

**CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD**

Meeting Minutes: Wednesday, February 25, 2015, 8:15 a.m.

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

MEMBERS:	M	A	M	J	J	A	S	O	N	D	J	F		APPOINTED BY:
	14	14	14	14	14	14	14	14	14	14	15	14		
Jose E. Smith	-	P	-	P	-	P	P	P	-	-	-	P		Mayor Jim Cason
Roland Sanchez	-	P	-	P	-	P	P	P	-	-	-	P		Vice Mayor William H. Kerdyk, Jr.
Alex Menendez		P	-	P	-	A	P	E	-	-	-	P		Commissioner Vince Lago
John Holian^	-		-		-		A	P	-	-	-	P		Commissioner Frank C. Quesada
Cheryl Goldstein	-	P	-	P	-	P	E	P	-	-	-	P		Commissioner Pat Keon

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

^ = New Member

= Special Meeting

** = Resigned Member

Staff:

Diana M. Gomez, Finance Director

Keith R. Kleinman, Management and Budget Director

Leonard Roberts, Assistant Director, Economic Sustainability

Cathy Swanson-Rivenbark, City Manager

Edward Hudak, Interim Chief of Police

Minutes Preparation and Recording Secretary: Nancy C. Morgan, Coral Gables Services, Inc.

PROCEEDINGS:

The meeting was called to order by Mr. Sanchez at 8:20 a.m. He welcomed City Manager Rivenbark and Interim Police Chief Hudak.

CITY MANAGER REMARKS:

After Board members introduced themselves, the City Manager explained she was visiting all City boards and committees to express the City's appreciation for their volunteer service, and gratitude for providing valuable input to the City Commission from their individual perspectives regarding the community.

Stating that she challenged City staff to become an "exceptional city," Ms. Rivenbark defined her definition of the term as meaning that City residents, businesses and employees would be very pleased they chose Coral Gables.

Ms. Rivenbark summarized the City's approach to the 2016 budget process; described the application of a five-way review of each budget item as "must do, should do, nice-to-do, do later and don't do; and explained existing, hoped for and/or planned changes, strategies and initiatives.

Prior to Ms. Rivenbark's departure, Board members expressed enthusiastic appreciation for the support of the Finance Department.

MINUTES – OCTOBER 29, 2014 MEETING:

Ms. Goldstein made a motion to approve the minutes of the October 29, 2014 meeting as presented. Mr. Menendez seconded the motion, which passed unanimously.

REVIEW OF QUARTERLY OVERTIME REPORT FOR THREE MONTHS ENDED DECEMBER 31, 2014:

Referring to the three-page quarterly overtime report as above-titled, Mr. Kleinman said the first page indicated all data percentages were within the 25% range.

On the second page (citywide overtime), Mr. Kleinman pointed out areas over the budget percentage norm, and reviewed contributing circumstances for Development Services and Public Works. Stating that Fire exceeded overtime usage in the first quarter, Mr. Kleinman detailed how the excess occurred, adding that Fire is expected to be within 50% of budget at the end of the second quarter.

Regarding Police overtime, Chief Hudak comprehensively described background factors (staffing, vacancies, alignment with Eden) that influenced the overtime percentage shown for the first quarter. Among other actions initiated to properly realign the budget, he said collective meetings are planned with Eden, budget personnel, Human Resources and all officers to ensure the budget properly reflects vacancies and departmental locations. Adding that he already met with union representatives to review these issues, the Chief committed to realigning the budget and process with staffing vacancies. He is coordinating efforts with Ms. Gomez and Mr. Kleinman and said he anticipates the “repair” to be completed within a month, at which time the report will reflect accurate staffing and budget data.

Looking forward, Chief Hudak voiced a goal to hire 25 officers and 16 civilian positions this year, noting the high turnover in Communications; anticipation of necessary protection of a local (Coral Gables) 2016 presidential candidate; and the Commission’s mandate to have 12 police officers in all City zones.

Chief Hudak responded to Board questions related to the pay scale of police officers who return to service and their eligibility for increased pay; reclassification of the records section; reallocation of funds; how crime data is gathered and compiled; and raw data to be provided when requested by candidates for City Commission.

During discussion, Mr. Menendez asked for data showing the number of patrol officers versus civilian employees. Chief Hudak said he would furnish the information about current staffing levels to Ms. Gomez and Mr. Kleinman to give to Board members. During discussion about work shifts, exposure during the midnight shift, and reduction of overtime over the past few years, the Chief said Police overtime is manageable. In response to a Board inquiry, he described the burglary task force and related staffing issues.

Board members expressed their appreciation for the Chief’s time and information.

BUDGET CALENDAR:

Ms. Gomez distributed the City’s budget calendar for FY 2015/2016. Ms. Goldstein requested that the City Manager be advised that the Board would appreciate receiving budget documents in sufficient time to allow an opportunity to give input to their appointing officials prior to budget workshops or meetings.

Mr. Kleinman reviewed the calendar and schedule for all aspects of the budget process. Ms. Gomez advised that the budget estimate would be delivered to the City Commission on July 1st, and the Board would receive the estimate the same week.

Mr. Kleinman was excused from the meeting at 9:35 a.m. to attend the Eden system budget workshop.

PROPOSED LEASE – BLOOM BOUTIQUE:

Mr. Roberts reviewed the proposed terms and conditions of a potential new lease of City property located at 290 Miracle Mile, and asked the Board to respond to three questions:

1. Is the lease consistent with the property appraisal as required under Section 2-2014? Section 2-2014 provides: Whenever the City purchases, sells or is involved in a lease of real estate and the fee simple value of the property being sold, or the annual value of the property being leased is in excess of \$250,000, the City shall, prior to consummating the purchase, sale or lease, have the property appraised by two real estate appraisers holding the M.A.I. designation in order to determine the estimated market value.
2. What is the immediate impact on the current fiscal budget and the long-term effect on future budgets, i.e., the long-term overall effect on the City?
3. Considering the City's mission statement, are there other alternatives to entering into the proposed transaction?

A motion was made by Mr. Menendez to approve the lease as presented as well as Board responses to the three required questions (shown below). The motion was seconded by Mr. Holian and unanimously passed.

1. The annual value of the lease is less than \$250,000, so no appraisal is required.
2. The long-term effect is that the City will have 10 years of rent as a result of this agreement, and will have reduced carrying costs for the empty space. The proposed rental rate is an increase over the prior tenant's rate.
3. This transaction is appropriate, as this is leased space that will generate income for the City and helps retain an established business in Coral Gables.

REVIEW OF QUARTERLY REPORT FOR THREE MONTHS ENDED DECEMBER 31, 2014:

Ms. Gomez reviewed the highlights of the above-named report (presented to the City Commission at its February 10th meeting), and explained areas of revenues and expenses to the Board. She said all departments are at or below 25% of the closely-monitored budget.

After advising about two new additions to budget staffing, Ms. Gomez said performance indicators will be included in this year's budget, and the strategic plan will be developed after the election. She added that staff sees no problems at this time.

Financial Statement preparation is underway, there are currently no issues with the audit, and the statements should be ready for the Board's March meeting.

MEETING SCHEDULE:

Ms. Gomez proposed a change of the regular meeting date of Wednesday, March 25th to Thursday, March 26th, beginning at 8 a.m. The City Commission will meet on Wednesday, March 25th instead of Tuesday, March 24th.

Mr. Sanchez advised he was unable to attend on the 26th, but remaining Board members indicated agreement with the 26th and the earlier meeting time.

At the request of Mr. Menendez, Ms. Gomez will provide a report on the City's unfunded pension liability, as well as a Police vacancy report that will respond partially to Ms. Goldstein's request to learn more about personnel levels and planned changes. Mr. Menendez referenced a prior request he made for a comprehensive analysis for an electronic records system for plans. Ms. Gomez said the request was submitted; however, it was too expensive to be included in last year's budget. At present, she continued, IT and Development Services are examining software and working on processes. It may not include electronic plans review, but is focused on the

whole permitting system. Ms. Gomez offered to invite Development Services Director to the next meeting to talk with the Board about how they are moving forward with the system and whether or not it is included in the budget.

NEXT MEETING:

Thursday, March 26, 2015, 8:00 a.m. City Hall First Floor Conference Room.

There being no further business, the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Diana M. Gomez
Finance Director, Secretary to the Board