

**City of Coral Gables City Commission Meeting**  
**Agenda Item H-5**  
**May 13, 2008**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

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

**City Staff**

**City Manager, David Brown**  
**City Attorney, Elizabeth Hernandez**  
**City Clerk, Walter J. Foeman**  
**City Clerk Staff, Billy Urquia**

**Public Speaker(s)**

**Richard Namon, Coral Gables Resident**  
**Dr. Richard Polo, Coral Gables Resident**  
**Roxcy Bolton, Coral Gables Resident**  
**Dirk Lorenzen, Coral Gables Resident**  
**Dennis Daley, Coral Gables Resident**  
**Richard DeWitt, Coral Gables Resident**  
**Michele Lane, Coral Gables Resident**  
**Georgene Slepin, Coral Gables Resident**

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H-5 [Start: 11:19:35 a.m.]

Country Club Update

Mayor Slesnick: I mentioned earlier, we are going to go now to the Country Club update, H-5.

City Manager Brown: Thank you Mr. Mayor. I think to begin this discussion, I am going to read into the record for the viewing audience and the people in the audience the memo that you have before you that sets forth a set of actions which the City has undertaken after being notified on April 30<sup>th</sup> that the Club effective May 3<sup>rd</sup> would no longer operate their membership services or their banquet or catering facilities. Then subsequent to that notification both Granada LLC and the Country Club agreed to relinquish their rights of the management and operating agreements to promote, operate, manage and maintain the facility under both of the relevant agreements. This agreement resulted in an order signed by Judge Nuria Saenz dismissing as moot the City's lawsuit against the Club for possession of the Facility. Once those actions took place this is what the City has done in that time. The City is currently preparing an RFP for Commission input and approval to

solicit a new operator for the facility. This office will meet individually with each of the Commissioners to solicit their input on the vision for the facility. The entire process to select a vendor is expected to take up to four months; and if we are on time we'll have a selection of a vendor back to the Commission on August 26<sup>th</sup>. That's our target. On Saturday, May 3, 2008 the City changed the locks on the exterior of the Country Club of Coral Gables facility to protect all interior furnishings and equipment. The Public Works Department is temporarily overseeing the facility until a new operator assumes that function. Although the City has not paid any utility bills for the facility since all the utilities have been the obligation of the Country Club and Granada, at this time, the Public Works Department has contacted the utilities companies and has temporarily assumed responsibility for the power and water until a new operator is located. The air conditioning and water will continue to run in order to preserve the facility in its current state. Public Works is conducting an overall building assessment, including completing its assessment of the HVAC systems, roof, in order that the City may find any budgetary needs that may be needed to be addressed in the Coral Gables Fiscal Year budget 08-09, which is coming up shortly. The City has also requested through our outside auditors, McGladrey & Pullen, to do a complete audit financially and operationally, and also an inventory of the Club. The City has in its possession the software of the computers for future references and past finances and they'll be turned over to the auditors when they are moving forward, and I should tell you that we are in the process right now of doing a letter of the scope of work for the auditors to move forward. The arrangement has been made to donate all the perishable food to a charity so there is nothing in the Club going bad; freezers remain the same. Currently the pool operations and tennis facility remain open as those two operations remain self sufficient. The current pool operator is running the pool and the City of Coral Gables is operating the tennis as if it were a public facility at this time, with programming as well as free play. Mr. Rudy Seurattan, the General Manager will remain on the property for the next ninety (90) days and will assist with the relocations of functions or deposits that cannot be held at the Club. An interested group of Club members are attempting to reorganize as everybody has received many e-mails, to operate the facility as a Club. No official proposal have been submitted to this office as of yet. It would be the recommendation of this office for the City Commission to consider such a proposal for the operation of this new Club temporarily utilize and operate the facility while we are selecting a full time operator, under three conditions: that the new Club must acknowledge that any operation or utilization of the facility is temporary and shall cease when a new operator is selected by the City. Any future use of the Club as a club shall be subject to the conditions of the successful proposer, of which this Commission will oversee. Number two; any and all operating costs excluding rent and utilities for the temporary period shall be borne by the Club and that the City Commission approve a temporary operating agreement outlining all the terms and conditions including insurance, liability, and scope of work. So all those would have to be in place before I would recommend that we move to a temporary operator of the Club while the main operator is selected. At this point the Coral Gables Country Club is not being utilized with the exception of what we've nominated was the tennis courts and the pool. There is no down side to allowing a group to operate it for up to four months if those terms and conditions are met fully, and met with this Commission's approval. That's the status of where we are...

Mayor Slesnick: What's number three?

City Manager Brown: Three was that the City Commission approve a temporary operating agreement outlining the terms and conditions of the use including their insurances, protection and scope of work.

Commissioner Cabrera: Can I ask a question of the memo?- you mind. Number two, on Saturday, May 3<sup>rd</sup> you went ahead and changed the locks...

Commissioner Withers: Can you pull that closer?

Commissioner Cabrera: I sure will. On May 3<sup>rd</sup> you went in there and changed the locks, and I guess you secured the space; are you providing security?

City Manager Brown: We were providing security for the days between the time we got notice and the time we took the keys, after the keys...

Commissioner Cabrera: Can I formerly ask you to have some sort of security detail there by the City of Coral Gables Police Department, and the only reason I ask you for this publicly is we had this conversation a week ago, and I didn't walk away with any reassurances that that would go on, and my concern is very simple; the facility has no alarm system; there are valuables in there, there is furniture, there are treatments, there are all kinds of things. Listen, the first week that the Club was reopened, the plasma screen was stolen from one of the bars, the very first week; we never talked about it because it was their problem not ours, but it's a pretty big facility and I'd sure like to see the City of Coral Gables take a proactive approach to ensuring its security.

City Manager Brown: What I want to do is get with Mr. Delgado right away to see if there is – what alarm can be in there, and if not I'll provide....

Commissioner Cabrera: Well there are just so many points of ingress and egress to the Club, both on the Greenway side and the Alhambra side, and the Granada side, you know, I'm just worried about it that's all.

City Manager Brown: Maybe we need to install an alarm system.

Vice Mayor Kerdyk: Have you done an inventory on the property?

City Manager Brown: The report was that we are actually doing a letter with the scope of work with McGladrey & Pullen to go in and do an inventory and do a complete audit.

Commissioner Cabrera: My next question has to do with exactly what you just mentioned, the audit, how much of that is going to cost the City of Coral Gables?

City Manager Brown: I'm waiting to find out.

Commissioner Cabrera: Would you guestimate?

City Manager Brown: I don't want to take a guess Commissioner.

Commissioner Cabrera: Fifty thousand, a hundred thousand?

City Manager Brown: That's what this is all about, find out what my scope of work is and what it's going to cost.

Commissioner Cabrera: So let me then follow up with the next question; I'm assuming that once you follow up with the cost, you are coming back to us for approval or you are moving forward?

City Manager Brown: I was planning on moving forward, but I can outline to the Commission what the cost is.

Commissioner Cabrera: Well, what's your purview?- you have the ability to move forward without our...

City Manager Brown: And I want to get in there and get the inventory and get the financial audit done as soon as possible.

Commissioner Cabrera: I know, but you know what, this teeters on policy versus operational remedies, and I don't want to get in your way of taking the appropriate operational steps, but if the amount exceeds your abilities it comes to us, right?

City Manager Brown: Absolutely.

Commissioner Cabrera: OK.

City Manager Brown: I'm not going to...Procurement Code in this.

Mayor Slesnick: David, just for clarification, we've done internal audits at the Country Club, say a few words about it, David. The indication is that we now have a Club closed and we are going to do an audit all of a sudden, I mean we have done audits.

Commissioner Cabrera: We are going to do a post audit.

Mayor Slesnick: I understand that, I just want to make sure.

City Manager Brown: I have done an audit exteriorly and interiorly, and this is going to be a post audit of their operations.

Commissioner Cabrera: Yes, this is an "as is" audit...

City Manager Brown: Correct.

Commissioner Cabrera: ... a situational analysis audit, we've done previous audits to ensure the financial reporting is accurate and timely and all that.

City Manager Brown: Correct, and this is the firm that the Commission approved to do our own City audit each year.

Commissioner Cabrera: OK. Very good. Number ten; you say Mr. Seurattan, the Club General Manager will remain on the property for the next ninety days and will assist with the relocation of functions that no longer can be held at the facility. Who is paying Mr. Seurattan?

City Manager Brown: Granada LLC.

Commissioner Cabrera: Who is directing Mr. Seurattan?

City Manager Brown: Probably a combination – I'm doing most of the operations right now.

Commissioner Cabrera: Did Mr. Seurattan have a contract with the City at this time?

City Manager Brown: He does not.

Commissioner Cabrera: Has he ever had a contract with the City at this time?

City Manager Brown: No sir.

Commissioner Cabrera: Does the City intend to have a contract with Mr. Seurattan at any point in the near future?

City Manager Brown: Not to my knowledge.

Commissioner Cabrera: OK. Thank you. Now let me talk to you about the three items that you mentioned to us, and let me say this to the people who are reorganizing the Club; ladies and gentlemen when you communicate with this government, I think its critical that you include five members of this Commission body; to include the Manager's office and one Commissioner is inappropriate, it offends me and typically I ignore those kinds of communications. So if you are interested in getting my support and/or feedback, I strongly urge you to write to the five of us and by all means include the City Manager. That's what I have to say about this particular issue because all the things that have been done by the new group to try to form itself as a new Club, whether it's the Coral Gables Country Club or the Alhambra Club, or whatever it becomes, has come to me through members, not through their leadership. One of their leaders is a personal friend and he and I have had some very, very productive dialogue, and that's because we've reached out to one another, but outside of that I've had no communications with anyone formally from this new group, and anything that I've done its been an outreach program and I

think there needs to be some sort of proposal formulated so we in fact can make some intelligent decisions because I've got to tell you Mr. Manager, I am not a hundred percent comfortable with item number two, where it says excluding rent and utilities and the simple reason is we've got lots and lots of dollars that have to be spent. We've already spent six hundred and thirty thousand dollars (\$630,000) for the payments to the Sunshine State Law, that's a given, as of April 25<sup>th</sup> the number you gave me was, and I quote you, six hundred and thirty-two thousand seven hundred and eighty- three dollars and fifty cents (\$632,783.50), which is twenty-five thousand three hundred eleven dollars and thirty two cents (\$25, 311.32) times twenty five monthly payments. We have already spent three hundred and forty thousand dollars (\$340,000) in a settlement with the construction company that did the capital improvements to the Club; it was our expense, the taxpayer's expense. I believe in my hearts of hearts that the City may have to pay for the kitchen appliances through the leasing arrangements with SunTrust and that's a tune of about two hundred thousand dollars (\$200,000)...

City Manager Brown: That decision hasn't been made.

Commissioner Cabrera: I know sir, I talked to your Finance Director yesterday, I was very pleased to hear that the Finance Director has reached out to SunTrust and has discussed with SunTrust the issue and SunTrust is holding any further recourse in trying to get their appliances or their monies. I am also aware of the fact that we are going to have to pay, potentially we may have to pay, I am going to be very careful, this is not about a lawsuit, this is about policy and procedure so I want to make sure my colleagues understand that I'm just saying may happen; we may also have to pay as much as fifty nine thousand dollars (\$59,000) in back taxes.

City Manager Brown: That possibility exists.

Commissioner Cabrera: That possibility exists.

Commissioner Withers: Back taxes for...

Commissioner Cabrera: Property real estate taxes for 2006 and 2007.

Mayor Slesnick: Approximately a third of what you would get back.

Commissioner Cabrera: How do we get them back sir?

Mayor Slesnick: They are our taxes.

Commissioner Cabrera: Oh the City indirectly gets them back, the government gets them back.

City Manager Brown: The fifty-three thousand (\$53,000) Commissioners include our portion of those taxes.

Commissioner Cabrera: Right – OK.

Vice Mayor Kerdyk: That's thirty-eight thousand (\$38,000)/

Commissioner Cabrera: What's that?

Vice Mayor Kerdyk: So it's thirty-eight thousand (\$38,000) – forty thousand (\$40,000).

Commissioner Cabrera: OK, but there is also a questions about tax year 2004 and tax year 2005 that you need to get some clarification on, because according to my research, miamidade.gov, indicates that there are back taxes owed for those two years as well, and you've clarified for me the fact that those monies were incorrectly applied...

City Manager Brown: That's correct.

Commissioner Cabrera: ...and in fact there was a check made in one of those tax years, and a certificate that had been sold needs to be corrected...

City Manager Brown: And the County has agreed to correct that.

Commissioner Cabrera: But I need to see that in writing, you know, I need to see that in writing. You've also lead me to believe that we've assumed all the expenses associated with utilities, electricity and water, so we don't know what the expense is going to be there until an operator is contracted.

City Manager Brown: Correct.

Commissioner Cabrera: You've also lead me to believe that based upon what I hear there are potential repairs that will need to be made; roof leaks potentially, air conditioning system potentially, maybe next year the surface of the pool may need to be fully repaired.

City Manager Brown: Well for sure that the roof and the AC are going to need attention and that's what we are looking at for the budgeting for the 08-09 year, that's the responsibility of the City regardless of the vendor unless the vendor has taken on that responsibility as a result of an agreement, but as it is right now with no Club in there we can't afford to let a four million dollar or five million dollar renovation go by the wayside because we don't protect the air conditioning.

Commissioner Cabrera: Absolutely, I'm with you, and I support you keeping the air conditioning moving and all those important things. I haven't even broached the subject of legal expense, but I know we have incurred some legal expenses with our lawsuits, with our pending lawsuits.

City Manager Brown: Yes sir, we have.

Commissioner Cabrera: I think there may be at some point in time, may or may not be some responsibilities that we may have to take with some debt that's been accumulated over the last twelve months or longer. So I don't even want to get into that, I'm just saying that's a possibility.

City Manager Brown: I can't comment on that.

Commissioner Cabrera: That's a possibility, so given all those hard and soft costs, and potential costs, I've got a real problem giving anybody free rent, and I had a huge problem giving a private enterprise exclusive rights to a public building on public land, that is something that I'm not moving off.

City Manager Brown: I agree with you in the long term; I agree with that premise in the long term.

Commissioner Cabrera: But I welcome the opportunity to review a proposal from this group, a formal proposal, and I can only tell you what my concerns are, maybe my colleagues feel differently, maybe they agree with me on some of these issues, but at this juncture these are my concerns, and I'm really happy to be able to talk about this publicly because I've been chomping at the bit, and I haven't been about to say anything about this and neither has the others because we were in a situation where our attorneys were advising us not to discuss this matter, but it is a public matter that needs to be discussed, and I'm glad we are having this discussion today, and I know that you are talking about possibly having a second special meeting on this subject. I'm going to remain silent because you've given me the answers I'm looking for, I'll jump in whenever I think that it's something pertinent that I can add to this.

Vice Mayor Kerdyk: I'd like to ask a couple questions in retrospect too as far as what has happened before and I know that we really want to focus on where the Club goes from this point forward, I mean, but we have to, before we do that we have to know what has happened in the past. The Commissioner mentioned the expenses that we have incurred or will incur; the vendors – how much money is owed to the vendors that you know about other than what the Commissioner, do you know how much is owed to the vendors right now other than what the Commission has said?

City Manager Brown: The unofficial figures are about four hundred and forty-nine thousand (\$449,000) dollars.

Commissioner Cabrera: The unaudited figures.

City Manager Brown: The unaudited figures.

Commissioner Cabrera: There you go.

Commissioner Withers: Does that include the equipment?

City Manager Brown: Yes.

Commissioner Cabrera: That includes two hundred thousand for SunTrust, right.

City Manager Brown: No, that includes about fifty-nine thousand (\$59,000), remember this is aging which is ninety days out; it didn't include the whole term of the contract just what was owed.

Vice Mayor Kerdyk: And just to clarify, the Sunshine Bond Fund, this is the Sunshine Bond Fund loan, correct?

City Manager Brown: Yes, yes.

Vice Mayor Kerdyk: As I understand the occupancy started October 15, 2004, they started payments in November 15, 2005; they paid until April 16, 2006; May 2006 they stopped paying until now, that's twenty-five payments as the Commissioner has said, six hundred and fifty thousand dollars more or less, right.

City Manager Brown: That's correct.

Vice Mayor Kerdyk: And then...

Commissioner Cabrera: They made total payments of one hundred and seventy-seven thousand dollars (\$177,000), Mr. Vice Mayor.

City Manager Brown: They paid for approximately six months.

Vice Mayor Kerdyk: Alright, but they owe six hundred and fifty thousand right now.

Commissioner Cabrera: And our current balance is three point seven million dollars (\$3.7M).

Vice Mayor Kerdyk: Alright. So we have the six-fifty, we have the four-ninety, and then...

Mayor Slesnick: You reduce the six-fifty by one seventy-seven.

Vice Mayor Kerdyk: Let me see.

Mayor Slesnick: Six hundred and fifty thousand and they paid one seventy-seven back to us.

Vice Mayor Kerdyk: They missed twenty-five payments at twenty-five thousand dollars that's six hundred and twenty-five thousand dollars.

Commissioner Withers: And they paid one hundred and seventy-seven thousand.

Vice Mayor Kerdyk: It doesn't matter, but I think its six hundred and twenty-five thousand dollars, alright; and the final thing is the real estate taxes.

City Manager Brown: Right.

Vice Mayor Kerdyk: Now, I guess the question I have to ask of you is really from the City Manager's standpoint, what bothers me about this whole issue and I know I've expressed it to you before, was we found out by accident that they had missed payments, and the second thing is that what really irks me to a certain extent is the real estate taxes, I didn't hear anything about the real estate taxes until recently.

City Manager Brown: Nor did we.

Commissioner Cabrera: But real estate taxes were included in the operating agreement, in fact it was Section 1.5 of the agreement that stipulates impositions; if taxes are not paid then the operator is in immediate default, and I'm not an attorney, but that's what I read.

City Manager Brown: The lien should have never been sold by the County because you are not supposed to sell...

Commissioner Cabrera: I understand, I understand...

Mayor Slesnick: Actually the record will show that we were told about it problem with the tax couple years ago, but that was when we in fact had evidence that they had been misapplied, so that's the last we heard of it.

Commissioner Cabrera: But who told us. No one told me.

Vice Mayor Kerdyk: No one told me.

Mayor Slesnick: We discussed that.

Commissioner Cabrera: Publicly?

Mayor Slesnick: Yes.

Commissioner Cabrera: Really?

Mayor Slesnick: During one of the times we had Stuart Bornstein here.

Commissioner Cabrera: I must have been in the bathroom, I don't remember.

Vice Mayor Kerdyk: I guess the fact is now we know everything that has transpired and we've got to move in on from this point forward, but I certainly, the City Manager's

office needs to know that I need to be notified more not only on this subject, but other subjects whenever there is something that is crucially affecting our budgetary process.

Commissioner Cabrera: You know what's interesting, just to piggy-back on your commentary, when you go into the public records you learn that the tax assessor was sending the notices to the City of Coral Gables at 997 North Greenway Drive, not 405 Biltmore Way, not that I think that has any bearing on what you said, I concur with your commentary, I think its very important that you should say...

Vice Mayor Kerdyk: Listen, I manage a lot of properties, you check when people pay their taxes or not.

Mayor Slesnick: Remember when we talked about the Property Advisory Board trying to be an oversight?

Commissioner Cabrera: Well, when I was not given the support to have an oversight board, all we did was – I can tell you vividly what we did; we went ahead and assigned three people from the Property Advisory Board, sort of a make Ralph feel good oversight for the construction process, and they came back to us once or twice and told us, yeah, they are doing a nice job, it looks like its going to be real pretty, but that was the extent of it, Mr. Mayor.

Mayor Slesnick: I'm saying, I don't know why we...

Commissioner Cabrera: Nothing else happened, you know, and they went away and they were very happy to be included in the process; I remember one of the people, I think it was Ms. Anderson's appointment, and he was very nice to always tell us what was going on, and I very much appreciated, but I don't think they were given the authority or the responsibility because I think the responsibility on this one – well let me not go there, its unproductive to get into that, but I do believe that the responsibility they were give was limited, very limited, and again I think it was to make me feel good, which it did for about thirty seconds.

Mayor Slesnick: Well we have some people who have asked to speak on the issue.

Commissioner Withers: Can I ask Dave...

Mayor Slesnick: Yes, sure.

Commissioner Withers: Dave where are we on deposits for events for folks that have planned events, what's the status on that?

City Manager Brown: My understanding is Mr. Seurattan is working with each individual patron or future customer of the Club trying to relocate the event to another venue; as far as I understand and I've got to be careful what I say here, but I understand that the deposits were that of the old Country Club.

Commissioner Withers: So why is Seurattan relocating them if he's not financially helping them out, I mean, that's ridiculous. I mean, he's telling them to go elsewhere, but...

Mayor Slesnick: Chip...?

City Manager Brown: My personal opinion is I don't think he has the money.

Mayor Slesnick: It's really regretful, and I have talked as you may have to a number of the people with deposits, that had deposits at the Club, and it's a sad story. I am not participative in what he is doing; I don't know what he is doing...

Commissioner Cabrera: Neither do we.

Mayor Slesnick: No, but it's been told to me by a couple of the people who have been relocated that he helped them find a place and a good deal that seemingly took into consideration the fact that they had lost money on deposit. That's what I heard from the people, not from him, so they actually seemed somewhat mollified.

Commissioner Withers: Before the folks speak, I'll tell you how I feel on the whole.....I think the four month period is too short; I think if we do a temporary we need to probably go a year, but the City reserves the right if they can get an RFP put together in four months or six months that we accelerate it.

City Manager Brown: It's my goal to get somebody to the Commission as soon as possible hopefully in August so that we can get the negotiations completed and get them into the Club for the first part of the high season next year.

Commissioner Withers: But that's number one, I think four months is just unrealistic the way we do things up here, there is no way you are going to get an RFP approved by this Commission, people interviewed and a plan in place in four months. I think we need to be a little more realistic, but if we can do it in six months the one year is out the window. Number two, I have serious doubts that this Club will survive as it's structured right now. I've been very public about this. I remember watching the Club burn form the roof of the David William in 1983 or 84 whenever it was, '83 was it?- and the model might have worked in the fifties and sixties and seventies and maybe early eighties, but the model didn't work then, and I don't know, no offense to anybody, I don't think the model works now, I just don't think that Country Club has the real sizzle that really brings in the big dollars to run a Country Club of that nature. So I think there has to be a definite model change so I can tell you right now, the RFP that's being put together if it's the same model that's right now, I can't support it.

City Manager Brown: Its not.

Commissioner Withers: OK, I'm just telling you, you don't have to tell me what the model is now.

Commissioner Anderson: I'd like to piggy-back on that whenever you get a chance, if you're done Commissioner?

Commissioner Withers: No, I have one more thing; and as far as the current group goes and I understand maybe the suspension of debt service or rent maybe some assistance with utilities, but I really think the folks that are getting hurt are the Coral Gables residents that have put money down on deposits and I think there should be some ownership of the original group on making those people whole on their deposits in order for me to vote for any type of group moving forward with this, I think they have to take on that responsibility.

City Manager Brown: I understand.

Commissioner Anderson: For my terms, very similar to what you were talking about. My thoughts on this particular situation is what this facility is which is our beloved facility, I think we need to start calling it a building, a facility; there may be memberships that are offered through a new vendor however it is an RFP, but I think the old, at least how I envision will not be the same again. I echo Commissioner Withers statements that there should be something to help the membership feel welcome, made whole somehow, in some way shape or form like it happened at the Biltmore, but I think that this facility now has a great opportunity to be profitable, and I think you are right, that the older club model does no longer fit that, the profitable status. That's exactly kind of on the same lines as you are, and I'd like to see in that RFP and make sure how it is going to deal with our membership that has been existing while allowing for more public facilities and more public use of it and profitable use for the City.

Commissioner Cabrera: I echo Ms. Anderson and your comments about the RFP and I suggested to the Manager because I know Ms. Swanson Rivenbark is currently been assigned the task of developing the RFP.

City Manager Brown: That's correct.

Commissioner Cabrera: And I can tell you that I've asked the Manager to bring that RFP back to us so that we can make the commentaries that you're both suggesting, and we ensure – at the same time the Manager has come back and very candidly has said that he is trying to make a very open-ended RFP so that potential operators could really think outside the box and not come back to us with another remake of the former operator's ideas. As far as the six months that you mentioned, I think you are right on target, but you were being kind, it could be as long as a year, and I think...

Commissioner Withers: And I think we are going in the summer months...

Commissioner Cabrera: Which are dead months – I'm sorry sir, the last thing I needed clarification from you on...

Commissioner Withers: It was on the actual deposits that folks had put down for Barmitzvas, weddings, anniversaries, whatever; I think there has to be some ownership...

Commissioner Cabrera: From who?

Commissioner Withers: From the existing group that wants to get going again.

Commissioner Cabrera: Oh, you're talking...

Commissioner Withers: If someone wants to have an event there in June and they put five thousand dollars down to say to them we are not accepting that five thousand dollars, we are starting all over again, I just think is...

Mayor Slesnick: Chip, the thing is I'm not sure a new group could come in and assume that kind of debt from the old group, but I have urged all along if we could get the Club reactivated, reopened, that there could be a good deal of consideration given, for instance, everyone that comes into the Club pays for the room rental, that certainly could be waived, and that makes up for part of the deposit, in other words the deposit equates to in big part the room rentals; I mean there are ways to do what you are saying.

Commissioner Withers: But Don, I feel....I don't remember the individual's name, I know a resident reached out to me that was planning a wedding there and put five thousand dollars down, and tried to move it to the Biltmore and the Biltmore wants forty thousand dollars or something, I don't know, but now this individual is faced with, OK, I'm out of pocket five thousand bucks, if the Country Club reopens and they can't pull this event off, there is no reason in the world why I don't think we can dictate to that group that they have to give that guy credit for the five thousand bucks he's already paid to that event; I mean, that's just how I feel, I mean, I don't know what's so wrong about...its like....

Mayor Slesnick: You are assuming the debt that someone else...

Commissioner Withers: But Don, we are giving them a cake-walk for starting the new organization up; I mean, we are giving them free rent, we're giving them no utilities, we're giving them capital improvements, you know we are giving a group of people privilege because they failed, and I have an issue with that.

Commissioner Cabrera: Well if you have an issue with that, who has oversight over this new group, who is the oversight?

Commissioner Withers: Define oversight to me.

Commissioner Cabrera: OK, let's say that we move forward and we give temporary use of the facility to a new organization, a new social club; and they you know, get it going, they have a special assessment, whatever they plan to do, they've got a business plan that some of you may or may not have seen, but it's a PowerPoint presentation, who then has oversight over that group?

Commissioner Withers: I think they have oversight over themselves.

Mayor Slesnick: Well, I think that we would...

Commissioner Cabrera: No, no, no, I don't think you guys are following.

Commissioner Withers: We as a City have financial oversight...

Commissioner Cabrera: I think we have to have real oversight; we got to learn from our mistakes, I mean, if you want me to start spewing out the irregularities with the former operator its going to make the hair on the back of your neck stand up.

Commissioner Withers: I look at this six months or a year as just a temporary in place, keep the lights on, keep the air conditioning, that's all that's going to happen; I don't see this group a year from now in the same model that they are in right now; in fact I don't even know why they want to it for the next six months....

Commissioner Anderson: But I agree with Commissioner Cabrera actually; I don't mind that the group is there, let's say we move forward with that, that's not a problem, but I do think we have some level of oversight as to what's going on because if we loose control of that some guidelines, we need to have something to make sure that things are being done according to whoever.

Commissioner Cabrera: What if, what if, the RFP gets issued and no one responds?

Commissioner Withers: That's why I said the whole thing about the whole year issue...

Commissioner Cabrera: Yeah, so for a whole year you are going to give up, and I'm not trying to put you on the spot, but for the whole year you are going to give a group of well meaning people the ability to run a facility owned by the City on City property with all kinds of potential issues that we are going to have to address, I can't repeat history, I can't allow it to happen.

Commissioner Withers: And I'm going to put you on the spot, what is the alternative?

Commissioner Cabrera: To close the facility down and wait the four months to get a new operator...

Commissioner Withers: What if you don't get an operator for a year?

Commissioner Cabrera: ... if it doesn't happen then we make other decisions that are appropriate, but I can't give exclusive rights to one particular group, Chip, I can't do it; you know you can't do it either.

Commissioner Withers: Don't go there because we've done that, this Commission has done that about three months ago.

Commissioner Cabrera: Oh, I know, I know.

Commissioner Withers: On a specific group, giving them free rent, and giving them City monies...

Mayor Slesnick: We give exclusive rights to lots of people to our leases and...

Commissioner Cabrera: You want to tell everybody.

Commissioner Withers: He asked me what it was, I said the Coral Gables Cinema.

Commissioner Cabrera: Yeah, but get what, here's the difference; the Coral Gables Cinema is available to anyone; anyone can walk in there and watch a movie, or...

Commissioner Withers: Well you can join it.

Commissioner Cabrera: No you can't, come on, that's spinning a yarn, you know, that's a yarn; you can't walk in there. I've been kick out of the Club, remember when Guilford made fun of me that one day when we were talking about the operating agreement and he said I would have to pay in order to get a glass of whatever it was I was going to order, the reality was I was asked to leave by the Club, I wasn't allowed to get a drink at the bar, and that was my point. So that's nonsense about this thing that's open to the public.

Commissioner Withers: You could join the Club if you wanted to, is what I'm saying.

Commissioner Cabrera: Yeah, but why would you want to when they are subsidizing it.

Mayor Slesnick: Wait, wait, wait...

Commissioner Anderson: Here's a hybrid model, what you're saying and what he's saying can be put together, I mean there has to be....if we were to move forward with this group moving ahead for a temporary period, whatever that is, there has to be some direction with us, a contact point with us because it is our facility and we have to be able to ensure oversight because essentially it comes back to us at the end of the day.

Mayor Slesnick: Let's not loose sight of what has been said and I presume will be said in the next few minutes, and even if it hasn't been said, no, I'm going to get a say too, I mean I'd like to say a few words...

Commissioner Cabrera: I mean after you say that I want to talk to you about public input.

Mayor Slesnick: OK, but the fact of the matter is that this group has said through e-mails and through your personal conversations, I think through personal conversation with each of us, that there intent would be not only to reopen the Club for Club membership, but also to reopen it for the use of the civic groups and get the civic groups ability to get back into the use of the Club for their lunches which is a substantial number of people and civic groups that's been displaced at the moment.

Commissioner Cabrera: Two civic groups right?

Mayor Slesnick: Well no, there is the Coral Gables Bar, there's the Rotary, there is the Kiwanis,

Commissioner Cabrera: That's three.

Mayor Slesnick: I think the Daughters of the American Revolution. I mean, I don't know how many things they had booked; those are the ones that had regular weekly or monthly luncheons; I don't know about the rest of you all, but I've been there for Baptist Health, for University of Miami, I mean for the teachers of Coral Gables High School, for the teachers for the Elementary School, I mean, I've been there for a whole number of groups that intend, in fact represent big portions of our citizenry, and are civic related. So, I mean it's a matter of a lot of different people who use it, and as we go into late summer that's exactly when we had all those breakfasts for the teachers; that's where Coral Gables welcome back their teachers, that's where Coral Gables Elementary welcome back their teachers, I know that there was another school there, but I can't think of which one it was.

Commissioner Cabrera: Who would manage that, who would manage Don?

Mayor Slesnick: Well, I don't know Ralph, I'm not – I don't have that answer, but I'm just saying, that if we get into an agreement those kinds of things will be considered as part of the structure.

Commissioner Cabrera: I'm not trying to be confrontational, I'm trying...

Mayor Slesnick: I'm not either, I'm just saying I don't know, but I do think we need the answers to that, OK. Also, as far as I know the pool is still open with an operator that has other programming in there besides just members...next week the pool will be open, and it was interesting to me when I learned, and I did not know this either, Ralph, and probably just a mistake on my part for not being inquisitive enough of how much money has been put into the pool and the upkeep, the maintenance and the improvement of the pool over the last year, two years by the operator.

Commissioner Cabrera: By the operator, nineteen thousand dollars.

Mayor Slesnick: Which is, you know, a gain to us in small part.

Commissioner Cabrera: She's also given us a business plan.

Mayor Slesnick: So, I just have to believe that leaving the building closed and lock and shuttered is not productive for anyone; it doesn't gain us any money, it doesn't help us toward the payment of the debt, and having someone in there attempting with supervision, attempting to make use of the property and to get people back into the property and so forth is a better option, and I have no other specific option.

Commissioner Cabrera: And you know what, I don't necessarily disagree, I have a huge problem when I as an elected official and a policy-maker in this City get a call from a member of the Club and says, oh by the way let me send you a PowerPoint presentation and some verbiage that's been put together by this new group.

Mayor Slesnick: Well that was their presentation to us.

Commissioner Cabrera: It wasn't a presentation to me.

Mayor Slesnick: They were forming something to get their consensus before they came to us, as far as I understand it.

Commissioner Cabrera: OK.

Mayor Slesnick: Why come to us if you don't have anything to say.

Commissioner Cabrera: Well, because the way, well you know what, it's not worth discussing that.

Mayor Slesnick: I don't think Ralph you should read into that something that isn't there...

Commissioner Cabrera: I'll read it out loud for everybody to hear, I mean it's pretty openly policy making.

Mayor Slesnick: What I mean is that no, they are trying to put together a plan and a program to bring to us.

Commissioner Cabrera: You want me to read from this thing?

Mayor Slesnick: No, that's what their proposal is.

Commissioner Cabrera: That's not what I read; I read a definitive policy making attempt to restructure and reorganize a social club, and in addition to that I read that it received the full support of this Commission body, and not to violate the Sunshine but in speaking with the Manager, I'm clearly aware of the fact that several members of this Commission

were not even talked to about this issue, I think Mr. Kerdyk was out of town and Ms. Anderson had not formerly spoken to, and if I'm mistaken please correct me.

Commissioner Anderson: Actually there had been attempts to reach me, but I was unavailable....

Commissioner Cabrera: You were unavailable, yeah.

Commissioner Anderson: Yes, I was unavailable; there was an attempt to contact me.

Commissioner Cabrera: I'm sure there was; like I said before this is all well meaning, but I'm kind of tired of well meaning, I mean the people that -- wanted the former operator were also well meaning and we took away their authority, but we didn't take away their responsibility and they had none because the reality is the former Board doesn't have minutes from their meetings, the only meetings that I can think of that were called in the last year were called by the City Manager bring them into his office, so I've got some real concerns over this thing and that's why going forward I need to have a real comfort level that we are going to have true oversight Mr. Mayor, I cut you off, I apologize, I apologize.

Mayor Slesnick: It's alright, thank you. I'm through.

Commissioner Cabrera: Are you going to have public input? One gentleman wrote us an e-mail, may I read it?

Mayor Slesnick: Mr. Thwing.

Commissioner Cabrera: Do you want to read it then?

Mayor Slesnick: I have it.

Commissioner Cabrera: Oh you have it, you want to go ahead and enter it...he asked specifically that we enter into the public record.

Mayor Slesnick: I've copied all the e-mails we've gotten from the last couple weeks.

Commissioner Cabrera: All he says is that he "understands the issues regarding the Club will be addressed in today's meeting." He says, "I do not know if the Commission is taking public testimony, if it is I would like my comments to be entered as part of the public record. My comments refer to any plans for reopening the club or any plans the City may have for dealing with the revenue shortfalls and expenses resulting from the club's operation over the past two years. I do not have any "dog in the hunt" as far as who runs the Club, or specifically how the revenue issue are addressed. My interest, as a stakeholder in the Club, is that whatever decision s are made involving the reopening of the Club or for dealing with the revenue shortfalls and expenses that the decisions be

utility-based, meaning that decision benefit all of the Club's stakeholders" – John Thwing. And he wrote that to us this morning at 10:08 a.m. Thank you sir.

Mayor Slesnick: Very good. We have people who has signed up to speak and we'll go through these cards, and we'll call on Mr. Richard Namon first, 5555 Oakwood Lane.

Mr. Namon: Thank you for the opportunity to speak. I've certainly been awakened a little bit this morning by the conversation between you Commissioners; the fact is that the agreements and disagreements reflect the importance of why we have a City Manager, and if something has failed in this operational sense, I think a finger has to be pointed both at the oversight and the specifically at the City Manager. I believe that the Club should no longer be considered a private Club; I think it should become again a property of Coral Gables and utility for all of its residents. I think that as having been a landlord a good part of my live to some extent, the thought of giving free rent to anyone is above and beyond my concept simply because you cannot think about wear and tear and damage without thinking of getting compensation for it, no one should operate in a property for free under any kind of guise, that would be just bad management. I think that one of the uses, the building is very large, and I think one of the uses for that building could be as a senior center. We have immediate need for one; we've been looking for a place and the large amount of space would not be interfered with as far as other commercial operations. I think anything that is done with this facility should be looked at as totally for the Coral Gables residents; I'm sorry what's happened to the past Club, but then again they signed onto it, and when I make a bad business decision I have to live with it just like you are living with this one now. I hope that in the future you will look at it as an opportunity to serve the citizens of Coral Gables by using it for all of the citizens. Thank you.

Mayor Slesnick: Dr. Richard Polo, 647 Almeria.

Dr. Polo: I was hoping not to speak so soon, but I will of course use my time. I think it is important to think a little bit about the history, past history that has not been discussed at all. Certainly I applaud the fact that we have to start where we are and look forward, but it's also important to look a little bit back. The Country Club of Coral Gables started long before there was really a City of Coral Gables at the time of Merrick. It has been historic part of Coral Gables; there has been an interaction to the mutual benefit both of the City and the Country Club of Coral Gables. I have been told by some of the people that have been members for fifty years or more that the Country Club of Coral Gables purchased land including houses, over one hundred houses and donated them to the City of Coral Gables in order to help the City of Coral Gables acquire funds to do a lot of improvements including asphalting roads, etc. The issue of buying over a hundred houses building a golf course in it and then donating that golf course to the City of Coral Gables is an enormous monetary contribution that the Country Club itself made. At some point in time because the Country Club donated the building to the City of Coral Gables it began to operate in a City facility, this is what I've been told by the people who were here and knew. Unfortunately at some point in time in the early 1980's an enormous fire took place, the Club at that time was extremely successful, there was a waiting list of

people to come into the Club, money was not a problem, however, because the water was not available to fight the fire effectively as it could have been, the building essentially burned down. At that time the City did go ahead and facilitate it and perhaps fund it to some degree the reconstruction of the Club, but it was not done completely, it was not done back to the way in which it was before, and some time passed and people began to leave the Club. I've been told that I have only one minute so I'm going to try and finish up. I'm going to just say from the perspective of having been on the Board of Directors of the Club for several years, and having been a Vice President of the Club, and having been one of the key people who brought the Ritz in and started negotiating with the Ritz in order to have the Ritz manage the Club, I can tell you that the Board of Directors was a very difficult venue with to negotiate something like this. There were a number of well meaning members of the Board of Directors who did not agree, the negotiations began to be protracted to the point where eventually the Ritz could no longer go forward because they had been bought out by Marriot Corporation and Marriot Corporation had no interest in running Clubs, and so we lost out and after that Bornstein came, and Bornstein negotiated and got the contract to manage the Club. So where do we go from here? We have a problem and I'm glad to hear that many of you are interested in making sure that the interested of these people are protected. We have a number of life members, me included, who paid somewhere between ten thousand (\$10,000) to sixteen thousand dollars (\$16,000) for twenty years membership, and this payment was going to be amortized over the years in lieu of paying membership dues each year, and of course I don't know where our money is going or went or what's going to happen to it, but we sure look forward to our interest being protected in some way by whatever goes on. The Club Board of Directors is trying very hard to move forward in trying to put some sort of organization and hopefully their efforts and your efforts will cooperate with one another and will go forward so that the Club can again operate profitably. Thank you very much.

Mayor Slesnick: Thank you Mr. Polo. Ms. Roxcy Bolton, 124 Cadima.

Ms. Bolton: Morning, my name is Roxcy Bolton; I live at 124 Cadima Avenue. First if I may Mr. Mayor...

Commissioner Cabrera: Ms. Bolton, could you move that microphone to your mouth because there is a gentleman that can't hear you, thank you ma'am.

Ms. Bolton: I want you to hear me. Mr. Mayor would you help me understand; I understand that you had a shade meeting about the Biltmore last week?

Commissioner Cabrera: We had a what?

Ms. Bolton: Shade meeting.

Commissioner Cabrera: We had a shade meeting but not about the Biltmore, it was about collective bargaining.

Commissioner Anderson: Our union negotiations, but it wasn't about the Biltmore.

Commissioner Cabrera: Ms. Bolton, it was about collective bargaining.

Ms. Bolton: Well three Commissioners tell me you didn't have a shade meeting so I acknowledge that.

Mayor Slesnick: We'll make it four.

Vice Mayor Kerdyk: Make it five.

Mayor Slesnick: We had a shade meeting about collective bargaining.

Vice Mayor Kerdyk: Collective bargaining.

Commissioner Cabrera: Ms. Bolton, we had a shade meeting on May 8<sup>th</sup> at 3:30 in the afternoon downstairs in the Manager's office, no drinks were served, we just met on collective bargaining.

Ms. Bolton: I accept your word. Mr. Mayor, my concern is not about who is going to run the Club, what's going to happen about the Club; my concern is some other things that I'm concerned about. We are always getting out of the frying pan into the skillet with the Country Club. All of those years, all of those years, it's been the taxpayers that carried the burden, allow me to digress here, Ralph you said the bill was sent to 997 Greenway, what's that.

Commissioner Cabrera: 997 North Greenway Drive is the official address of the facility known as the Coral Gables Country Club.

Ms. Bolton: OK, thank you. So for example, this gentle person said he paid sixteen thousand dollars for membership for a certain period of time. All the money that was paid in at that time should have been put into a certain banking account for those people, it should never been poured back into the Country Club because those people, those members will now loose; they are going to loose money, it doesn't come back to Coral Gables, its on the backs of those taxpayers that paid a fee, they were conned, coerced, or intimidated into saying it would be a good deal, you know, to put up this money, well it wasn't properly secured in my opinion, would you agree with that Mr. Mayor?

Mayor Slesnick: Yes.

Ms. Bolton: So what I'm asking now that you start far enough back with an auditor to start; how much money has really been spent? We've heard you know, small amounts here, big amounts here, I mean, money always coming in, but it doesn't come back to the taxpayer, we are putting the money out, and that's very frustrating to think that this operation may continue from the frying pan into the skillet. I don't like it one bit; I don't like it that some maybe forty years ago, I can't remember now, that they turned me out of the Country Club because I took a black woman to lunch there, I wasn't a member of the

Club, but the Democratic Women's Club had their meetings there, and a black woman had been selected to go to the White House and I took the woman that had been selected to the Country Club; Oh my God, when the meeting was over someone came in from the front office and said, would you please come to the office and I went to the office and what's doing, you're not welcome back here again, don't ever set foot in this Club again. Well, that was pretty strong language, and my concern that we'd have an auditor to go back, outside auditor, to go over everything that's been spent. If we don't do that we are going to be in worse shape if we take a chance on six months or a year – your hair is too short, you cut it too short, ask Cindy..

Commissioner Withers: Yes, I got my money's worth though.

Ms. Bolton: Well you should be running the Country Club maybe. The Country Club is a serious matter, it's a serious subject; we are in a recession now and we might even go into a depression by the first of next year. We cannot allow our citizens to continue, you are going to have a pool open – is the pool going to be open at night? Someone please answer me.

Mayor Slesnick: Well, I don't know, it's not been open past dark before, or at least only for special events.

Ms. Bolton: Young people, youngsters like to jump the fence from somebody's house to get in the pool, now if we have an accident there do we have the kind of insurance that will protect?

Mayor Slesnick: We do.

City Manager Brown: Yes, we have insurance.

Ms. Bolton: Who is paying for that insurance?

Commissioner Cabrera: Well they are paid through October 1<sup>st</sup>, is that correct Mr. Manager?

City Manager Brown: November 1.

Commissioner Cabrera: November 1, excuse me.

Ms. Bolton: Where is Mr. Nelson?

Commissioner Cabrera: He's not here today, ma'am.

Ms. Bolton: Is his assistant here?

Commissioner Cabrera: Why don't you direct your questions to us; we'll try to help you.

Ms. Bolton: Mr. Mayor, what I want to know is how much we owe the Sunshine, how much do we owe the Sunshine State Fund that we borrowed for the Country Club?

Mayor Slesnick: Three million...

Vice Mayor Kerdyk: Seven hundred thousand.

Mayor Slesnick: Three million seven hundred thousand dollars; three million seven hundred and thirty-five thousand dollars.

Ms. Bolton: A cool four million dollars.

Mayor Slesnick: Which is what we borrowed.

Ms. Bolton: And who pays that off each month?

Mayor Slesnick: The City.

Ms. Bolton: Can't anyone see that this is a travesty of justice to the taxpayers; we need to have a public hearing, we need to have a meeting where all the citizens in the community will be allowed to speak and address the issues of what's being spent and how it's going to go. It's not right to continue extracting money from the taxpayer; a public hearing would be helpful, but we need to have something posted in the newspaper in the Gazette, in the Herald Neighbors, about what – I don't mean this very short frame notice about what the status is with the Country Club. I know you are getting impatient and I'm ready to conclude.

Mayor Slesnick: No, it's not impatience, I'm just trying to make sure everybody sticks to the same general ground rules; I let Mr. Polo go a little extra long and I let you go a little extra long too, Ms. Bolton.

Ms. Bolton: Thank you. The bottom line is we need public notice to all the people, to all the people about how much we've spent, how much we've invested, that we borrowed the four million dollars, that we are paying it back each month out of our pockets, and you can't think in terms of reducing our garbage fees because you need the money you say because you are pumping it out to the Country Club. I remember when it opened, all these fine things, some things were missing, and it's not going well for the taxpayer.

Mayor Slesnick: Thank you Ms. Bolton.

Ms. Bolton: Thank you.

Mayor Slesnick: Can I respond to one thing you said though?

Ms. Bolton: Yes sir.

Mayor Slesnick: Its more informative as opposed to, I'm not trying to be argumentative. Mr. Cabrera did outline a number of expenses that had been incurred at the Country the we probably would rather not be our expenses, and of course we thought when we entered into the contract that there was going to be someone to pay back the loan, but I would just like to add a footnote that the four million dollars did go into the structure of the building. Yes, the citizens are paying off the four million dollar debt, but they have a Club facility, or a facility, or a senior facility, or whatever it becomes that is in fact then increased in value by a good bit of money because all that money did go back into the Club. Now there were other things that were spent or maybe spent by us that were never intended to be spent by us, in that case we wanted the Club to be brought back, we wanted it brought to its full, if you will, usability and elegance and so forth. So that money is invested in the structure, I just want to make that point.

Commissioner Cabrera: But you know where I think the value lies, its selling the building, that's it, that's where the value lies, if you think about it.

Ms. Bolton: Selling what?

Mayor Slesnick: But you can't sell it without...

Commissioner Cabrera: I'm not looking to sell anything, but I'm saying the value lies in selling the building, that's where the value lies because it's a non performing asset.

Mayor Slesnick: Let's hope in the future our new RFP will bring us a performing asset, and that the condition and the state of the building will be a part of the attraction.

Commissioner Cabrera: Yes, good point.

Ms. Bolton: But Mr. Mayor, if we had had an auditor on this from the very beginning...

Mayor Slesnick: We have had auditors on this.

Ms. Bolton: Outside auditors?

Mayor Slesnick: Yes, we've had outside, inside auditor and they've been judging the financial performances and reports we've gotten, the fact of the matter is as you have heard, Ms. Bolton, readily admirable there have been gaps in our information and in our understanding, and that is absolutely true, and I think you've heard commitments up here that we of course, every time that we find a gap we try never to have it happen again, but also its been said we need to look forward and move forward and try to not suffer the same problems we've suffered in the past. I mean, you're absolutely right, we have had gaps in our information and our understanding, there are things we need to correct and move on, and you are right.

Ms. Bolton: Thank you for your courtesy.

Mayor Slesnick: Thank you. Dirk Lorenzen, 536 Navarre.

Mr. Lorenzen: Good morning or I should say good afternoon. I sent a letter to all of the Commissioners, did you all receive it.

All: Yes.

Mr. Lorenzen: I want to emphasize a couple of points that the Commission has made. You talked about this being a private Club, it is not; is the Biltmore a private Club then the Youth Center is a private Club. Anybody can join; there is not any impediment to anybody that wants to join to join. There was a discussion about fifty years ago somebody not being allowed to come in because they are African-American, that's clearly not the case of the Club that exists today. There are African-American members it is not a discriminatory organization. There was a discussion on a lack of information that the Commission had; the members had a greater lack of information because of the way things were structured. At the last remake of the Club, the existing Board was made only of the founding members of the Club, members of special status; they were the only ones that were permitted to vote for the Board. The members like myself that joined when the Club reopened did not have any say whatsoever. Furthermore the contract between the existing Board and Granada LLC basically removed all of the power from the existing front members to supervise and oversee what Granada LLC was doing and that is part of the reason why we are in this situation. The existing members, they do not.... the fight between the City and Granada LLC, but they had no idea things were this bad until about a week before the Club was closed. Yes, we have not properly communicated to you, Mr. Cabrera, as an organization, the new Club, if you will; that's because we are still in the process of creating the entity and we'll be having a meeting shortly to try to get the leadership appointed; we are trying to make this a democratic organization...

Commissioner Cabrera: I stand corrected, I stand corrected Doctor, you did communicate with certain members of this government, but you chose to ignore others.

Mr. Lorenzen: I did not.

Commissioner Cabrera: Well your organization, your organization whatever it's called.

Mr. Lorenzen: The organization is being formed; we don't have an organization yet, hopefully we will have an organization in the next couple of days. We will have an incorporated organization with Board of Directors initially will be appointed through a nominating process so there eventually will have a vote on it to make this a democratic organization. There should be oversight. During the time when the new Board is taken over control of the Club, hopefully we'll be able to have a system where we have regular meetings with either Mr. Brown or his designee, to tell him exactly what's going on, how much money the Club is making, what services we are providing to members, what services do we provide to other people in the community, and that should be a regular report. There's no reason why you should be surprised, there is no reason why we should be surprised about what's going on. Things were mismanaged in the past, and whether or

not there is liability for that is an issue for another day. Whether or not there is a collectible pocket, as a lawyer I know you can establish all the liability you want, if there is not a pocket that you collect from it may not be worth it to establish the liability. So that's what needs to be considered as people go down the road at looking in hind sight, but going forward its in everybody's best interest to get this Club functioning as quickly as possible, and to avoid the mistakes that caused the last collapse; the last collapse was caused because we did not have a democratically organized club of all the members...[inaudible]...we did not have control by the Board over the Manager, that's what caused the Club to collapse; it was a collapse that should not have occurred, it should have been seen by people, by the members, by the Commission much earlier, and so we were all extremely surprised when we found out the doors were locked; you were surprised you had to lock the doors, we instead we all surprised – things couldn't have been done differently in hind sight, but I really appreciate the idea of being open to allowing Mr. Dewitt and his group that we are trying to assemble to constantly take and run the Club for the summer; the summer is a dead time for lots of social events but it's a very alive time for kids wanting to use the swimming pool at the Club, it's a very alive time for people wanting to do tennis camps, it's a very alive time for families and families are a significant part of the Club. I thank you for your time.

Vice Mayor Kerdyk: Let me just ask one question; I read your memorandum you sent over yesterday, and in it you mentioned how you saw the Club really forming and what it would do, and one of the things that you said in your memorandum which was interesting, was that you did foresee the bar and dining facility being open to the public, is that how you saw it?

Mr. Lorenzen: That's the way I see it, and in speaking with other members of the Club that's how they see it also; the bar and the dining facilities are not used to their maximum and there is no reason why it shouldn't be accessible to other people, the people that go golfing that may want to have a drink afterward they should be permitted to do so; there would have to be some sort of structure to allow that, the details would have to be worked out, but that seems to make a lot of sense. We need to generate revenue so that the Club is able to eventually pay rent, pay utilities, pay all of those things that you need to get.

Vice Mayor Kerdyk: The reason that stood out for me in your memorandum which was very extensive by the way, but was the fact that I thought the Club members of course would want to couch this with the existing plan, but in this particular case you understand the need to make this more of a public facility and that was one of the components you mentioned in that memorandum.

Mr. Lorenzen: Absolutely, I think that the – the Club does not have enough members to use the large banquet halls for themselves or for events for their members, that's clearly something that is supposed to be used in general for the community at large, that shouldn't be reserved for the members, and there is no reason why the dining and the bar should not be reserved for the members, in my opinion. But I think that it is also something that whoever the democratically elected new board should be able to decide and should be able to finesse as to how exactly that should be structured; it should be

structured to maximize revenue so that at least initially, in order to be able to provide money back to the City, which has invested into this, they have invested in the physical facility and invested into other expenses, and you should get something back, obviously you are not in the business of doing this for profit, same reason why you also invested in the Youth Center and various other organizations where you don't make a profit, your goal is not to make a profit, but at least to be close to be in the black as possible with anyone of these organizations; and it should be providing community service in a number of different ways. I suggested, for example, a member discussed whether having a facility for art rubies with discussion groups afterwards that would be open to the community at large which would help build greater interest with the Art House Cinema that you are trying to build. There are a number of ways things that can occur in the Club that can be open to the public that will not dilute the value of the Club to the people who are willing to pay the four thousand dollar membership fee, the two hundred and seventy five dollar monthly dues; there are many of us here that pay seven hundred-eight hundred-a thousand dollars a month at the Club, so its not that we are paying insignificant amounts of money; there are people who paid fifteen thousand dollars, that's real money, we want to get our value for that otherwise we are not going to pay.

Commissioner Cabrera: Doctor, may I make a couple comments on your memo? First of all thank you for the thoughtful time that you took to write this; you say in Roman Numeral number two, the Club is welcoming to all who want to join, Doctor if you go onto the Club's website it is by invitation only; membership to the Club is by invitation only, I'm not making this up, I have research the website; number two, you say at the end of your memo, again the membership acting through its Board and should be the ones making these detailed management decisions, decisions about opening the bar and the restaurant to the public how increase revenue to socialize, but Doctor you know what my problem with that is, I'm giving an exclusive private group the ability to make decisions on a public building on public land where the City of Coral Gables continues to use public taxpayers monies to subsidize, that's the problem I have as a policymaker and someone who's responsible for the fiduciary success of this community, and then you go on to say the City needs to pay for the air conditioning, pool, and tennis court maintenance of a facility that is closed in order to avoid permanent damage to the structure and its amenities; I agree with you, but once again it substantiates my commentary that its being subsidized by forty-three thousand citizens that pay taxes in our City.

Mr. Lorenzen: The comment about paying the expenses, its being misconstrued what I was trying to communicate; during the time that the Club is closed the City needs to pay these expenses and we should get the new Board organized and operating so that they can assume those obligations as quickly as possible.

Commissioner Cabrera: And who pays us back for those expenses.

Mr. Lorenzen: There is a question or not – during the time that the Club is closed should anybody other than the City be responsible for preservative assets.

Commissioner Cabrera: OK, I agree.

Mr. Lorenzen: Once the Club gets reorganized, gets reopened the new members of the Club should be responsible for those expenses. Now there is a question that has to be worked out in discussions with Mr. Brown and others once the new Board is constituted, I'm not sure if I'm a member of that new Board or not, I'm not speaking for them, but there would have to be questions, for example, about the air conditioning, if it is – most of the air conditioning is used for the large banquet halls, which are not used by the Club members per say, things that go back and forth depending upon how they are being used and stuff like that, that can be thought about and worked out; but yes, the expenses should be paid by the Club, they should carry themselves, it should not be a money pit that the City throws money into, just like the Youth Center should not be a money pit, you may have to subsidize something for the Youth Center, there may be times when something extra ordinary occurs for the Club to be subsidized. I don't know the economics well enough to be able to speak to it; you have accountants that are interested in working with us on the Board that do know those things.

Commissioner Cabrera: Incidentally, thank you for your commentary, incidentally you mentioned the Youth Center, here's the big difference; my family does not have a membership to the Youth Center, however my son plays flag football there every Fall, we have complete access to the program, I don't have to be a Youth Center member in order to have my son play in the flag football program, I just need to pay the Coral Gables resident dues to use the program so that my son can participate, that's the extent of it.

Mayor Slesnick: I think he was referring to the exercise...

Commissioner Cabrera: To the fitness center then?- you don't have to be a member of the Youth Center to belong to the fitness center; you just need to have a fitness center membership, that's it. I support those kinds of memberships, but I don't believe if I want to use the fitness center at the facility known as the Coral Gables Country Club, that I have to first become a Country Club member in order to use the fitness center; I should be able to just join the fitness center for the use of that fitness without having to spend the additional monies if I don't want to be part of a social club.

Commissioner Anderson: If I might throw in a few cents; A lot of the things you say I agree with, however I have to tell you, and I spoke about it earlier, I unfortunately I think the new model when it comes back up hopefully with a new RFP will probably not include membership, continued membership, I don't know; those are things that hopefully maybe the new RFP, if it gets to a new RFP, and there is a new operator that works with the City might have to make you somewhat whole, but I'm not sure that's going to happen at all, and honestly – this new version of the Club, for me, has to be as Commissioner Cabrera says doesn't mean that you all don't have within that Club membership within that building some type of membership, it has to be a different animal at this point.

Commissioner Cabrera: But it can create value.

Mr. Lorenzen: If you can just have membership for the pool, and the fitness center and the tennis courts at the Club, I would do that, I frankly don't use their facilities, and they cost me extra money that I pay for, but if you are trying to maximize the revenue that's going to be able to generate it, that's what you need to have it as a package; this building can't sustain itself by selling the separate pieces, it's just not going to be able to, it is too expensive to operate and that's...

Commissioner Cabrera: How do you know that, how do you know that? Where do you get that?

Mayor Slesnick: It's sort of been proven by the last operator.

Commissioner Cabrera: Well how? How?

Mayor Slesnick: It's been too expensive to operate.

Commissioner Cabrera: No, I know, but he's talking about...

Commissioner Withers: We are talking about revenue, we are talking like a health club, third party, we are talking about casual dining third party, we are talking about an operator of a banquet hall third party, three different entities running the program.

Mr. Lorenzen: Let's take the health club, nobody's going to pay a significant amount because the fact is it's an inferior health club; it has one piece of each equipment except for the treadmill where it has about six of them; during the peak times people are waiting to use them; it is an inferior quality health club compared to anything else out there in the market.

Commissioner Cabrera: How do you know an operator wouldn't be interested in coming in here with their own equipment and turning it into an excellent facility?

Mr. Lorenzen: There's not enough room; the building is...

Commissioner Cabrera: I've been in the building.

Mr. Lorenzen: ...take over the dining rooms. If you want to have the banquet facilities available for Kiwanis, and you want to have weddings there, there is not enough room for the health club to withstand, and that's the problem, the pool is at its maximum already, it is filled during the weekends in the summer, there is only so much you can do, how many people are going to join the pool...

Mayor Slesnick: Dirk, we are going to close this off.

Mr. Lorenzen: Thank you.

Commissioner Cabrera: Thank you sir.

Mayor Slesnick: Andy Murai, you are appearing on everything today, Andy.

Mr. Murai: Andy Murai, 200 Solano Prado. Mr. Mayor I'll be brief.

Commissioner Withers: Who's watching the office, you're here on the whole meeting today with us.

Mr. Murai: Unfortunately you know, I have...

Commissioner Withers: You have the roofs, the boats, now the Country Club.

Mr. Murai: Unfortunately.

Mayor Slesnick: Rip Holmes said you were his designated hitter today.

[LAUGHTER]

Mr. Murai: I'll reply in private, not in public. Two things, if you are going to do an audit, I'll like to focus on the soft cost of this project, the money that has been taken out from loan at the beginning, and the other item which I think you are focusing on you can't use my money, you can't use my money for a private enterprise; the citizens taking your words, Mr. Mayor, are paying in excess of four million dollars right now for operations, four point three (\$4.3), because we already paid six hundred thousand (\$600,000), you know, its not fair. I will argue against using the Club as a private enterprise; the private enterprise is finished, is gone, the format is [inaudible], its already over, now I have money into the property, I should be able to use the property, if I have to pay for a fitness club, if I have to pay to use something specific, but the balance is my money that you have chosen to invest there, all of the residents of Coral Gables, you need to focus on that and let us have all the residents use it, and I'm sure it would be more successful if you have every resident go over there, have lunch or dinner or whatever, have parties for the kids or whatever, I'm sure it would be a format that would work. You want to use it as private – fine – pay me off, very simple; if this had been a private enterprise this would have been Chapter 11 or Chapter 7, finished, over with. You're now trying to rework something – and talking about Board members and all that, maybe we should do it like Dade County does, appoint like a Public Health Trust, appoint five members of six members on your behalf to supervise this [inaudible]. Who has the right to appoint a Board member there with my money? Just appoint a Blue Ribbon Commission or whatever to get us out of this mess, but you can't use my money for a private enterprise. Thank you.

Mayor Slesnick: Thank you. Dennis Daley, 1304 Capri Street; we'll do Dennis Daley and Richard DeWitt.

Mr. DeWitt: Good afternoon, it is afternoon; good afternoon. I'm Richard DeWitt, 2121 Ponce, Dennis Daley, 1304 Capri; we've been involved with the new group, and I wanted to clarify a few things if I could for Commissioner Cabrera. It was my responsibility within the group to communicate with the City officials and I believe that I communicated with everyone on the Commission except for Maria who indicated that I did try to contact her and we missed each other, and with the Manager, and we tried to provide the same information to everyone on the Commission, and quite frankly I communicated with you because you called me back...

Commissioner Cabrera: I called you first.

Mr. DeWitt: ...and spoke to you actually more than anyone else on the Commission; Commissioner Kerdyk was out of town, but we did get a hold of him when he came get back; spoke to Commissioner Withers, Chip, I don't think your hair is too short, I think it looks great....

Commissioner Cabrera: At the time you and I had...

Mr. DeWitt: But let me just...the documents that you received unfortunately were not intended for distribution, they were just working documents, we got all these people together, we took a bunch of notes down, they are not a business plan, Mr. Daley is a very organized guy so he just took all these random notes and put them into PowerPoint and try to organize them for a working document, they were not intended for anything other than our next meeting to organize our thoughts and try and come up with some ideas and solutions in a more democratic format than was used in the past. I just wanted to clarify that for you Commissioner, I didn't want to exclude anyone and as Commissioner...the only person I hadn't spoken with was Commissioner Anderson and we tried to.

Commissioner Cabrera: May I just say that the way it was given to me was, it was a communication to the membership; the document reads, the title of the document is a communication to the membership, I took it as that.

Mr. DeWitt: It was just a rough notes of the meetings that we had, Ralph, trust me on this, it was just rough notes that he put together that we put out because we are trying to form committees and get people working in an organized way, and we are still working in committees and trying to do that, unlike the previous Club we are trying to bring everybody in and get them to work together. Let me very quickly and briefly go through what the vision was that some of us had and what we are trying to accomplish, and I think it will answer some of the questions that you had, and certainly Mr. Daley has been invaluable in working with the members with me, then I'll give him an opportunity to make any comments he wants to make and then open it up for questions for we are looking to try to do. We started working with the members before, and we were surprised by this whole action by Granada LLC, we didn't know the doors were going to close, as a matter of fact when I got up before the membership and said its my understanding closure is not eminent of course three days later it was closed, it was not a good prediction on my

part. The concept though is first; I'm a taxpayer, I'm a resident, I work and live here in this community and I don't believe, and I think the members understand that the taxpayers should be subsidizing a private club, as a basic element concept, we should be paying our own way if we are going to be having a club, number one; and number two, I believe that we should be operating this property to the benefit of the taxpayers. What we are trying to create is an interim solution, and we are trying to create value. We believe that the City should, and I understand the Manager is, go and put this facility out in a RFP and you know, we are all talking about how its going to be used and how we want it to be used, the whole process for a Request for Proposal is to get ideas from folks as to how they would envision it being used so that we could get the maximum use of it for our community, for the members of this Club, for the civic organization, this is not just a private Club, this is part of our home, this is something that we all use on a continuing basis and its an important facility, and its important that it be kept running and operating. So what we believe is important is that we get members back in there, because why?-because membership generates a couple million dollars in revenues and we believe that when this goes out to RFP if you got a couple million dollars in revenue coming in from members and facilities, and you've got a going concern, typical business concern, you got a going concern value of a business it would be much more of an opportunity for somebody to come in and bid on and provide an RFP on it, and that the City would get a higher return; and there is also a selfish aspect to that, the members of this Club would like to be able to use the Club. Many of the members you've heard had paid a lot of money for their memberships and want to support it, we also have these concepts that we are all concerned about that people had put down deposits, they want to have their weddings, their barmitzvas, their functions there; we want to get Rotary back there, the Coral Gables Bar was there, a lot of people have been inconvenienced by this. So we are working to develop an interim solution for the Club and for the facility so that the City can go out and maximize what they can get in the end from a third party bidder, and we would hope that we are creating more value in doing that. We obviously would like as part of that to have a membership component similar to what we are discussing here today, but not exclusively, and the analogy I've used is another City facility, the Biltmore Hotel has a Seller Club; Seller Club members use the club there, they are members of that, but the facility is used for banquets and used as a hotel, but what we want to do initially is change the whole approach even on an interim basis to the way this facility has been used because its been underutilized in some of the areas, and one of the things we wanted to do was open up the main dining room and the main bar to the public, our members would get a twenty percent (20%) discount very similar to what we get if you are a Seller Club member, but it would be open to the public, and for a very good reason, we need the revenue, to keep operating and to be able to pay the expenses, and to be able to create that value in the long run for the City and for the taxpayers and so that we can attract a good operator so that we don't have these kind of crazy problems in the future.

Vice Mayor Kerdyk: Let me ask before you....what kind of response have you had from the membership so far, and a follow up question would probably be, what kind of response do you have to have before you think it's feasible to open up as an entity similar to what you are discussing?

Mr. DeWitt: Let me give you some numbers; the first meeting which, and this is when we were in the old club before it was closed, I asked the Board to call a membership meeting, they were disinclined to do that, they felt they had some restrictions from Granada LLC, so I unilaterally called for a meeting of the membership drawing a distinction, it's just a bunch of members getting together; I believe we had between two hundred and seventy five (275) and three hundred (300) people show up, and after giving everybody the opportunity as you often do here, to air their grievances and get things off their chest, I think it became a very productive meeting and people wanted to go forward and work on this. I've been really gratified, I mean it's really, just as an aside, it's been amazing how many people volunteered to work on this and get involved, and how frustrated they were that in the old environment they weren't asked, they weren't given an opportunity to participate. The next meeting we had was called on three hours notice?- about three hours notice, and we had about over one hundred and fifty (150) people show up, and then we've had a meeting that this PowerPoint was developed from where we just had a lot of people saying what are your ideas?- because we want people to participate, we want to feel they are a part of it, and we had in the parking lot without air conditioning, because the club had been closed, we had forty (40) people, not just to hear, but to volunteer to get involved in this, and myself, I was just amazed by it.

Vice Mayor Kerdyk: Do most of the people think that the Club is going to be like the Club is now, or do they understand that this is a whole different game now, so to speak.

Mr. DeWitt: Commissioner Kerdyk, you can be assured, and I think a lot of the working papers show...

Commissioner Cabrera: Well the working paper, I'm having it copied so every member of the City Commission can have a copy of it.

Mr. DeWitt: We have no problem; we are trying to be transparent so that's why....

Vice Mayor Kerdyk: That's fine, that's fine...

Mr. DeWitt: Everybody understands number one, that the philosophy behind this is not...that we do not want to cross-subsidize by the City, that the agreement that we are looking for with the City is an interim agreement, that we are here to try to create value and in the end that we, its up to us, whoever the new vendor is, that we have to work with them, and that there's no guarantees that we'll be able to continue on; there's no guarantees and I can't make a guarantee, no one can.

Vice Mayor Kerdyk: Well ultimately it's really the decision up here of how we proceed after the RFP comes.

Mr. DeWitt: Correct, correct, but we understand that even if you go forward with a new vendor that there is no guarantee that we would be able to put a deal together with them, but our goal is to become so valuable as a membership that it would not be a good business decision for them to walk away from a two million dollar plus revenue, and that

it would enhance the value of the Country Club, and again we understand from a business perspective...from a business perspective we need to open up parts of this Club for public use, its already and I do believe its not a private club, it's a public club, I didn't realize I've never been on the website that's the old club, I can assure you that anyone would be able to join the new club and its certainly non discriminatory, and the problem I see with when making promises that we are going to open up the health club, I don't know how many of you have been in there, but its very small, and its not like a big Bally's gym or something that you can bring that many people in, and the pool I think is at capacity, but the other aspects of the club such as the dining, the bar, and the catering facilities those should be very profitable and should help pay the way, and should be attractive to a new vendor.

Vice Mayor Kerdyk: Just one more comment and please speak, some day I'd like you to sit with me and sort of give some numbers, and give some credence to the numbers I've seen...

Mr. DeWitt: You asked me a question, let me answer it. If we get six hundred members and what we are looking at is having each member put up three hundred and seventy-five or three hundred and eighty-five dollars to continue to register as a member in the new club, its not a transfer, it's a continuous member of the new club, that would generate about two hundred and twenty-five thousand dollars (\$225,000) for us to have as operating capital to start the club up, plus we would get an average of, I think one hundred and fifty to one hundred and seventy five dollars, I'm not sure what those numbers are, in monthly dues that would also contribute a couple hundred thousand or I think it's a hundred and ninety, I forget the exact numbers in monthly operating capital, plus there's minimum usage of the food and beverage.

Vice Mayor Kerdyk: You are saying six hundred is your point of demarcation, that's what you have to have.

Mr. DeWitt: That's what we are going to target, I shouldn't say we have to, we are targeting....he's got a lot more, but those are the numbers.

Vice Mayor Kerdyk: Thank you very much.

Mr. Daley: I think one of the things that is most urgent right now and one of the real reasons we are here today is to ask just to move forward in small steps; that each day we start out with six hundred and fifty members, each day somebody joins Bally, somebody joins Biltmore they trickle away, if we go on too much longer they'll trickle at a higher and higher rate. A positive outcome today lets us move forward to study a proposal to give you a solid business plan. We have some of the best and brightest minds in Coral Gables as Club members, and its awesome the out-pouring of the volunteers we've had. What we want to do is put together a business proposal that embraces new ideas that makes the club a financially successful entity, which will also help you with the RFP, if it does work long term and you accept that type of proposal it makes the Club a viable option to turn over to your new operator, which is more of a keynote or cornerstone for

his new operation as he starts up, it gives you more value as you go into future negotiations for the RFP. I think though that all what we are asking you to do today is have permission to move forward to create a proposal to have a positive note with the Club, and move forward with a proposal we can give to you that embraces some of the public uses of the club, clears up membership misperceptions and things like that.

Vice Mayor Kerdyk: Oversight Boards and things like that.

Mr. Daley: Absolutely, transparency is good for everyone, but I think what's most important you have to understand some of our hurdles right now, I do apologize that some of the communication floated to you in odd manners, that's an oversight on our part, we've been scrambling; you know, once the doors were locked we didn't have access to the computer files, the membership rosters, the phone banks, to any of that stuff. We tried to do this ad hoc on a yellow piece of paper to start with from one of the member meetings that we had on the last day of operations. So by giving us a positive note to move forward perhaps then maybe Mr. Brown can give us access to the computer data base so we do a mailing to all the members and say, would you be willing to sign up, because right now electronically we don't know exactly how many members we've really reached. The last general member release we sent out was on 2 May, and that's probably one of the releases you have there, simply informing members the status of what's happening. So, communication as always is one of our biggest hurdles right now and behind locked doors at the club lies the gold mine of information.

Commissioner Cabrera: Mr. Daley as you move forward with your team, I think its critical that you come back to us, and the Manager's office come back to us with the cost associated, listen to this one, with reopening the club, the facility known as the Coral Gables Country Club, because to me that's an unknown figure at this time and nobody has even contemplated what will it cost even though it could be opened as early as next week or in three months, whatever that time frame is, we need to know the cost, because I happen to know the cost this City is going to be slapped with and I'm telling you, we've all been around long enough, we are going to have to pay some heavy prices for some of the things that went on that we could be ultimately responsible financially, you know, beginning with the appliances, the kitchen equipment, that's a two hundred thousand dollar nut, and we can go on, the audit; you know, Mr. Manager, I'm expecting the audit to come in some where around the fifty thousand dollar (\$50,000) mark.

City Manager Brown: I was going to guess forty.

Commissioner Cabrera: Forty, OK, well you may be...

City Manager Brown: Outside guess.

Commissioner Cabrera: Ten one way or the other; bottom line its additional dollars that will have to be spent. I think we are going to probably be the ones to pay the back taxes, and like the Mayor said, yes, we get back some of that money but its money that we

weren't accounting to pay, we had no plans to make these payments, where you going to find this money.

City Manager Brown: I'll report that to you when I find the cost.

Commissioner Cabrera: I know what your answer is, I'll find a way, I'll find a way, in a little while we are going to talk about the Fourth of July, you know, and boy we don't want to go there, we don't want to spend fifty five thousand (\$55,000) on that one, but we want to keep this thing going, you know.

City Manager Brown: It may be that's what this Commission is going to have to wrestle with also, it may be that we have to give up something else, and maybe we can't afford to do that, I can't tell you that right now.

Commissioner Cabrera: I know, but these are things that need to be discussed. I love the warm and fuzzes, I love the macro look, I love the legacy, I love the heritage, I love all those things, but I need to see the dollars and cents, and this no affront to you or Mr. DeWitt, but at some point in time we are going to need the hard numbers as to what it will cost to move forward with a temporary interim organization.

Commissioner Withers: Ralph, I would assume and this might be the deal breaker for anybody looking into an RFP, but I would assume that a lot of these carrying costs would be rolled into an amortization schedule for future RFP consideration, you know, but that might be the deal killer.

Commissioner Cabrera: It will.

Commissioner Withers: I wanted to ask you two gentlemen, and again, I know almost all these folks for a long, long time in the audience, and I think I expressed this to you, and I said, Richard, how do we know we are not going to be dancing the same dance in November or December or January or whatever, and this just isn't a band-aid for six or seven months...let me finish, and what would really, really hurt me a lot is me having to, let's say we have an operator and the gentleman was right, Ritz came in but was about a seven million proposal and we were only willing to go four million, it wasn't only the Marriot came in and bought them out, it was also a three million...their projection was three million and how ironic looking back that we were probably closer to a seven million dollar number, but that's water under the bridge, but...

Mr. Daley: They may have known something.

Commissioner Withers: But my question is this, what if you guys work real hard and you hit the benchmark that David wants you to hit or whatever that number is, I'm assuming you are going to want "X" amount of dollars in the bank before we allow this to move forward, and the new operator is selected or we don't even have an operator selected and it's a year from now or eight months from now and we have the very same presentation to you, and we once again have to - as we've been accused of pulling the rug out from

under this group. One thing I've learned sitting up here is, you know, you make a mistake, you try not to make the same mistake twice, and it would really hurt me to have to present you face to face again to say, sorry, you gave it a good college try and we're at the end of the road again. Are you prepared to accept that?

Mr. DeWitt: I think that the difference is that we came with a proposal that incorporated that. We understand that this is an interim operation. I.... there are more taxes here also.

Commissioner Withers: What your group is doing is right now you know what your downside is, you know what your risk is, your business deal is done, you know what your losses are. You are now going into a whole other venture where you have a whole new set of risks, you have a whole new set of downsides, and this same thing could recreate and replay itself six to eight months from now, and I just want you to be fully aware that you are going into more risk, I think, than you did before.

Mr. DeWitt: But we are going into it with our eyes wide open and we are being up front with the members about that, and we're working on the premise that's a very valuable concern.

Commissioner Withers: I want the Commission to hear me on this.

Vice Mayor Kerdyk: We're listening.

Commissioner Withers: I just want the Commission to hear me on this, and then you all can go back to your sidebar, but my feeling in this new management agreement...

Commissioner Cabrera: You do it all the time.

Commissioner Withers: No, no, no, I have no problem with what they were doing, it doesn't bother me because I was talking to Richard here, as we move into this new operating agreement there's probably going to be more responsibilities on your group's part than the old group had, because we've learned a lot in our contracts that we've made some mistakes and we've left some omissions out, so I have a feeling that your group might be taking on additional risk than just that three hundred and fifty dollar fee that you are asking everybody to contribute, have you considered that at all? Let's say this thing does go south over the next three or four months and there is additional receivables built up.

Mr. DeWitt: Well it's our responsibility for whatever...

Commissioner Withers: Just so you can't walk...I'm not going to let the City, I'm not going to let the City treat vendors that enter into this original agreement in the same way we would treat vendors moving forward going into the second group.

Mr. DeWitt: I will [inaudible] not getting into the legal aspect of this.

Commissioner Withers: But you understand where I'm coming from.

Mr. DeWitt: Our view is that we are going to pay as we go, number one, and number two, that the structure that we are looking for, and certainly we are open to suggestions, was that we have an interim lease, and that we are a tenant just like any other tenant, and I believe that if you look at the old club as just a tenant you wouldn't be feeling the same way you are discussing the vendors that are there, and I would hope, now I'm dropping this, talking as a taxpayer, I hope when you put it out for RFP that you get a tenant that's going to pay rent and pay serious rent and not just a percentage, it would be just like any other commercial lease that you have for commercial space in Coral Gables; it's a really great facility and I would think that somebody would come into a facility like that and agree to pay a monthly rent and we are going to be there to enhance their bottom line and they'll use it for...

Commissioner Withers: No doubt, that's not my point...

Mr. DeWitt: ...And we do not expect that the City would be responsible for anything...

Commissioner Withers: I'm talking about food purveyors, I'm talking about pool purveyors, I'm talking about maintenance, staff, I'm talking about whatever third party purveyors you're out there using this facility.

Mr. DeWitt: It's our responsibility.

Mr. Daley: And Commissioner Withers also, you know, we are going to provide a business plan, we'll look at a lease, we'll hash this out, and make sure it's coordinated with the City, but one of the key provisions too is we also envision possibly a phased approach to opening, in other words we really don't have deep pockets, we don't have...we can't take a loss by opening the full operation up immediately, we may take a phased approach to opening the facility up and may start out with some of the service facilities such as fitness, golf, tennis, pool, and then transition on into maybe lunch, you know things like that.

Commissioner Withers: I'll ask you a very direct question, you know, let's say this is November and this just isn't working out, and you owe a food purveyor sixty thousand dollars, are you as a group going to stand behind that with your personal guarantee so that food purveyor gets paid?

Mr. Daley: I think we have to from the start.

Commissioner Withers: OK.

Mr. DeWitt: And what our goal is, is to never get upside down.

Commissioner Withers: I know....

Mr. DeWitt: You're not hearing me; is that we are not going to get to that point, because if its not working, you know, the City is going to have – and by the way the City has in the proposal we made, they have the right to terminate, you know, you have the right to terminate on "X" period of time, we would of course have the same thing, and if its not working I'm a realistic business guy, we'll make a realistic business decision.

Commissioner Withers: Somehow we are in that position right now.

Mr. Daley: Commissioner, to qualify our comments a little bit, what we envision starting up is with a small capitalization for re-registering people followed up a slow spin up of operation, which allows us to collect a nominal amount of dues to whatever members we have left, see how much capital we create and then see what services we can begin to offer.

Mr. DeWitt: We got to make it through the summer and we'd also like to honor some of those contracts for catering which are very important because that was subsidizing the club to a certain extent, that's where the money is.

Commissioner Withers: We are on the same page.

Mr. DeWitt: Any other questions that we can answer? Thank you very much.

Vice Mayor Kerdyk: Thank you very much.

Mayor Slesnick: Just two more speakers, Michele Lane.

Ms. Lane: ...[inaudible]...I appreciate the opportunity to speak.

Mayor Slesnick: Michele, stand in front of the mike, we just want to hear you.

Ms. Lane: I just would like to point out, I understand that the City has lost a lot of money, I've listened to the meeting today, I'd like to point out also that the members has lost a lot of money, a couple of million. If you add up all the dues that we put in, we all thought that we would be here twenty years from now, so I would like you all to consider that in whatever decision you make. I know that Commissioner you suggested that people get a credit for the new entity, but at the same time you want rent and full rent, and I can understand both perspectives, but everybody lost money. The only way this is going to go forward if we agree on a new business plan. I joined the Country Club; I have a husband and a daughter, most of the members were family members, I belong to the Biltmore, I looked at the money, I looked at the dollars, I paid. I understand its invitation only, but most of the members as Mr. Lindsey in the e-mail said, were families. It wasn't a high priced Country Club, it was one that was affordable to the six hundred and ninety-thee members and families and most of them are residents of the City of Coral Gables and are now here because we all lost money. I would ask that you make a decision quickly because I like everybody else it comes down to money; I don't have a pool, I don't have athletic membership, I'm now searching for alternatives. If you close it down for four

months or a year, I'm going to find something else; am I going to put this kind of money back into a new entity a year from now after what happen to me this time? Are the six hundred and ninety-three members going to do that a year from now?- or are we going to learn a lesson? So I ask that I'm part of the new Club, we never considered it exclusive, it really came down to who can afford, I didn't think it was that cost prohibitive, we certainly do live in Coral Gables; there are other options to me; there is Riviera, there are other options, they are more expensive and I would venture to say more exclusive, but its just a matter of dollars, I think. I would like the City to consider, basically what I consider working families that are members of this Club. If you are going to make the pool and the gym and everything open to the public and it's going to cost me a nominal fee, wish you did it three years ago you...[inaudible]...It has to be a business option that will work, I believe we need the financial data to find out how much it is really to operate this club to give you a solid business plan. If we don't have the information, I found out the club is closing from a friend of mine, I still, we're working on communication, don't get regular e-mails. I thank you for your time.

Mayor Slesnick: Thank you Michele, very much. Georgene Slepin, 431 Alhambra Circle.

Vice Mayor Kerdyk: Ms. Slepin.

Mayor Slesnick: Georgene.

Ms. Slepin: Good afternoon Commissioners; since its inception the Country Club of Coral Gables has been the nucleus of all activities, and as Dr. Polo stated the history of the Club and the generous gift that the Club has given to the City of Coral Gables, In addition to that as I look around the room I see people who have been actively involved with the Club, the children have done, Roxcy's children have done, we've all done different things. We ran astray when we ran into these exorbitant fees, and it became impossible even for the members to utilize the Club on a regular basis. If we are given this opportunity, we can have a window of opportunity where the Club is for and should be for the citizens of Coral Gables where they can join the Club for a reasonable fee as they did so successfully for forty or forty-five years, and I believe we can bring our Club back to twenty-five hundred members within a very short period of time. I think the meals need to be reasonable, there needs to be cortillion, there needs to be activities, and I think it can be done once again; we've had our hands tied behind our backs and all the civic all the organizations that need to meet there again. I really think this is a serious part of our history, I think we should make every attempt to save it. Thank you.

Mayor Slesnick: Thank you Georgene, we appreciate it. By the way our thoughts are with Commissioner Cabrera, he had to respond to a family emergency, his father is being taken to the hospital. What I'm going to entertain, I don't know that we need to do it by motion and so forth, but we need to give the Manager some direction in moving forward in order to bring back a more complete proposal to us at a later time that we can all consider together.

Vice Mayor Kerdyk: Let me just say something – you go ahead.

Commissioner Anderson: Well, I was going to entertain, if you want to add something then I'll...

Vice Mayor Kerdyk: Everybody has had a chance to speak and I just wanted to say a couple things. First of all it's a sad day when the Country Club closed in 1983 and certainly again when it closed just a few weeks ago...

Mayor Slesnick: Closed in 2001.

Vice Mayor Kerdyk: 2001 – well anyway it's a sad day, especially for myself, I spent a lot of time in the Country Club over many years, and I understand the model that existed, I understand there needs to be a different model that moves forward. Everybody up here pretty much acknowledges that. My main concern right now of course is that we open up the tennis and the pool area so that we can get some immediate use as far as that's concerned. The public usage is something that is going to have to be dealt with, with the RFP and, I encourage Cathy Swanson to make a very general and purpose RFP so that people can respond on a large basis. I do support this group coming back with a RFP and at that point dealing with the situation and seeing exactly what their business plan is. I think we would be foolish not to move forward with that and then address the situation when they came back. But I do understand that probably the Country Club that I grew up is something that probably will not be the same model that exist when it moves forward in six or nine months from now, and as long as the existing members understand there is not a quick pro quo for them to go forward to bring this proposal forth, and I'm supportive of this thing moving in that direction. Thank you.

Mayor Slesnick: Ms. Anderson.

Commissioner Anderson: Ditto Commissioner Kerdyk, but I'd like to direct the Manager and feel free to add as you see fit, to bring back a recommendation or the RFP, bring us back a draft RFP based on what you've heard today. Also we'd like to see the costs associated with the audit as well brought back at some point in the very, very near future; feel free to add.

Vice Mayor Kerdyk: I think you should also put in there some oversight that...

Commissioner Anderson: Absolutely, we've all expressed some need for oversight of the process, City oversight.

Mayor Slesnick: Let me also add; on a long term solution as far as the RFP David, I really think that, and I think I'm echoing this, but I want to put one additional reason to echo this, and that is that I think that the RFP has to be general in nature because I don't want to cut out the possibility that some deep pocket club operator decides I can run a private club here, and I've got deep pockets, and we've decided that's the way to do it, as long as we see the gold at the end of the rainbow. So, I mean, the RFP should include all forms of possibilities for the future.

Commissioner Anderson: To include also, if that were to happen which I don't know if that were to happen or not, there has to be some very deep pockets that gives a deposit.

Mayor Slesnick: You know, as Dick Polo said there were some deep pockets...

Commissioner Anderson: I'm not discounting it, but...

Mayor Slesnick:...And you know, we don't need to get into all this, there are reasons if we go back, they may be forgotten now, but there are reasons why the structure – the structure of the RFP that came to us and the structure of the decisions that were made in the period from 1998 to 2001 had historical background to it. We all talk about it now like, how could you do this, how could you cut the Board of Directors out, how could you make the operators so strong, and so forth, well Dick Polo really hit on it, the Board of Directors couldn't come to a decision and couldn't do it, and they fumbled the ball when it came to making a clear and good decision on a great operator, and it came to the point where this Commission satisfied people we inherited a decision that was made by the past Commission to select an operator it was just sitting on a desk when the Club closed and nothing happening, and we finally moved ahead boldly, maybe too, but boldly to reopen the Club that was sitting there doing nothing with no decisions made, and I think we can all go around and maybe after the meeting each kick each other for some of the mistakes that were made, but the fact is now we are looking forward; I think we need to leave ourselves as many options as possible, but in the immediate future I would hope, and with Commissioner Kerdyk, Commissioner Cabrera in mind, that what I would like if we can agree to this, is to direct the Manager to work with this new group of members, or the old members the new group, to come back to us with a more detailed proposal with numbers and figures that all of us sitting as one body will decide on as to whether or not they can do something temporarily with the Club. Let them come up with a proposal, let David mull it over with them, and we'll get a chance to decide whether its something that meets our expectations, and I think Chip was right, I think it needs to be up to, pick a date, six months, a year, but we get to cut it off when we are ready with the RFP and so forth.

Commissioner Withers: I remember we were looking at a similar story with the Biltmore, and at the time I think it was costing Barnett almost a half a million dollars a year just to keep the air conditioning on, I think that was the number, and it was your Dad, and I remember sitting here saying you know, the City held, said you know what we need to keep it, we need to keep the AC on, we need to keep the lights on, we need to keep the power on because when it does reopen the cost of retooling it is going to be...

Commissioner Anderson: Astronomical.

Commissioner Withers: That was the best four hundred thousand bucks I think Barnett every spent, we didn't spend it, but Barnett spent it.

Mayor Slesnick: And I think the cost of reopening it tomorrow is going to be less than the cost of even next week, or even next month.

Vice Mayor Slesnick: I think also we need to re-emphasize one last thing, its so easy say in hind sight we should have done this or that, but I can tell you one thing when we were sitting up here and that building was in derelict form, I mean...

Commissioner Withers: Burnt out.

Vice Mayor Kerdyk: Burned down west end, we had to make a decision on how we could protect that asset, and the way we decided to protect that asset of course is taking a loan for four million dollars, having somebody else take over the payments at that point that actually spent six point two million dollars, so we have a facility that we are talking about right now, because if we went down the same path that we had gone down previously that facility would not be there, it would be derelict and rotted away basically. So it's easy to sit here and say we should have done this, and we should have done that, but I can tell you at that point that was the decision to be made, and I'm happy I made that decision to spend that money on that facility.

Mayor Slesnick: And the west end had sat there for twenty years...

Vice Mayor Kerdyk: Terrible.

Commissioner Anderson: Terrible.

Mayor Slesnick: ...Twenty years un-reconstructed.

Commissioner Withers: Just one question, as David rebuilds this RFP what is your feeling on the City itself being the operator as opposed to an independent operator, do we want to be a part of that dance?

Mayor Slesnick: My personal feeling is only if everything else fails, I mean, I think before we make even a decision or discussion like that, we should talk to Miami Shores, Miami Springs and other Cities who have run club facilities because its been a bear for them, but they've done it, I mean they've done it.

Commissioner Anderson: I personally don't think, unless something, that we should be in the business of operating.

City Manager Brown: Let me add a piece of good news here, if the interest to date is any indication we are going to have a lot of people that are interested in operating the facility; big names, medium names, names we know, I must have eight to ten people call me with an interest and some of them are big name people, so that's a good thing; there is interest to start off and we haven't released the RFP yet.

Vice Mayor Kerdyk: There would be interest because it's the best City in the country, and a beautiful facility.

City Manager Brown: And they get a membership card.

Mayor Slesnick: I'm going to add to the record these e-mails and letters that are in the record; the one that was read by John Thwing, Dirk Lorenzen's full memorandum that he sent us, Olga Guilarte, Charles Demaseo, Patricia Welch, Martha Bullman, Kirk Menendez, Frank Labrador, Dennis Daley who we've heard from today, Betty Phillips, David Rego, Charles Sachs, Tara Cheever, Ed Perez Heydrich, Olga Guilarte's second one, Veronica Flores, Blanca Dudley, Thomas Landry, Michelle Kolodny, Tom Landry again, Kirk Menendez again, and Layosh Toth; people who have expressed themselves with a variety of expressions, some concern about their investment, but in almost every case supportive of getting the Club reopened again. Would it be also as part of our direction that the in order to be able to create a proposal back to us that we give access back to this member group to the membership files and to all the figures they can get a hold of, so they can get. David you got your direction, do you need a motion, I don't think so because what we are doing we are directing you to come back to us with a full proposal.

Commissioner Withers: My suggestion on the files, let's keep them, give them copies of them.

Mayor Slesnick: Yes, I don't mean for them – I think they need more access to the computers and sit down.

Commissioner Withers: I really don't want to give them access to financials for...[inaudible]...I'd rather just say what do you need.

Mayor Slesnick: I think they need access to the membership files mostly.

City Manager Brown: I can do that.

Mayor Slesnick: And they would like them probably in electronic form.

Commissioner Withers: Make sure you get with Liz.

City Manager Brown: I want to talk to Liz and Steve Siegfried about that.

Mayor Slesnick: They can be supervised, OK.

Commissioner Withers: Good luck.

Commissioner Anderson: Thank you all.

Mayor Slesnick: Thank you all.

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Vice Mayor Kerdyk: Thank you.

Mayor Slesnick: Thank you very much.

[End: 1:16:25 p.m.]