at what Jim Milford thought about it, and I may read a little bit into the record so that you're aware, 'cause he made a finding regarding it, which I will read into the record, but -- so, first, let me do that. What he basically found was he thought that the entire problem was more likely an oversight. That's what he found. Over a short time, 97 police officers resigned or retired from the Hollywood Police Department. This meant that the City had to utilize a temporary agency more than expected. The City hired a company called Atrium, doing business as TransHire, to complete background investigations on 1,700 applicants for more than 80 police officer openings. Also, the City used TransHire to provide temporary personnel for dispatch services and to process a large amount of fingerprint evidence resulting from a high number of burglary cases. City of Hollywood policy requires that any expenditure more than \$50,000 must come before the City for approval. The City hired TransHire for less than \$50,000 for each assignment, but the aggregate cost for the assignments increased over time. Swanson-Rivenbark realized there was a problem, and asked the City Commission to approve the contracts over the past two years retroactively, according to Raelin Storey (Director of Public Affairs), spokesperson for the City of Hollywood. The City has asked the Broward Inspector General to investigate this matter. It was by a 7-0 vote. They referred it. They did not ratify, and that's because any ratification would require a unanimous vote. I did speak with the City Attorney. He told me they were trying to work out the matter still with the company, maybe do some form of settlement. And I

didn't really want to get into it further with him because, you know, they have their own protections. But they were trying to resolve the matter so that no one is left without being paid, but, you know, they have to deal with the situation that it wasn't ratified. Finally, the other information I found out was this was referred to FDLE (Florida Department of Law Enforcement) also, but Jim made the finding that the Florida Department of Law Enforcement will probably not be involved because no criminal allegations had been made. The other thing that the State Attorney told me was that he had been in contact with the Inspector General's Office; that they will be interviewing some people and that Hollywood is cooperating full. In addition, he told me that in his view -- I'm telling you his view, but I'm going to tell it to you, you know, as accurately as I can remember. He said that he had a very good relationship with Cathy Swanson; that he felt that some of this came about because of the -- he felt that there needed to be controls in place, and that these have now been put into place; he felt that she was not at fault; he did feel that there was something obviously -- he -- they're still looking into it, and I don't know if you wanted to talk about it too much, but he did say that he felt that part of this was because of a split on their Commission, that -- the reason why it was not ratified, and that there was basically a four -- a 5-2/4-3 split on their Commission. And, in fact, there was a vote based on this where two of the Commissioners sought to remove the City Manager based on this and five of them voted to retain her; one of them did feel that it should be -- that the City Manager should be suspended pending the investigation. I did speak with Cathy about this and also the City Attorney, but more Cathy about this, and you know, she felt -- and I think she's made this very clear today, and so did Bud, that this was based more on the split. And so that's basically my report.

Ms. Swanson-Rivenbark: I will also say we do have a letter from FDLE that said that they're not investigating; that there's nothing criminal involved; that there were 3,000 pieces of public

record and none of them were involving me on it, but I chose to present the item to the Commission because it was a complicated item. I wanted them to understand it. And I wasn't trying to toss somebody else under the bus.

Mr. Leen: Yes. And I do want to be very clear that the City Attorney did speak very positively about Cathy and did feel that she had not done -- she was not personally involved. He wanted to make that very clear to me in this situation.

Commissioner Keon: Thank you. I want to make sure that it's on the record that we all acknowledge that we are aware of it, we've spoken to you about it, we trust what you have to say to us. I know Bud had an accountant look at it and review it, and they didn't think there was an issue there either, because it's an opinion once something comes out, I don't want it to come back that we weren't aware and that you were forthcoming with us about it.

Ms. Swanson-Rivenbark: And the reason why the Commission knew about it is 'cause I brought it to them.

Commissioner Keon: Yes. So thank you very much.

Mayor Cason: Bill?

Vice Mayor Kerdyk: Yes. First of all, thank you very much, but I think you did excellent on the search, and the way you've communicated with us has been very, very good, and we appreciate your help. Cathy, you and I have vetted many of these issues when we spoke, so I think I'm probably most helpful, being the only one that has sat on the dais with you, to talk a little bit

about, you know, our relationship and the relationship that you've had with the City Commission. Cathy has the skill set that we've talked about before, the skill set that we need in this community. I mean, I find her intelligent, professional. She has integrity and is transparent. She empowers and is a team builder with her employees. I find her extremely strong with economic development. I mean, she talked a little bit about -- let me just take two instances. We talked about transition. We do a lot of transition up here. Let me tell you two big transition areas we had. First one was the bus terminal. We didn't even know what living downtown was when we did the bus terminal. That was the first time we ever had anybody living downtown in the City of Coral Gables. She took that. That was her project. She brought that to fruition. She brought it to the Commission, and it was a five-nothing vote to move that project forward. The second one that we went back and forth with a couple times, which the Village of Merrick Park.

Ms. Swanson-Rivenbark: Respectfully.

Vice Mayor Kerdyk: Respectfully. Always respectfully. Village of Merrick Park. And there we had an industrial site. Some remember; some don't remember up here. It was an industrial site. Just to put the significance of the industrial site in play, that industrial site, on a per-square-foot basis, before we did anything, was selling for \$10 a square foot, OK. Now, when people sell land there, when they sell land there, it's \$300 a square foot. So 15 years ago we took an industrial site -- and I see Jack Eads was certainly there leading the charge with Cathy. We took that. That was a vision that Cathy and Jack help make, and we took from nothing and made that into a beautiful piece of property. Not only that piece of property, but think of the transition that spiraled out of that. Think about what that whole area looks like, and she led the charge on that. But not only is she strong economically; I mean, I think -- and I have always said sitting up here, the main component in the City of Coral Gables is the residents of the community. I mean, that's

what we are. We are really a residential-base with a great downtown and a great, you know, environment to live in. And Cathy deals with issues, large and small. Nothing is too small for her to deal with. Nobody is -- she talks to everybody with a smile on her face, and she is a person that, as a City Manager, you will be happy to be associated with. I think she has the institutional knowledge. We talked about the institutional knowledge. I think that's so key as we move forward. She's local. She is really a person who the City of Coral Gables is looking for. I mean, sometimes we always think an expert is anybody that lives out of town. In this particular case, an expert is the one that's living in town. And I will say that it will be a good day in the history of Coral Gables if we hire Cathy to be our next City Manager, and that's basically it. I've had a very solid relationship. I think the Commission's had a very solid relationship. You had Jim Barker here. You have -- Mrs. Thomson still here? Mayor Thomson still there. And if you went back and called Mayor Valdez-Fauli, you'd have the same response; Mayor Corrigan, it would be down the line. And I think that each one of you will enjoy your relationship with Cathy Swanson.

Applause.

Mayor Cason: Cathy, I just have a question. One of the things -- recent, we've had people come to us, developers, talking about the North Gables. It's one of the areas we've got a lot of duplexes, a lot of older buildings. They're in a quandary how to go about developing. There's questions of density, parking. Do you have any thoughts about that? Because we've been redeveloping -- we're going to be doing the downtown. Down around the Agave area, that's going to be developed. We have a lot of things on Ponce. But the north area, what are your thoughts about what we should do?

Ms. Swanson-Rivenbark: I know Commissioner Quesada mentioned that too, in our meeting, and he thought that it looked a little lackluster. And so, way back when, we did a study with Dover Kohl on that north Ponce area, and how can you tweak the zoning to encourage development, like townhouse development, so that they get an extra unit or two without creating the high-rise. So how can you make it worthy enough to create some redevelopment without necessarily adding too much square footage? And so I'm sure the talented planning staff and the other groups can look at that. The property owners at the time in that area, now with the trolley having just totally taken off, we're really supportive of it. And I think that when you look at the town homes that you have -- that have emerged around the Biltmore Way area, they've really become signature and they make it better. But it's got to be in the developer's best interest to bulldoze, and so how do you add enough units to make that happen and make sure that the architecture is -- you know, the quality like brownstone walk-ups to really take that hold. I think that the desirability of the neighborhood would greatly improve once we did that kind of redevelopment up there.

Mayor Cason: Thank you very much. I'd like to echo what Bill said. We got four good very sort of semi-finalists out of the hundred and so that Bud looked at. From my point of view, you were far and away the best candidate, no doubt.

Ms. Swanson-Rivenbark: Thank you, Mayor.

Mayor Cason: You've got great public support. I've gotten lots of e-mails and calls saying, "You've got to go with Cathy."

Ms. Swanson-Rivenbark: I'm sorry for their enthusiasm. We've been trying to have them put

too -- pressure on you.

Mayor Cason: I think you're going to -- if -- after this vote, if you're chosen, I think you're going to find you have an excellent staff. You have some tremendous people. Pat Salerno did a great job in bringing really wonderful people in, so I think you're going to be lucky to find the quality people that you're going to be working with. You certainly are knowledgeable about the City, the history, as Bill has laid it out, and yourself, and you know the problems that the City -- I think you've got a great record of achievement, great skill sets, very ethical, and you live here, which is one of the things -- of all the candidates, you were the only one living in Coral Gables, which I thought driving all that distance every day, it shows your love for the City too; for 20 years to continue to stay here and not -- I'm sure there was a lot of pressure for you to live up there. So I'm very much in favor of Bud's recommendation, and I suggest at this stage that we have a motion.

Vice Mayor Kerdyk: I'd like to make a motion, if that's OK.

Mayor Cason: OK, Vice Mayor makes the motion.

Vice Mayor Kerdyk: To hire Cathy Swanson as -- Rivenbark --

Commissioner Quesada: Second.

Vice Mayor Kerdyk: -- as our next City Manager.

Mayor Cason: And Commissioner Quesada seconds it. City Clerk.

Commissioner Keon: Yes.

Vice Mayor Kerdyk: Yes.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Mayor Cason: Yes. Congratulations.

Appaluse.

Ms. Swanson-Rivenbark: I'm really honored and excited, and we will be listening. We will be incorporating. You do have a very talented staff at all levels, new and existing, and I really look forward to getting to know them.

Mayor Cason: Thank you. And now we have one more piece of business. We need to vote on resolution on the compensation, which we have here.

Vice Mayor Kerdyk: Yeah, so moved.

Commissioner Lago: I'll second the motion.

Mayor Cason: All right, so the Vice Mayor makes a motion; Commissioner Lago seconds. City Clerk.

Walter J. Foeman: Vice Mayor Kerdyk?

Vice Mayor Kerdyk: Yes.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Commissioner Keon: Yes.

Mayor Cason: Yes. OK.

Craig Leen: There's one other item of business. It's actually not related to this, but it has to be raised. It's Item E-7 from the last Commission meeting, is the issue relating to medical marijuana. That issue, by law, has to be heard at 5:01 p.m. or later for the second Commission meeting, unless the Commission agrees that it can be heard at our normal Commission meeting, which begins at 9 a.m. whenever it's reached on the agenda.

Commissioner Quesada: I'm going to make a motion to have it on the regular Commission meeting.

Mr. Leen: OK. So it would be at the next meeting, and it would be before -- it would be just when it comes up on the agenda.

Commissioner Quesada: That's my motion.

Commissioner Lago: I'll second the motion.

Commissioner Keon: I'll second it.

Mayor Cason: Commissioner Quesada made the motion and this time I'll let Commissioner Keon second it. City Clerk.

Commissioner Lago: Yes.

Commissioner Quesada: Yes.

Commissioner Keon: Yes.

Vice Mayor Kerdyk: Yes.

Mayor Cason: Yes. All right, I think that concludes the business for the day. Meeting's adjourned.

Commissioner Quesada: Thank you.

Commissioner Keon: Thank you.

Mayor Cason: Thank you.