

City of Coral Gables City Commission Meeting
Agenda Item F-7
June 13, 2023
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 Attorney, Cristina Suárez

City Manager, Peter Iglesias

City Clerk, Billy Urquia

Public Speaker(s)

Tom Prescott

Brett Gilman

Bob Butler, Treasurer

Agenda Item F-7 [12:50 p.m.]

An Ordinance of the City Commission authorizing the City Manager and City Attorney to amend the property insurance requirements of the amended and restated lease (“Lease”) between the Biltmore Hotel Limited Partnership, a Florida Limited Partnership (“Developer”) and the City of Coral Gables, a Florida Municipal Corporation (“City”) executed February 10, 1986 and amended and restated July 29, 1999 (“Original Lease”), amended on January 2, 2001 (the “First Amendment”) and on March 29, 2022 (the “Second Amendment”).

Mayor Lago: Moving on now we have a time certain item, F-7. I’d like to see if we can finish F-7 and F-6 and then go to lunch, if possible.

City Attorney Suarez: Mayor, F-7 is An Ordinance of the City Commission authorizing the City Manager and City Attorney to amend the property insurance requirements of the amended and restated lease (“Lease”) between the Biltmore Hotel Limited Partnership, a Florida Limited Partnership (“Developer”) and the City of Coral Gables, a Florida Municipal Corporation (“City”)

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executed February 10, 1986 and amended and restated July 29, 1999 (“Original Lease”), amended on January 2, 2001 (the “First Amendment”) and on March 29, 2022 (the “Second Amendment”).

Mayor Lago: Thank you. Mr. Manager.

City Manager Iglesias: Yes Mayor. This has to do with the issues that I think we’ve all had with insurance this year, and certainly due to the fact that we have a category 4 hurricane on the west coast that’s caused quite a number of issues, as far as the insurance requirements, especially for named storms. We’ve had a number of cities that have reduced their actual coverage. We’ve had for instance, Miami Beach had \$30 million, City of Miami had \$25 million, etc. So, it’s been very trying. We expected it really, when we have a major storm that hits Florida. We have Mr. Tom Prescott here from the Biltmore that will be presenting. They are looking at a reduced windstorm insurance to \$50 million from the \$100 million dollars that it normally has. This is for a one-year period, and maybe things will change in the future, and with that, I’ll let Mr. Prescott present.

Mayor Lago: Mr. Prescott. Good afternoon. Thank you for being here.

Mr. Prescott: Thank you for having me and us. I’m Tom Prescott with the Biltmore Hotel. I’m joined by my colleague Bob Butler, our Treasurer, and of course Vincent Zolo, and Brett Gilman from Locke, our insurance broker. Commissioner Menendez, Mr. Gilman can address your issue on the lanes, if you’d like afterwards, since he has background in that area. As the Manager mentioned, we are here today seeking approval to amend that specific portion of our lease with regard to the insurance requirements due to the inability to fill our windstorm subscription at the time of renewal, due largely speaking, of course, to a decision on a crippling financial situation, given the market conditions associated with the Florida market. As you know doubt are all aware, no small part because of your own broker and the city challenges that it all has, the state now holds the inevitable claim of having the highest property insurance rates in the nation. This is problematic on a lot of levels, not least of which affects all of our own home insurance, but as it relates to us here today, it has prevented us from obtaining that supplemental windstorm amount that we would carry for the landmark. That being said, and to note a couple of key points before turning it over to Mr. Gilman to elaborate on any of these points and address any of the issues that the Commission may have. The current coverage request today is still sufficient to protect the landmark in the event of, not only a 500 year, but also 1,000-year storm based on accepted industry standards of discipline analysis and our MS modeling. Again, Mr. Gilman can elaborate on any of those points; and as the Manager mentioned, this is strictly for windstorm coverage. All other perils remain intact, that includes fire, explosion, lightening, aircraft impact, which is something I didn’t realize we even had, being so close to the airport, but that’s what we have. That remains the same coverage levels as years past. Second, given that we feel that insurance is only one protective measure associated to maintain a historic landmark like we have, and I’m personally, my family has personally charged as stewards with. Since 2017, we’ve invested over \$50 million dollars in fortifying the structure. Namely, as many of you well know, we’ve replaced all of our windows with hurricane impact windows that can withstand all the way up to a category 5 storm in certain cases. We repaired roof deficiencies sited by prior adjusters and appraisers. During our 2018 renovation, which the Mayor and many of you are familiar with, where we went all the way down

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to the wall studs, we also replaced all of the insulation, the framing therein, as well as any structural compromises that were apparent at the time of the exterior walls of the building; and to insure that areas related then as well as now, so that includes again, what we did before and what we do on an ongoing basis here in the yearly Capital expenditure component, even future water intrusion points we addressed, those that we know, those that we can anticipate, we attempt to address them on an ongoing basis, among other things. So, in sum, notwithstanding today's storm that's brewing downtown with a certain, sorry, that was a poor attempt of humor. We have fortified our structure, the structure that is beloved to the city so that it can withstand a significant weather-related event in the future. This approach, we feel, has proven correct based upon the fact that since 2017, we have not suffered any storm-related damage, despite the significant severe weather-related events from that time, including Hurricane Ian. While unfortunately some of our other hotel peers in the area did. Now, I understand that its different for us, because we had the benefit of continually doing these improvements during our renovation. Does that mean that we've taken or insured that every conceivable storm will not cause some damage in the future? – No, of course, we haven't. If you have, what I like to dub, a finger of God type event, like we had in '92 with Hurricane Andrew, those are things that we will do the best we can to be prepared for, but it does mean that we've taken all the necessary preventative measures, and in mind, continue to invest further in the property at a very basic level all the way to structural integrity and strength to minimize that potential for any significant damage moving forward. Another critical point that I wanted to note in relation to this particular request which hopefully will assuage any concerns that others may have in today's discussion, is that we, the Biltmore are not benefiting any way shape or form financially from this amendment, specifically even with this change, we're paying almost double in our premium from last year for a lesser coverage amount. If we were to take us from our 2020 levels, we're actually paying close to 3.5 times. As the Manager mentioned, which is inherent in the entire Florida market, and consistent with the treble increases that you're seeing relative to national rates, according to the Insurance Information Institute, which is a well-known industry association that tracks such movements. So again, this is not an attempt to circumvent any responsibility we have. On the contrary, it is to try to continually improve the property, but at a rate that will not actually compromise the business itself. The last important point that I wanted to flag for this Commission is that the provision adjustment is limited, as the Manager just said, for only windstorm coverage from the 2023 March levels to the March 2024 level. This is not an indefinite change. We are continually seeking, actively seeking to fill that replacement. We continue to do so, as Mr. Gilman will mention, at the commercially reasonable levels in that supplemental amount regardless of what the RMS model shows. Additionally, and this resolution as you've seen before you, it still contains the protections for the city to require the additional coverages and other remedies at any point during this interim period should market conditions change dramatically in those coming months. So again, this temporary measure and this request is so that we can continue to try to seek that supplement amount, but regardless of that and irrespective, we still have the appropriate coverage levels as determined by the worst categories of storms in that 500-to-1,000-year period. So, with that, if you'll allow me, I'd like to turn it over to Mr. Gilman who can actually speak to some of those points specifically as the expert in the area.

Mayor Lago: Thank you.

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Mr. Gilman: Good afternoon. So as Tom mentioned, I'm Brett Gilman with Lockton, based in Atlanta and from England, hence the roundabout comment he made at the start. I'll be very succinct; I'm not going to educate you guys on the insurance market. You are all perfectly aware of the challenges that are there. I'll say that in my 25 years, this is certainly a generationally challenged insurance market. Put simply, there is just a significant imbalance of supply versus demand, and the outcome of that is less limits available and the price for those insurance limits are beyond many economic reasonableness. At the tip of the spear, its not just because of Florida, but obviously Florida because hurricanes get the impact on the tip of the spear on that, but the contributions are all sorts of natural catastrophes in other parts of the country, wildfires, tornadoes, hailstorms, you name it, its happening and that's what's driving the imbalance of capital wanting to play in the insurance space. Unless there are specific comments about that, I was going to just then jump straight to the catastrophe modeling, the RMS model outcomes that Tom referenced. In the past, City Manager, we've exchanged on the CAT modeling several years back. The limits, the \$50 million limit that we have in place currently for the Biltmore equates to just over 1,000-year return period, that's just a statistical measure. If I put that in percentage terms, that's a point one percent chance per this CAT modeling of a loss exceeding that figure. So just relative numbers, you're talking about very low probability. Most insurance buyers, when they are in full control of their insurance purchasing decisions, they will look to 250-year or 500-year return periods to try and determine what their risk tolerance is, the appetite and versus the cost. When we enter into negotiations on behalf of our clients with lenders and their advisors, they are typically not quite as aggressive as 250, and we will invariably land around the 500 to 1,000-year return for traditional lenders. There are certainly exceptions to those rules, but not going to stand here and say that we're successful every time, every case, it needs to be judged on its own merits, but just in terms of understanding how CAT modelling is used in the industry, those are so the return periods and the probabilities that most decisions are being made from. I will pause there.

City Manager Iglesias: Just to clarify to the City Commission. The building code is about a 700-year return period, as used by the ultimate strength design code...

Mayor Lago: So, with that being said, what is staff's recommendation? What are we hearing from our team in regard to, obviously, I think the Commission's number one objective here is to ensure that we put ourselves in the most optimum position to protect this asset. At the end of the day, this is one of the most important assets in our portfolio. We want to make sure that, I know we're talking about a one in a 100 chance, one in 500 chance, one in 250, but again, no one expected Andrew to show up here and it showed up. So, I need to understand a little bit about what staff's recommendation is, so that we can make a decision moving forward.

City Manager Iglesias: Again Mayor, this is all about probability, and somebody wins the Lotto, but that doesn't mean you're going to, right.

Mayor Lago: The chance of not going to.

City Manager Iglesias: That doesn't mean that you, not you of course, but one is going to.

Mayor Lago: The chance of winning the lottery.

City Manager Iglesias: But the RMS modelling, as we went through it a number of years ago, is a statistical model that looks at a hurricane in a sector method in Florida. The probabilities look quite high, because they are based on a change that was done years ago, as far as looking at an ultimate wind load model based on a surface wind load model, to give you an idea, if we look at a code storm, which is about a 700-year return period, it would be according to the RMS model, we would need about \$35 million dollars in insurance. What they are proposing is that with about \$6 or 7 million dollars they would have to come up with on their own with the deductible and with what's covered for the first 20 percent. We looked at the actual policy to obtain that additional 20 percent for those \$50 million dollars is about \$1.28 million, about \$1.3 million. So, we would deduct that, we would need about a \$6 million dollars in escrow.

Mayor Lago: So, before this policy binds, can this go before the Insurance Advisory Board?

City Manager Iglesias: Yes. Looking at a code storm, looking at a category 5, those terms are thrown out very easily, as Tom Prescott did, without really understanding it, I'm sorry Tom, it's a lay person's thing, but what we have is according to a very legitimate study based on wind probabilities, similar to what we do in the wind tunnel business, and looking at the strength of the building, because they have different categories of the building, so we would expect around a \$35 million-dollar loss approximately, for a code storm, which is approximately a 700-year return period. So, they do have coverage for that with about a \$6 million-dollar escrow. So, the question is, do we have the escrow, or do we pay the \$1.28 million-dollar additional premium to take care of that escrow amount up to \$50 million?

Mayor Lago: Second question. The gentleman who spoke during public comment mentioned that Tom Prescott also owns an additional hotel, and he correlated the hotel, is there some sort of...

City Manager Iglesias: We get preference on the insurance, so we are covered first, their hotel on the west coast is covered second. In fact, the ones on the east coast and west coast, the probability of getting hit with the same category event on both sides is very different.

Mayor Lago: We've seen a hurricane go up the entire spine of the city, excuse me, of Florida at one point in the state.

City Manager Iglesias: We have Mayor, but if you get on the east and west, you have to go through the entire state and there's a hurricane decay issue at that point.

Mr. Prescott: Mr. Mayor, if I may just address that point. As the Manager mentioned, the priority of payments is very clear. Biltmore gets the entirety of the first \$50 million. I'll have a different headache on my hands if that happens and it hits one-tenth of one percent on both sides, but I hear you. The Biltmore is still secured and a priority, no questions.

Mayor Lago: Vice Mayor.

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Vice Mayor Anderson: I have some questions. I guess the deductible is one of my big concerns, but as far as priority. What if we have more than one storm per year. I mean, my in-laws lived in Kissimmee and had four storms.

City Manager Iglesias: This insurance is event based.

Vice Mayor Anderson: Event based. So, the first four storms, okay, nothing hits the Biltmore, but the last storm that comes through hits the Biltmore, we are no longer at priority?

City Manager Iglesias: Its event based.

Vice Mayor Anderson: The answer was yes, we're no longer priority?

Mr. Gilman: Excuse me. The policy essentially the limit restates after every occurrence.

Vice Mayor Anderson: Okay. So...

Mr. Gilman: So, if you have \$50 million dollars for storm 1, you have \$50 million dollars for storm 2, even if you have a \$50 million dollar loss, you still have another \$50 million per occurrence limits. Unlike flood and earthquake, which are typically aggregated, so it's just one bucket of coverage. The hurricane is per occurrence.

City Manager Iglesias: Its based, Vice Mayor, on the event.

Vice Mayor Anderson: I got it.

City Manager Iglesias: Named storm event.

Vice Mayor Anderson: Per hurricane, per storm, per tornado, per whatever. I applaud your efforts to strength the Biltmore, getting the impact windows, taking care of the roof. I mean I restrapped my roof, got a reduction in my insurance as well, because we all know that once the windows are penetrated or the roof is lifted off, then major damage occurs. So, I applaud you for that. Talk to me about the deductible and how you're going to come up with your portion. Aside from the additional insurance policy, you still got some cash to come up with.

Mr. Prescott: Yes. I'm going to let our treasurer address that point directly and I'm happy to elaborate on...

Mr. Butler: Probably the most compelling answer that I could give is to reference our 2022 audited financials, and our CPA has provided a letter to the city that pointed out some of the strength that's shown in those financials, not only our cash position, working capital, and our profitability that we showed in 2022. So, we believe that we do have significant strength to address any potential calamity, if you will, that might come our way, including windstorm.

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Vice Mayor Anderson: Is it possible to tie a letter of credit or bond to the cash requirements needed, the self-insured portion. Let's say you get the additional – you've got to come up with millions of dollars on the front end to get things repaired.

Mr. Butler: So, I believe in the resolution that that's something that we'll be discussing with the city staff.

Vice Mayor Anderson: But today.

Mr. Prescott: The short answer is yes, and that's why those protections were built in, because the...between the first and the second reading is something that we specifically we're going over with our partners in the city on that point specifically.

Mayor Lago: Vice Mayor, on your point, I just want to ask a quick question, I think to add more color to the conversation. When do you bind this.

Mr. Prescott: When did we bind?

Mayor Lago: Yes.

Mr. Prescott: March 27th of this year.

Vice Mayor Anderson: So, in the meantime, we'll look at either a letter of credit or a bond to be able to secure the cash portion that you'd have to come up with for the deductible.

Mr. Prescott: We want to work with the city to assuage any remaining concern in that regard and we'll do so.

Mayor Lago: Okay. We're in hurricane season, so we've got to move forward, and this is a huge priority for us, to the extent that the city has even taken millions of dollars out of its own pocket to ensure that we can continue the renovations which have been moving forward expeditiously. How much did we spend on renovations over the last ten years would you say?

Mr. Prescott: [Inaudible – off mic]

Mayor Lago: This is a property that is going to require an immense amount of attention over the next 10 to 20 years. Its incredible how significant. I don't think people really understand it until you go into the property, and you see it. There's going to have to be some sort of revenue attached to protecting this asset, because at one point its going to become unsustainable with the cost of construction today. Commissioner.

Commissioner Fernandez: Question that came up from a resident. We've been talking about the Gondola Building renovations costing us \$1.75 million dollars, whatever it is, \$1.5, that's for a

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small building. The estimates that you have, can those factors in the historic restoration of the Biltmore or is it just renovation to new standards?

City Manager Iglesias: Based on the studies, those are based on about \$238 million dollars' worth of replacement value, and that was with, the value I gave you was with amplifications. It means that's amplified after hurricane because there are additional costs.

Mayor Lago: Plus, you would have to build it too, Commissioner, to the new construction standard.

Commissioner Fernandez: Correct.

Mayor Lago: That building again, how old is that building exactly?

Mr. Prescott: 1926.

Mayor Lago: So, we're talking about that you would have to apply completely new standards of construction that are in the code now that weren't obviously in the code back then which cost a lot of money.

City Manager Iglesias: The RMS study does look at type of construction. When they look at these amplified costs based on the named storm, which will be what I mentioned about \$35.3 million is approximately the RMS study for a 700-year return, which is the code requirement, Florida Building Code requirement for new construction.

Commissioner Fernandez: And piggybacking off of the Vice Mayor's comments, my concern is, you basically have to come out of pocket \$12 million dollars, because of the deductible and the 10 percent. The coverage is only \$40 million in reality.

City Manager Iglesias: Commissioner, it would be to get to the full \$50 million, you'd have to come up with approximately \$10 million dollars.

Commissioner Fernandez: Plus, the deductible, which was \$2 million.

City Manager Iglesias: It includes the deductible because assuming they don't pay the \$1.28 million which is the additional premium.

Commissioner Fernandez: Got it.

Commissioner Menendez: My only question I have, and I agree with the Vice Mayor the direction she is going with a bond. For the purpose of the general public listening or watching, the savings, the one-year savings that we would have, are those going to be used or benefit not having to do this.

Mr. Prescott: Savings, there are no – you mean from...

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Commissioner Menendez: In terms of not going in the direction that you're requesting. I'm sure there is a benefit to the hotel other than.

Mr. Prescott: Well, no, again, we're paying almost double from what we paid. Its not as though there's any financial savings with this move. This move only ensures that we do this in the interim basis, ideally get past the hurricane season, because that's where obviously right now everybody is in a little bit of a different state of mind, but there are no savings that are realized. What I still take solace in is, all of the improvements we've done to fortify the structure, which makes me feel comfortable that the number that's being sited by the Manager, by the study and everyone else, is sufficient to provide that coverage, even in the event that some cataclysmic event were to occur between now and March of 2024, but as we've been mentioning to the Mayor, the Vice Mayor and all, we still have discussions with you all in the city to ensure that we assuage some of those other concerns.

Commissioner Fernandez: I guess off of his question, what would the cost be going to \$100 million dollars?

Mr. Prescott: It would be an additional seven.

Mr. Butler: I'll paraphrase. So, buy \$50 million access the current 50, will be another \$2.5 million in today's marketplace. When we did this in March, the market has moved on, its become harder, not easier. So, to take 50 is another \$2.5 million dollars.

Commissioner Fernandez: Great. So, I guess his question was, where's that \$2.5 million going to go or where is it being, where wouldn't it be taken out of?

Mayor Lago: Where is it being sourced?

Commissioner Fernandez: Correct.

Mr. Butler: You mean in terms of the operation?

Commissioner Fernandez: Yes.

Mr. Prescott: Oh, I'm sorry, I apologize. I didn't understand the question in that regard. So, like any business we have to then make decisions on where we remove that. It obviously, the biggest variable expense that always come into play would be staff, it would be the wage aspect. Not something that I'm really excited about reducing, because that affects service levels, the standard that we all have come to expect for a luxury property, the crown jewel of this asset. So that is probably an area that we would have to look at. You don't want to take away from the ongoing capital expenditures, because as I mentioned, this is done purposely so that we can continue to improve the structure itself. You can look at cuts of service time, meaning, excuse me, outlets that are there in operation. There's no good, its just a question of what's the least bad to do, and

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everybody will have a different opinion on that matter, but the biggest single variable expense is labor. I hope that addresses your question.

Mayor Lago: Any other questions?

Commissioner Castro: Does staff have any other comments. I know I had a meeting regarding the numbers comparing to other municipalities.

City Manager Iglesias: As I mentioned, City of Miami named windstorm is \$25 million; Miami Beach named windstorm is \$30 million, there assets are \$1.4 billion; Miami-Dade County has \$135 million in windstorm; and Miami-Dade Public Schools have \$200 million in windstorm for all the schools here. For all the others \$25 million in windstorm coverage and Hialeah has \$25 million windstorm coverage. I think everybody has reduced that because of the expense involved.

Commissioner Fernandez: The Mayor had a question that wasn't answered though. What was the recommendation from the Insurance Advisory Board?

City Manager Iglesias: The Insurance Advisory Board, I don't believe there was a quorum when I was there. There was not a quorum so there was no official vote.

Mayor Lago: So, what I would like to do, if possible. I don't have a problem supporting this on first reading. Get a few of the things buttoned up, like the Vice Mayor mentioned. Also potentially having the Insurance Advisory Board take a look at this and then bring it back to us on second reading. We need to move expeditiously, and again, they are locked into their program in regard to the rate, but this is only going to get more expensive, depending on where we head. So, we're in the middle of hurricane season, and I want to make sure that the Manager and his team is as comfortable as possible. Yes sir.

City Manager Iglesias: And Mayor, the reason we brought it quickly is because we are in hurricane season and unfortunately there was not a quorum, but that's why we brought it quickly because we are in June.

Mayor Lago: I think we're backed up against the wall. I think we've got to move quickly here. I think my colleagues, someone should make a motion in regard to this matter and address the issues that the Vice Mayor brought up, and obviously take it to the Insurance Advisory Board codifying, have a meeting, have a discussion.

Vice Mayor Anderson: Happy to make a motion after Ms. Castro has her additional comment here.

Commissioner Castro: Do we really have time to wait?

City Manager Iglesias: Well, we are currently covered with what we have.

Commissioner Castro: Okay.

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City Manager Iglesias: With the current policy is already in place. What we're talking about is augmenting the policy to one would be a full \$50 million with the escrow; and the other one was a full \$100 million.

Mayor Lago: The issue is that the longer that we wait, the delta that we're discussing is only going to get more expensive. So that's what we're addressing today, is the delta in the amounts for the insurance. I think we are in a hurry, if we're going to move in a different direction, its only going to cost more money and we need to get this buttoned up as quickly as possible and bring it back to the Commission for second reading with some sort of guidance in regard to what are we going to require from the Biltmore. Obviously, knowing that the city itself our premium is up 37 percent this year and the Biltmore just mentioned that their premiums are up double. So, I don't think we have much time.

Commissioner Menendez: I'll second.

Vice Mayor Anderson: These are hard choices that we have to make.

Mayor Lago: These are hard choices, very hard choice.

Commissioner Fernandez: What we're saying is one year.

Mr. Prescott: Less at this point, Commissioner, because that was to...

City Manager Iglesias: March 23rd to March 23rd, Commissioner.

Mayor Lago: By the way, I'm not an insurance professional, never been in the insurance industry, I just pay insurance on properties that I own like all of us do. Insurance is not going to go down, its not. Hopefully – they are hoping that legislation that's gone into effect this year, hopefully brings more competitors into the market. You're talking about maybe a window two or three years down the road.

Mr. Prescott: Just for Florida.

Mayor Lago: Just for Florida. You're not going to see a response in a year. I think insurance rates are going to go up next year again, and that's where we're going to have a conundrum, because the tax bases, they went up this year, but people are saying that potentially next year you could see it flat. So, you're not going to have a cushion to be able to eat up some of these increases in fuel, mobility costs, insurance, maintenance, labor, negotiation contracts, so those are what we're going to see of even more of an issue next year in regard to cost. You have a motion on the floor and a second.

City Clerk Urquia: Mr. Mayor we do have a member of the public requesting to speak on the item, Maria Cruz.

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Ms. Cruz: Good afternoon. Can you hear me?

Mayor Lago: Yes ma'am.

Vice Mayor Anderson: Yes, we can.

Ms. Cruz: Maria Cruz, 1447 Miller Road. I have a concern. The question was asked, where would the money go or come from if we have to buy that type of insurance? – and the answer was, oh, we would have to cut staff that would mean services. What about profit? You know the management company makes a profit or else they would not be in this business. So, what about sacrificing some of that profit to be able to come to an agreement. Thank you.

City Clerk Urquia: That's it, Mr. Mayor.

Mayor Lago: Mr. Manager, what is your opinion in regard to the comment?

City Manager Iglesias: Mayor, we have tough choices this year, that's what it is.

Mayor Lago: We do. That's exactly it. Unless anyone has anything else further to say. WE have a motion and a second. We've addressed public comment. Mr. Clerk.

Commissioner Menendez: Yes

Vice Mayor Anderson: Yes

Commissioner Castro: Yes

Commissioner Fernandez: Yes

Mayor Lago: Yes

(Vote: 5-0)

Mayor Lago: Thank you very much.

Mr. Prescott: Thank you for your time.

Mayor Lago: We'll see each other on second reading.