

**CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD
Meeting Minutes: Thursday, March 30, 2017**

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

MEMBERS	A	M	J	J	A	S	O	N	D	J	F	M	APPOINTED BY:
	16	16	16	16	16	16	16	16	16	17	17	17	
Tony A. Rivas									-	-	P	P	Mayor Jim Cason
Erin Knight	-	P	-	E	-	P	P	P	-	-	P	E	Commissioner Jeanette Slesnick
Alex Menendez	-	A	-	P	-	P	O	E	-	-	P	E	Commissioner Vince Lago
John Holian	-	P	-	P	-	P	P	A	-	-	P	P	Commissioner Frank C. Quesada
Cheryl Goldstein	-	E	-	E	-	P	P	P	-	-	A	P	Commissioner Pat Keon

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

- ^ - New Member
- # - Special meeting
- ** - Resigned Member

Staff:

Diana Gomez, Finance Director

Keith Kleiman, Assistant Finance Director for Management & Budget

Sally Ola Ola, Assistant Finance Director for Reporting & Operations

Minutes Preparation and Recording Secretary: Estela Valle, Bailey & Sanchez Court Reporting, Inc.

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CITY OF CORAL GABLES
BUDGET/AUDIT ADVISORY BOARD AGENDA
MEETING: THURSDAY, MARCH 30, 2017, 8:00 A.M.
FIRST FLOOR, CITY HALL
405 BILTMORE WAY, COMMISSION CHAMBERS

COPY

MEMBERS PRESENT:

- CHERYL GOLDSTEIN
- JOHN HOLIAN
- TONY A. RIVAS

CITY STAFF PRESENT:

- DIANA GOMEZ, FINANCE DIRECTOR
- KEITH KLEIMAN, ASSISTANT FINANCE DIRECTOR for MANAGEMENT and BUDGET
- SALLY OLA OLA, ASSISTANT FINANCE DIRECTOR for REPORTING and OPERATIONS

ALSO PARTICIPATING:

- DONNOVAN MAGINLEY
- LEANY PEREZ

1 THEREUPON:

2 (The following proceedings were held.)

3 MS. GOLDSTEIN: I'd like to call the meeting to
4 order. So Alex couldn't make it and Erin couldn't make
5 it. And I'd like to ask for approval of the meeting
6 minutes from February 2nd.

7 MR. HOLIAN: Move to approve.

8 MR. RIVAS: I second.

9 MR. HOLIAN: Perfect.

10 MS. GOLDSTEIN: All in favor?

11 MR. HOLIAN: All in favor, Aye.

12 MR. RIVAS: Aye.

13 MS. GOLDSTEIN: Okay. So welcome to our auditors.

14 MR. MAGINLEY: Good morning.

15 MS. GOLDSTEIN: I'm Cheryl. Nice to meet you.

16 MR. RIVAS: Nice to meet you. I'm Tony.

17 MS. GOLDSTEIN: They're here to present the audit
18 financial statement from last year.

19 MR. MAGINLEY: Certainly.

20 MS. GOMEZ: Real quick. We did present it to the
21 City Commission on Tuesday's meeting, and Donovan will
22 go over it in a little more detail, but we did get an
23 unmodified or a clean opinion. We did have two
24 comments-- two management little comments that he'll go
25 over. And other than that, everything seemed to be in

1 order.

2 Our fund balance reserve is at \$41.6 million,
3 which meets the 25 percent resolution requirement--
4 policy requirement, so I will let Donovan go through
5 it, and he can answer any questions you may have.

6 MR. MAGINLEY: Thank you. Good morning again
7 everyone. I'm here with my colleague, Leany--

8 MS. PEREZ: Good morning.

9 MR. DONOVAN: --Who was instrumental in getting
10 the audit done and execution.

11 I guess we'll start with the big document here,
12 which is the--

13 MR. HOLIAN: What page are you on?

14 MR. DONNOVAN: Well, I'll start on Page 1--
15 that's always a good page to start with, which is our
16 opinion, and as Diana eluded to, that's our report with
17 some results of our audit.

18 I guess amongst all of that narratives in there,
19 it is a fact that starting on Page 1, it's a clean
20 opinion, as we call it, or unmodified opinion. It
21 describes the nature of our work, what our
22 responsibilities are, and, of course, again, our
23 opinion. The report's dated March 24th, 2017, and that
24 starts on Page 1 and goes through Page 3.

25 Just a quick overview, in terms of how the

1 financial statements are structured. There are
2 basically three sections to the financial statements.
3 One is-- which includes management's discussion
4 analysis, which starts on Page 5, then there are the
5 notes of the financial statements, and there are
6 additional sections, which is-- the statistical section
7 is unaudited.

8 I do implore you, as I always mention, to, if
9 anything, read the MDNA, which I mention the discussion
10 analysis provides a good overview and synopsis of the
11 operation. Even though it's an audit, it's a good
12 analysis as to what transpired through the year for the
13 City.

14 There's a few key highlights in the financial
15 statements starting on Page 20. I guess, with financial
16 statements-- how the financial statements are presented,
17 they're in two-- for governments, they're in two
18 formats. So there's a set of financial statements that
19 are, what we call, full accrual, which are similar to
20 the enterprise business world, and then there's a second
21 set, which are fund statements.

22 The one starting on Page 20 is your full accrual,
23 which includes all assets. All liabilities of the City
24 are recorded as of September 30th. I draw your
25 attention to-- we're under the subset that says,

1 "Liabilities." It says, "Due in more than one year."
2 It says, "Governmental activities column for about 320
3 million." I bring to your attention, of that 320,
4 approximately 230 million relates to pension liability
5 for the City.

6 I think last year was the first year that the City
7 was-- last year was the first year the City, under their
8 accounting standards, were required to report their full
9 liabilities on the second year. I thought it was
10 important at least bring that to your attention.

11 MR. HOLIAN: So the unfunded pension liability,
12 220 million of the budget--

13 MR. MAGINLEY: 230.

14 MR. HOLIAN: 230 million?

15 MR. MAGINLEY: Yeah.

16 MS. GOMEZ: You know, the City is taking proactive
17 steps. We're sending additional monies every year to
18 fund-- to help fund the unfunded. To date, we've sent
19 like seven-and-a-half million dollars extra than what we
20 are required to send. And every year that amount that
21 we're actually sending is increasing, so--

22 MR. HOLIAN: It's truly amazing. I chuckle
23 because over the last couple of weeks, I spent time with
24 some old friends, and they're retired from cities.
25 They're making 100 grand. If not 60 years old, they're

1 retiring on 100 grand for the rest of their life. And I
2 don't mean one, I mean, six--

3 MS. GOLDSTEIN: Can I apply for a job?

4 MR. HOLIAN: --Literally. God bless that system,
5 but it's shocking. It's just shocking.

6 MR. RIVAS: To me, it's more concerning than
7 shocking, the unfunded of pension liability. It's my
8 understanding right now that we're about 60 percent?

9 MS. GOMEZ: About, uh-huh. Funded.

10 MR. RIVAS: And the average in the State of
11 Florida is what, 75 percent, roughly?

12 MS. GOMEZ: Yes, between 75 and, I guess, 80.

13 MR. RIVAS: Do we have a road map as to how we're
14 going to get to 75?

15 MS. GOMEZ: Yeah. And so what we've been doing--
16 well, a couple of years ago we made significant pension
17 reform, so it kind of stopped the bleeding, for lack of
18 a better way to say it, and so we cut benefits and
19 limited the amount of money that anyone could receive or
20 what factors would go into it. So in the past, overtime
21 was always, you know, counted into their pension pay, so
22 that people would work a lot of overtime in the last few
23 years in order to boost up their pension. Well, it's,
24 you know, no longer available.

25 We put a cap-- recently, in the last contract with

1 Police, we put a cap. I think the number is like
2 \$95,000 is the most that they can ever get. It's 75
3 percent or 95,000, at this point, with the Police, but
4 everybody else is 75 percent of their average five
5 years, instead of average three years. So there's a lot
6 of things that we've done. The multiplier was reduced
7 for employees back in 2010 or '11. They did a lot of
8 pension reform. So there's a lot of things that we did
9 to stop the bleeding.

10 On top of that, what this Commission has done is
11 they have budgeted an amount with an index each year--
12 increasing index each year to fund additional money than
13 what is required. The annual requirement this past year
14 was about 22, 22-and-a-half million dollars, but we
15 budgeted for \$26 million or 26 point something. And so
16 the difference-- the increment difference, we use it to
17 pay down certain of the unfunded losses that will help
18 reduce the required payment moving forward, but, yet,
19 we're keeping the payment that we're going to make at
20 \$26 million. So therefore that increment from next
21 year, you know--

22 MR. KLEIMAN: It will be going up with the index.

23 MS. GOMEZ: Yeah. It's going up with the index,
24 but it's also--

25 MR. KLEIMAN: It's also going up with the people's

1 transferred 401s, so we're increasing--

2 MS. GOMEZ: Yeah. Well, that's for future, right.
3 So I'll get to that in a second. So the fact that we're
4 budgeting still at \$26 million plus an index-- 1.25
5 percent index, and the fact that we're taking the extra
6 amount and paying down unfunded losses, it makes the
7 required contribution lesser, so then maybe next year it
8 will be 22 million, instead of 22-and-a-half, so now I
9 get an extra amount that--

10 MR. RIVAS: And you're still contributing--

11 MS. GOMEZ: We're still contributing 26 plus an
12 index. And the Commission is also going to attempt, any
13 time that there's an assumption or something that has to
14 change, that causes the annual required contribution to
15 go up or the unfunded liability to go up, if it's
16 possible, we will try to fully fund that piece of the
17 new unfunded, so that this doesn't add to it.

18 Sometimes the changes are too large and we can't
19 afford the \$5 million extra payment, right, so maybe we
20 won't be able to do that. But if it's something that
21 could be managed in the budget, we're going to increase
22 that 26 million or the amount that we send in order to
23 pay that off quicker. So there's a very, very proactive
24 approach in trying to get to the fund-- to a better
25 funding position of the unfunded liability. It just

1 takes time. It wasn't really created overnight, the
2 large unfunded, although it kind of seems that way,
3 because it multiplied--

4 MR. KLEIMAN: 15 years ago it was zero.

5 MS. GOMEZ: Yeah, exactly. We were at zero until
6 2001, I think it was, and then, with the losses, and the
7 market, and enriched benefits, and all of that, it kind
8 of escalated it. And then, on top of that, in order to
9 reduce or mitigate the future liabilities or additional
10 liabilities, the City did start offering a 401 to new
11 employees. Just the way the State statute works or
12 Florida law works, we can't allow it to individuals --
13 you can't pick and choose individuals who are in the
14 plan already. You would have to make a mass change, so
15 that's not what we're doing, but new employees who come
16 in have an option to go into the pension or to the 401.
17 Most people are picking the 401.

18 MR. RIVAS: Even the police officers?

19 MS. GOMEZ: Well, no. Police officers don't have
20 the option yet, because Public Safety is traditional
21 pension. They haven't asked for us to look at a 401 for
22 them. They probably wouldn't, but general employees and
23 management employees are allowed to. So it will limit
24 the exposure in the future, because those individuals--
25 you know, we won't have a liability. We'll know exactly

1 what we have to pay for their 401, and there's no
2 fluctuation. If there's a fluctuation in the market,
3 that's the individual's responsibility.

4 MR. RIVAS: You'll be able to control a bigger
5 piece of the pie.

6 MS. GOMEZ: Right. So we'll know what that
7 expense is. It's just, the unknown of the pension is
8 what usually causes a problem with the City. We're kind
9 of trying to limit the long-term effects and so
10 eventually maybe we'll have a pension plan with, you
11 know, less newer people, but, you know, people that are
12 still in it, but not as many additional liabilities to
13 it, so--

14 MS. GOLDSTEIN: And did you get any feeling that
15 the Commission is looking to you to increase, on the
16 revenue side, to have extra monies to be able to fund
17 this more? So, for example, we've continued to lower
18 the property tax rate, and so like is there any-- do you
19 get the feeling that, would you suggest something
20 different in the future to raise or you're comfortable
21 with it?

22 MS. GOMEZ: Yeah. So we haven't seen that. So
23 this past year, the millage rate stated exactly where
24 it's at. Yes, property values went up, so there was an
25 increase in revenue to the City, and so we took

1 advantage of that revenue and used it for projects and
2 being able to fund whatever we needed to fund, but there
3 has not been talk about increasing revenues in order to
4 pay more. I think we're at a point where we feel very
5 comfortable with that 26 million dollars, plus an index,
6 plus the ability to pay an increase in the expense if
7 the budget allows for it. So we're not going to
8 sacrifice programs or services in order to try to pay
9 more. We feel that we're already doing enough to be
10 responsible and proactive to try to reduce it. We don't
11 want to reduce services just to get this thing paid off,
12 right?

13 MR. RIVAS: Has an actuary looked at this and
14 said, at what point we get to 75 to 80 percent based on
15 like normal market conditions?

16 MS. GOMEZ: When we first started this
17 two-and-a-half years ago or maybe three years, at this
18 point now, our actuary-- the City's actuary took a look
19 at it, and we gave them the more or less 26 million,
20 with the small index, right? And at that time, we had a
21 25-- we might even have had a 30-year amortization
22 period, meaning that over 30 years we will pay this down
23 to zero, right? We'll be 100 percent funded. At that
24 time, when they did the analysis, considering the extra
25 payment that we were going to make, it was going to take

1 us plus or minus 17 years to pay down and get to 100
2 percent funded. Now, that's assuming that everything
3 else works beautifully. We make the exact interest rate
4 assumption, we make the turnover assumptions, all of the
5 assumptions are met, right? It doesn't always happen
6 that assumptions are always met perfectly. I think this
7 past year we did make our interest rate assumption. I
8 think we made like eight percent or nine percent, so we
9 made more than what we needed.

10 You know, in the latest negotiations with Police,
11 there was a little bit of a plus and a minus. You know,
12 we took away something-- like we added this cap, which
13 gave us some savings, but then they also-- they did
14 increase their multiplier back to three percent, so it
15 was a wash maybe to the City, maybe a couple hundred
16 dollars of an expense to the City more, but it was a
17 minimal hit. So there's a lot of things that change all
18 of the time. So the idea is that-- when are we going to
19 get to the 80 percent funded? It really just depends on
20 what's going to happen.

21 MR. RIVAS: Right.

22 MS. GOMEZ: Our goal is to get to 100 percent
23 funded. You can't pay 80 percent of your bill, right,
24 when you go to a restaurant? You have to pay 100
25 percent of your bill, so-- but at the same time, this is

1 a long-term liability. You don't need to have the money
2 today to pay the whole thing, right?

3 MR. RIVAS: No. But depending on what-- like
4 Police, it sounds like the same amount of vacancies that
5 we had last year is more or less where we are this year.

6 MR. KLEIMAN: No, they're different vacancies.
7 It's an older group, and a lot of them are retiring.

8 MR. RIVAS: Well, that's a concern.

9 MR. KLEIMAN: Yeah, it is, but they're trying to
10 be very proactive. I mean, we are recruiting
11 nationwide. They're using all different types of
12 recruitment tools in order to get more people in. We
13 just settled a new contract with them, a much more
14 attractive pay plan. So we're trying to make Coral
15 Gables into the standout for police to come here.

16 MR. RIVAS: Right.

17 MS. GOMEZ: Right. But even with the vacancies
18 that we have-- and I'm not going to speak too much to
19 it, but the Director of Public Safety can speak to you
20 guys-- our ratio of police officers to 1,000 people is
21 almost double what the national average is. Here, in
22 Coral Gables, it's three point something, as opposed to
23 one point something, which is the national average. So
24 we-- you know, our crime is down.

25 MS. GOLDSTEIN: Can I make a suggestion, just

1 being new, because I think it was super helpful to sit
2 in a meeting with the Superintendent, and he went
3 through a lot of detail with us pretty recently? So if
4 you want to schedule a meeting with him, I think it's
5 very valuable information.

6 MS. GOMEZ: I think so, too. It's eye opening,
7 too, because you think we have all of these vacancies,
8 things must be horrible. No. If you really look at it,
9 it really isn't. Yes, the vacancies are a concern.
10 They want to fill the vacancies, but--

11 MS. GOLDSTEIN: I walked away with feeling more
12 comfortable that we're not on the street. We are not--

13 MR. KLEIMAN: We're not short of police.

14 MS. GOLDSTEIN: --Short of police.

15 MR. KLEIMAN: As a matter of fact, with the
16 annexation coming on, we actually have enough positions
17 to cover the annexation without adding positions.

18 MR. RIVAS: Well, yeah. And my concern is not a
19 safety concern, it's more of a fiscal concern, being
20 that the overtime goes to the more, you know, senior
21 officers, which then compounds the issue of taking their
22 multiplier, looking at the last five years, and it puts
23 more of a burden on the liability of the unfunded
24 pension. That was my concern.

25 MS. GOMEZ: No. The overtime is not pensionable

1 anymore.

2 MR. RIVAS: And the new collective bargaining--

3 MS. GOMEZ: No. Since 2011, it hasn't been--

4 MR. KLEIMAN: That was the area that was abused.

5 MS. GOMEZ: It was being abused a lot, but not
6 anymore. It's still an expense, right, so we are still
7 paying overtime for the--

8 MR. RIVAS: Right, but it's not the multiplier.

9 MS. GOMEZ: But it's not a pension factor anymore.

10 MR. KLEIMAN: Just so you know, because this is a
11 question-- you're new-- that the rest of the group had
12 asked. You know, we have salary surplus generated
13 because we fully fund vacant positions.

14 We never absolutely utilize all of that. In
15 theory, you would think that, it's time-and-a-half for
16 overtime, that we would actually use all of that salary
17 surplus, which is based on just on a regular 40-hour
18 work week to use to cover the vacancies. It never
19 happens.

20 MR. RIVAS: Okay.

21 MR. KLEIMAN: It just never happens, because we
22 don't need to. That's what I'm saying. Right now, if
23 we had full-- if we had the annexation, and we had to
24 have a full complement of staff, then overtime would
25 start hitting. But the fact is, right now, the overtime

1 used does not use all of the salary surplus, which means
2 it's cheaper to stay the way it is now.

3 MS. GOLDSTEIN: Okay. Let's get back to the
4 audit.

5 MR. RIVAS: Sorry about that.

6 MS. GOLDSTEIN: That's fine.

7 MS. GOMEZ: Go ahead, Donovan.

8 MR. DONNOVAN: That was good. Well, to some more,
9 I guess, highlighted news--

10 MS. GOLDSTEIN: And we did get this in an email,
11 so we have looked at it, so just a point of information,
12 and our-- I would say, at least my greatest interest is
13 in the comments that you had and the responses that you
14 got.

15 MR. DONNOVAN: The last thing I wanted to mention,
16 for the general fund, you understand the books we talked
17 about before, on Page 24, there is a fund balance of 41
18 million, which was used to calculate, I guess, the goal.
19 I was just looking at this now. I think you could
20 probably also include what's in the assign.

21 MS. GOMEZ: We could, yes, but the assigned
22 already has kind of intended purposes. So truly the
23 unassigned is the 41, and we meet our goal with the
24 truly unassigned, but you're correct-- I mean, I get a
25 pen check (sic) because I could, but it's still

1 unassigned for purposes of financial statements.

2 MR. DONNOVAN: Exactly. So from that
3 perspective-- I mean, you know, I think obviously the
4 City is fairly well fiscally, you know, in general
5 funds, in terms of its operations. Again, this is a
6 very long encompassing document. You know, there's
7 different pieces you can take from it. As the title
8 says, it's comprehensive.

9 The other document that we have here, the
10 management letter, which is the colorful-- that one. So
11 let me start by saying first, thing, for purposes-- from
12 an audit perspective, there are three degrees of
13 interpretation or evaluation of findings. We have
14 what's called-- well, let's start from the highest
15 degree, which is mature weakness, in terms of the
16 heightened of the finding, then you have a significant
17 deficiency, and then the rest-- the other is what we
18 call the controlled deficiency. So we have mature
19 weakness, significant deficiency, and the next would be
20 controlled deficiency.

21 In our audit this year, we had two comments that
22 we noted, and they start at Page 5, and these comments
23 are deemed to be what we classify as just being
24 controlled deficiency. It didn't meet the level-- to
25 the heightened level of significant deficiency or mature

1 weakness.

2 In the way the comments are structured, it talks
3 about what the standard should be, what we noted, as a
4 condition, what are perceived effects of the findings,
5 of course, the recommendation, and the views, the
6 subheading that says, "Views of responsible officials,
7 and management's response.

8 We do not audit the response, but given their
9 history and knowledge of the management team, we feel
10 strongly that the findings will be corrected and
11 rectified as so noted. I'm not sure if you want me to--

12 The first one talks about IT, in terms of acts,
13 taking people who should not be on the system, timely
14 making sure that they're stable for purposes of
15 security. The other one is a, more or less, financial
16 reporting mechanism, to ensure that all of the assets
17 are-- especially that there's a proper system in place
18 to ensure that assets that are to be disposed of are
19 done the right way.

20 MS. GOLDSTEIN: Can I ask you a general question?
21 As the City has moved to an external/internal auditor,
22 how do you see that affecting your work?

23 MR. MAGINLEY: This first year we have not placed
24 much reliance.

25 MS. GOLDSTEIN: Right, it just started. But just

1 going forward?

2 MR. MAGINLEY: Going forward, I think we would
3 like to leverage the work that they do. First we have
4 to see what the work plan is, if it mirrors or if it
5 complements the external audit role. We assume it
6 should, but it should at least address some of the key
7 risk factors. We'd like to leverage the work that they
8 do.

9 MS. GOLDSTEIN: Were you asked at all on any areas
10 that you would like to see them work in or--

11 MR. MAGINLEY: No.

12 MS. GOLDSTEIN: So we would welcome any comments
13 that you have, this Committee, because we work with them
14 as well, so you can-- and Keith is the point person
15 within the City, so it would be good to have any input,
16 if there's anything that would reduce your work in any
17 way or if there's an area of concern, obviously they'll
18 look at disposal of assets, and make sure that that's
19 being followed up on, but--

20 MR. MAGINLEY: Procedurally, it might be good to
21 see the draft work plan. They should have an audit
22 plan.

23 MS. GOMEZ: We can forward that to you, because
24 they do have it.

25 MR. MAGINLEY: If we can look at that and make

1 sure it's proper.

2 The last document is our inquire communication.
3 All it's going to say, point by point, is that this is
4 just professional standards that we have full access to
5 management; that we would not impeded or influenced by
6 anything; that we had no disagreement. Those are the
7 most key points I want to point out when we execute our
8 audit.

9 In there, it surmises a little bit, in terms of
10 some of the key areas of estimate. Most of the numbers
11 here are actual hard numbers, but there are some key
12 aspects in here that involve estimates. One is pension.
13 The other one is open, so forth. So we identify those
14 things, and how comfortable are we with that.

15 The other document in here is the management
16 representation letter. This is the letter that
17 management signs directly to us, all in their word. We
18 think it's important that you see that. Management said
19 this. This is what they said. They put their signature
20 on the line to communicate that. That's our
21 presentation.

22 MS. GOLDSTEIN: Thank you so much.

23 How many years have you been with the City's
24 Audit?

25 MR. MAGINLEY: Me, personally, this is my fifth

1 year. The firm, I think we have been here about ten
2 years now, so we have rotated-- yeah, this is my fifth
3 year-- fifth audit year.

4 MR. HOLIAN: So you rotate partners?

5 MS. GOMEZ: Yes. I think you guys rotate every
6 five or six years?

7 MR. MAGINLEY: Nothing standard, but what we have
8 seen-- it so happens I think this is-- of the time we
9 have been here, I'm the third partner that's been
10 assigned to the engagement.

11 MS. GOMEZ: When I first started, it was a
12 different partner that first year.

13 MR. MAGINLEY: Bob?

14 MS. GOMEZ: Bob, no. It was Brett. And I'm going
15 on my sixth. And, since then, you've been here five.

16 MR. MAGINLEY: Yeah.

17 MS. GOMEZ: So, yeah, the first year--

18 MR. MAGINLEY: Yes.

19 MS. GOLDSTEIN: We have seen a lot.

20 MR. MAGINLEY: Yes.

21 MR. HOLIAN: That was a concern when we were--

22 MS. GOLDSTEIN: Thank you so much.

23 MR. HOLIAN: --Looking at new auditors.

24 MS. GOMEZ: Yeah, they do rotate them.

25 MS. GOLDSTEIN: Thank you.

1 MR. MAGINLEY: All right.

2 MS. GOLDSTEIN: Anyone have any other questions?

3 MR. MAGINLEY: All right.

4 MS. GOMEZ: Thank you, guys.

5 MR. MAGINLEY: Sure.

6 MS. GOLDSTEIN: I do have a question as it relates
7 to the timing of their presentation, and our
8 conversation with them. So I think it would be more
9 valuable, next year, if we met before the Commission
10 meeting, so that we have the opportunity to update our
11 Commissioner on things that they maybe should look for
12 or highlight.

13 MS. GOMEZ: Okay. No problem. It had never been
14 done that way, and, to your point, it probably should,
15 because-- they would not have an issue at all.

16 MS. GOLDSTEIN: Right. I think it's just--

17 MS. GOMEZ: And I think it's time, because maybe
18 in the February meeting they may not be quite finished,
19 right?

20 MS. GOLDSTEIN: And that would be okay. It
21 doesn't have to be like--

22 MS. GOMEZ: No. No. It's one of those things
23 where we were-- you know, at least this year, 'too, we
24 were kind of like pushing to the last hour, "We have to
25 finish, Donovan. We have to finish."

1 MR. KLEIMAN: Well, because there's no meeting in
2 April.

3 MS. GOMEZ: There's no Commission Meeting, yeah.
4 No. No, because we have a March 31st deadline to file,
5 so the month of March and the end of February were kind
6 of like really pushing, but, yes, that's not a problem.
7 We can coordinate that.

8 MS. GOLDSTEIN: Okay. So next is the quarterly
9 financial report for the three months.

10 MS. GOMEZ: Yes. So we presented this to the
11 Commission at the end of the February meeting-- February
12 28th meeting. For the most part, it is just the first
13 three months of the year. There's not a whole lot going
14 on. The report is there for you. I'm trying to think
15 if there was anything significant. I don't believe that
16 there was anything significant. I can go through
17 everything--

18 Well, in terms of the revenues, if you look at the
19 revenues, we received 91 million dollars of total
20 revenues, per the 169 million budget. One of the things
21 was higher than we normally are, especially, too,
22 because solid waste this year was put on the tax bill,
23 so we got 90 percent of that already by this point, so
24 that's something that's really great. That seems to be
25 really working out for us.

1 Expenditure side, you know, the departments are
2 really at or below the 25 percent mark. There may be
3 one or two that are right at the 25 percent, but none
4 that are really over that amount. So their spending is
5 in line within their budget-- within the quarter of the
6 budget, even though there are some things that come in.
7 You know, they have expenses-- Parks have some seasonal
8 expenditures, but they're still within their budget.
9 Allocations, we're constantly monitoring. The
10 departments, reaching out to them. If we see something
11 that's over-- an individual line limit that's over,
12 Budget does a great job of working with them to make
13 sure everything is good.

14 All of the other funds, there really is nothing to
15 discuss, because everything is kind of early in the
16 year, and there's nothing that sticks out. I'm trying
17 to go back to my notes to see if I can think of anything
18 that really stuck out, and there really wasn't. So the
19 first quarter, I think everything-- you know, we're in a
20 good place.

21 Unless you have specific questions as to the
22 quarterly, I think everything is good.

23 MS. GOLDSTEIN: Overtime.

24 Sorry, any questions?

25 MR. KLEIMAN: Okay. Overtime, there really is

1 nothing to report. We have-- we're running still high
2 on vacancies; however, if you compare it to the last
3 quarter, with 88, we're down to 66. Unfortunately we
4 we're at the same place we were, just new vacancies,
5 when it comes to Public Safety.

6 Fire, their vacancies will be filled by the third
7 quarter. They have people in line coming off of the
8 list, so they're going to go fully filled. Last year,
9 and this year, we faced a lot of people retiring, and
10 that's why Fire-- because Fire usually doesn't have a
11 lot of vacancies, but last year and this year they did.
12 We expected it. They did succession planning, and they
13 worked well in advance so we could be filling them in
14 quickly.

15 MS. GOLDSTEIN: What's Technical Services?

16 MR. KLEIMAN: Technical Services, that's Police
17 records. That is, all of the people that are in there,
18 any type of radio systems, just anything that's
19 technology based is in there. Communications is in
20 there. We have a good portion-- maybe I think six or
21 seven-- actually it's on here-- communications
22 operators, there are seven positions vacant out of, I
23 think, 39 in total, with the supervisors. That's a big
24 percentage. We're having a hard problem there. We're
25 actually hiring people, and they're not even making it

1 through the training.

2 MR. HOLIAN: I thought we brought back some
3 retired people to work.

4 MR. KLEIMAN: We did, but they're more on a
5 part-time basis, just to help out, but it's a very
6 stressful job, you know. And we're competitive in our
7 salaries. So the problem is getting someone who is just
8 the right fit for that job. The overtime numbers are
9 extremely high in those areas specifically, because we
10 had people training and double training. They're
11 training them, and all of a sudden, they leave. They're
12 here for a few months, and then they walk out. It's
13 very, very stressful to constantly get those type of
14 phone calls. I was very surprised when I saw that.

15 MS. GOLDSTEIN: Because it's 69 percent of the
16 budget in the first quarter.

17 MR. KLEIMAN: Right. But the E911, that's two
18 people in there. That's just using money that we get
19 back from the County. Most of it is the Communications
20 operators.

21 MR. RIVAS: Now, you said there's six vacancies--
22 seven vacancies. How many total positions are there?

23 MR. KLEIMAN: I think it's 39. Yeah, I think it's
24 39, between, I think, 32 operators and six or seven
25 supervisors. There's one supervisor vacancy, maybe two,

1 and the rest are the operators.

2 MR. HOLIAN: There's 32 people and six or seven
3 supervisors?

4 MS. GOMEZ: I think they need a supervisor per
5 shift, and remember there's Alpha, Bravo-- you know,
6 there's three shifts, so they do need a supervisor per
7 shift.

8 MR. HOLIAN: I was going to say.

9 MR. KLEIMAN: It's a very heavily supervised area
10 because of what goes on. You know, if the operator
11 cannot handle a specific type of call, then the
12 supervisor has to kick in right away.

13 MS. GOMEZ: And each shift has to have a
14 supervisor.

15 MR. KLEIMAN: That's really all I have to report
16 on it. Again, there's the Fire and Police, we are
17 working actively to fill the positions. Once again, we
18 are well staffed in Police, and once we get annexation
19 going, and I don't know if you heard, Little Gables
20 voted 68 percent to come into the City.

21 MS. GOLDSTEIN: Can you show me where Little
22 Gables is?

23 MS. GOMEZ: Up there.

24 MR. HOLIAN: Where the trailer park is, behind the
25 CVS.

1 MR. KLEIMAN: That's good news for Public Safety
2 because now you're squaring it off.

3 MR. HOLIAN: I don't see how it's good news.

4 MR. KLEIMAN: Well, the point is that if you're a
5 homeowner in Coral Gables, around that area, you'd be
6 very, very happy. This is not the donor area that the
7 other is. High Pines and Ponce-Davis, we want that,
8 because that's donor property. We will benefit from it,
9 they will benefit from being part of us, but we will
10 benefit dollar-wise from having them within us. Little
11 Gables will be donor property in the end, when the
12 values go up a little higher, but you're talking about
13 six, seven, maybe 10 years later, because the values in
14 there will more than double once Coral Gables becomes a
15 name there.

16 MS. GOLDSTEIN: I should have called you to put
17 this on the agenda, but can you give us an update on how
18 the internal auditors are doing, and what they're
19 working on, just a general update?

20 MR. KLEIMAN: Yes. Actually, we just had the
21 kick-off meeting for IT, which they felt, from the risk
22 assessment, that that was the biggest hit. That's now a
23 lot of information gathering, and now they're actually
24 going to start going in. They're going to do some of
25 the security testing. They're going to try and break

1 into our systems. So that is just right now starting.

2 MR. HOLIAN: They're hiring high school kids right
3 now to get that done. Sorry.

4 (Thereupon, a discussion was hadd off the record,
5 after which the proceedings continued.)

6 MS. GOLDSTEIN: Thank you.

7 The proposed date for the next meeting is
8 Thursday, April 27th, at 8:00 a.m.

9 MS. GOMEZ: Yes.

10 MS. GOLDSTEIN: Anyone have a conflict?

11 MR. HOLIAN: I do not.

12 MS. GOLDSTEIN: What do you expect to have then?

13 MS. GOMEZ: I don't know.

14 MS. GOLDSTEIN: So we'll see.

15 MS. GOMEZ: Is there anything that the Committee
16 would like to see on the agenda, any kind of topics or
17 anything?

18 MR. KLEIMAN: Do you want an update every month
19 for the internal audit?

20 MS. GOLDSTEIN: Yeah. Not from them, just from
21 you.

22 MR. KLEIMAN: Yes, absolutely. I mean, Elsie
23 would like to be here, I'm sure. She can always add, if
24 you have any other questions. She was already to come
25 in. I said, "I don't think it's really necessary."

1 MR. HOLIAN: An update I think would be a great
2 idea.

3 MR. KLEIMAN: Okay.

4 MS. GOMEZ: So then we'll look to see if we have--
5 we'll have the second quarter-- no-- well, maybe we
6 will, but there's no Commission meeting, so maybe we
7 won't have the second quarter, because we're not
8 presenting it to the Commission until the first May
9 meeting, because there's no Commission meeting in April,
10 because they're doing elections and all of that, and
11 they don't have somebody here that's really here, you
12 know, kind of deal.

13 So, anyway, I don't know that we're going to have
14 anything on the agenda. As it gets closer, if there's
15 something that we can bring forth or if there are any
16 ideas that you guys have or something that you want to
17 talk about, send us an email.

18 MR. KLEIMAN: You'll have the next quarter of
19 overtime.

20 MS. GOMEZ: Right. So maybe some quarterly
21 updates or whatever. So we'll decide if it's something
22 that's worth having a meeting.

23 MS. GOLDSTEIN: And let's say there continues to
24 be a trend or if something changes on the Police side, I
25 don't think we need a full presentation from the

1 Director, but then, it would be a good opportunity at
2 the same time, for Tony to meet the Director and just to
3 have him come in for maybe a 10-minute, not a half
4 hour--

5 MR. KLEIMAN: He can fill you in on the Public
6 Safety Building, and things like that, if you're
7 interested in that.

8 MS. GOLDSTEIN: Thank you. Okay. So we'll
9 adjourn the meeting at whatever time it is-- 8:41.

10 (Thereupon, the proceedings were concluded.)

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CERTIFICATE

STATE OF FLORIDA)
)
COUNTY OF MIAMI-DADE)

I, ESTELA L. VALLE, Shorthand Reporter and Notary Public
for the State of Florida, do hereby certify that I was
authorized to and did stenographically report the foregoing
proceedings, and that the transcript is a true and complete
record of my stenographic notes.

DATED this 7th of April, 2017.

Estela L. Valle

Estela L. Valle
Shorthand Reporter and Notary Public