

City of Coral Gables City Commission Meeting
Agenda Item H-5
January 26, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Finance Director, Diana Gomez

Public Speaker(s)

Agenda Item H-5 [12:53:03 p.m.]

A Resolution repealing Resolution 2004-196 and amending Resolution 2012-25, to establish General Fund and Insurance Fund Reserve policies; and providing for an effective date.

Mayor Cason: Let's move to H-5. City Manager this is the General Fund and Insurance Fund Reserve.

City Manager Swanson-Rivenbark: Thank you sir. I'm going to ask Diana Gomez to come up. We are doing this really at the suggestion of our rating agencies and Diana can explain the process.

Ms. Gomez: Good afternoon again. As the Manager has mentioned, as part of not receiving the AAA (Triple A) from S&P, we read the comments as to why, you know some things that they needed to see in order for us to get there. One of the things that they had mentioned was, obviously the unfunded liability with pensions, and we have been addressing that with our

funding strategy of budgeting additional to send to the pension to fund that, as well as maintaining fund balances in the General Fund in the City in order to continue the financial strength that we have. One thing, we had told them that we did have this informal, but discussed policy about maintaining 25 percent and one of their comments was to, they would like to see those policies and other policies formalized. So this resolution really formalizes the policy to maintain a 25 percent of the operating budget in General Fund unassigned fund balance, so that's what really what this policy does, and it does rewrite older policies that were in place that were silent as to the amount of what percentage we should keep. So this is kind of formalizing the 25 percent in the General Fund, it also does formalize an internal policy that we had in the Insurance Fund where we had an internal policy that we would keep \$3 million for catastrophic events in the Insurance Fund. So this is just formalizing both those informal policies that we had been working with over the past couple of years.

Mayor Cason: Would you plan to, if this is past, to send it to all of the rating agencies before...I think it would be a good idea.

Ms. Gomez: Sure. I can do that, yes, absolutely.

City Manager Swanson-Rivenbark: When we met with Standard and Poor's they were very, very positive on all of the good work that the City was doing, and they really wanted just additional time to make sure that we continue practicing what you've already established. So they did say that they would take a look at us again. This is just another checklist that we are addressing so that when they do take a look, they'll give us the same rating that Moody's did, which is the absolute highest that a government agency can receive.

Mayor Cason: And maybe sending it to them will cause them to do it sooner, it would be nice.

Ms. Gomez: They did say within about a year they'll look at us again.

Commissioner Lago: Just to add to what the City Manager and the Mayor just mentioned. This is not only a message to these agencies, but this is a message to this community saying that we are taking the necessary measures for the future to make sure that our government is solvent and that we are going to maintain 25 percent, because in the past that was not the case, so I think that this is a great – whoever came up with this idea, or if this was thrust upon us by these agencies, I commend you because this is a good step in the right direction to ensure that the City keeps continuing to prosper financially.

Mayor Cason: Great. Do we have a motion on this?

Commissioner Lago: I'll make the motion.

Mayor Cason: Commissioner Lago makes the motion.

Vice Mayor Quesada: Second.

Mayor Cason: Vice Mayor seconds. City Clerk.

Commissioner Keon: Yes

Commissioner Lago: Yes

Vice Mayor Quesada: Yes

Commissioner Slesnick: Yes

Mayor Cason: Yes

(Vote: 5-0)

[End: 12:56:42 p.m.]