

City of Coral Gables City Commission Budget Workshop
Agenda Item A-2
July 11, 2017
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Raul Valdes-Fauli
Vice Mayor Pat Keon
Commissioner Vince Lago
Commissioner Frank Quesada
Commissioner Michael Mena

City Staff

City Manager, Cathy Swanson-Rivenbark
Assistant City Manager, Peter Iglesias
City Attorney, Craig E. Leen
Deputy City Attorney, Miriam Ramos
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia
Management & Budget Director, Keith Kleiman
Assistant Public Works Director, John Osgood

Public Speaker(s)

Agenda Item A-2 [0:00:00 a.m.]

A presentation of the Fiscal Year 2017-2018 Budget.

Management & Budget Director Kleiman: So, we're going to start the budget workshop. I know we have time constraints, so I'm going to go quickly. Please stop me. I have details on everything, if anyone is interested in a particular number. And, we'll start right now. So, this is just a calendar of major dates in the budget process. On June 1, we received the property

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appraiser's estimate property values. They were \$15.128 billion. That was up 5.1 percent from last year's July numbers. On July 1, we submitted the budget estimate to the City Commission. We also received the property appraiser's certified taxable values, which went up to \$15.172 billion, which ends up being 5.4 percent. Now, it's very important to understand that this budget, because it was published just prior to July 1, is based on the June 1 estimate. We will give you an updated slide at the very end of this that takes you up to date on the changes -- the changes at least that we know about, because there will be more coming. July 1 and July 10 are some of the possible changes. We get revenue estimates from the state, not all of them are out. We have some of them. I think that will be on the last slide. Today's the workshop. July 12 through September 13, that's an opportunity for anyone on the Commission to -- that want to meet with us individually and we can go over anything with the budget, just please just reach out to us. August 4 is the date that we have to certify the tax rate to the property appraiser, and that'll be the rest of this meeting, with a tentative millage rate. September 14 and 26 are the first and second budget hearings. Annual revenues, \$178.9 million. That's about a 4 percent increase from last year at the adopted condition. We have \$14.8 million of transferred fund balance. Now, please understand, all of these are planned use of fund balance, except for the capital improvement impact fee fund. Those items are the FY16 numbers that have yet to be appropriated. We're appropriating them and they're going to slide into fund balance. Okay, the total revenue budget is \$193.6 million. On the expenditure side, operating budget is \$161.7 million; capital is 21.2 and debt service is 8.3. The total budget is \$191,286,764, \$2.4 million being transferred to fund balance, and you can see a balanced budget of \$193.7 million. This slide shows the various revenue increases that affected the budget. Property taxes now says 79.8, which is 95 percent of the total tax revenue, and as specified by law, that's what we go with. Storm water utility fees -- now, this number, you see the \$2 million of increase is going to change based on the resolution that you adopted this morning. Because, this was based on a five-year buildup plan for the sea level rise, since we adopted a ten-year buildup plan, it's going to be \$1.45 million instead of \$2 million. You'll see that change in the final budget coming in September. Utility service taxes went up by 725; parking fees, by 657. Capital project assessment fee -- this is new for this budget. That is the estimated amount that we're getting

from the property owners along the Mile, and that's -- they're paying for their share of the project and that goes right against debt service. Business tax receipts -- we're allowed to do a biannual increase of 5 percent. The 173k is that increase. Rentals and concessions, \$164,000, and that is just contractual escalations. And we're going to stop at golf fees and that's just increased activity. Total increase in revenues is \$8.6 million. The revenue decreases -- most of these are one-time items in the budget. For the first four items, you have the first two are grants. The fourth one is a grant, intergovernmental revenues. Debt proceeds was a one-time item in the budget. The fifth item down, Biltmore Complex, that is the retirement of debt, so that is permanently gone from the budget. That was money coming in from the Biltmore Complex and we would just put it right toward debt. That debt series, 11B, retired at the end of FY17. Okay, sanitary sewer fees, that went down. Now, this is something that we want to review. Sanitary sewer fees is a very -- is almost a moving target. We have inflow and infiltration that affects it. We have our fee schedule, which I think is not functioning properly, and we want to take a look at that. So, during the summer, we're going to do just that and try to get an explanation as to why the fees are coming in less than we anticipated. Miscellaneous revenues, there was a one-time item in there. It was a refund of healthcare payments from Humana, so that brought it down. Public safety fees, that is just collections. That may right itself during the summer. We'll see as we go further into the summer now. Solid waste collections, \$238,000. We fully expected this decrease. More people paid early since we went onto the tax bill with the payments, so we expected, I think, about a third to pay and many more paid early by last August, instead of having their bill put on the taxes. And government -- general government fees. We are trying to phase out concurrency fees. Basically, it's almost redundant to impact fees. So, where we used to budget \$200,000, we're now budgeting only 50, and the goal is to phase it out completely. Okay, so total revenue decreases, \$8 million. Net change is \$586,000. Expenditure changes. The salaries increased by \$2.4 million, and that is mostly contractual collective bargaining agreements and then longevity and merits. Overtime -- and this is not public-safety related -- increased by 22 for small departments that do not have much overtime. Retirement -- this is the indexing. We promised the Commission that we would index up the payment by 1.25 percent every year. That's what the \$291,000 is. FICA is just the commensurate FICA that goes

with the salary changes. Worker's comp -- we have very, very good experience with worker's comp, so we're reducing the budget by \$465,000. Health and OPEB, the vast, vast majority of this is collective bargaining agreement for the FOP contract. And, that's for a total increase of \$3 million on the expense side. Expenditure changes affecting the budget that are decreases -- oh, I'm sorry. Expenditure -- oh, I'm sorry. Let me just explain it. This is personnel. Okay, I'm sorry. I'm so used to the (INAUDIBLE). And this is OTPS, which is other than personal services, more of the operating side. So, professional services went up by \$515,000. Repairs and maintenance -- these are categories that we have of accounts and the repairs, maintenance, and utilities went up by \$378,000. The parts and supplies, the equipment and the fleet replacement are all reappropriations from a prior year, so they're one-time in the budget. They are coming out. So, really -- we're not cutting back spending. Those are one-time items in the budget. Okay, so the total decrease in OTPS is \$2,387,000. Net change in the operating budget, \$631,000. Total operating budget, \$161.7 million. Capital equipment -- I'm just going to run through this. If anyone sees something they want to discuss, we have every department director here to discuss an item. For capital equipment, we're going with \$1.6 million. For facility repairs and improvements, \$1.5 million.

Mayor Valdes-Fauli: Wait, wait.

Management and Budget Director Kleiman: I'm sorry?

Mayor Valdes-Fauli: 427 Biltmore Way, what are we doing? And, I thought we were redoing the whole first floor to make it IT compatible and so that we can process our plans there?

Management and Budget Director Kleiman: We set aside several million dollars, almost \$4 million for the City Hall complex.

Mayor Valdes-Fauli: What City Hall complex?

Management and Budget Director Kleiman: Meaning City Hall, the cottage and 427.

City Manager Swanson-Rivenbark: It's not any new structure, sir. It is restoring this building. It is renovating 427 and is also renovating the cottage, which is the little building in the courtyard.

Mayor Valdes-Fauli: Well, what about -- I was told that we were redoing the first floor to allow for it to be computer...

City Manager Swanson-Rivenbark: We're -- we absolutely are going to be renovating that building, as well as the City Hall building.

Mayor Valdes-Fauli: Ramon was -- no?

City Manager Swanson-Rivenbark: No, it is. You'll see it in the capital plan.

Mayor Valdes-Fauli: But we are doing it?

City Manager Swanson-Rivenbark: Yes. But this is...

Management and Budget Director Kleiman: These are new monies.

City Manager Swanson-Rivenbark: Right. This is additional monies that were added.

Vice Mayor Keon: This is additional dollars.

Mayor Valdes-Fauli: Oh, okay. Okay.

City Manager Swanson-Rivenbark: This is not the capital that -- where you already have several million dollars...

Management and Budget Director Kleiman: Right.

City Manager Swanson-Rivenbark: In the budget.

Management and Budget Director Kleiman: And this is additional money...

Mayor Valdes-Fauli: This is new money.

Management and Budget Director Kleiman: For the envelope of 427 Biltmore Way.

Commissioner Lago: Do we have any money -- I see recycling containing in parks and right-of-ways. Do we have any monies for -- are we testing out the new recycling containers that are potentially going to be rolled out in the residential neighborhoods or -- I had five recycling containers this morning at my house with no top.

Assistant Public Works Director Osgood: The red ones.

Commissioner Lago: And guess what happened yesterday.

Vice Mayor Keon: The rain.

Assistant Public Works Director Osgood: It rained.

Commissioner Lago: In the middle of the night. So, when I got up, I went to the containers and I was just dismayed at all the effort that I had put to break the boxes down, to put everything

away. And I just literally sat there and I just said, you know, I don't even know -- the guys took it, but I mean, I know they threw it away.

City Manager Swanson-Rivenbark: So, we know the issue of recycling with large containers that are covered -- we know because of the marketing study that was done from University of Miami, that that's critical. We also know that when we went out and discussed it with the residents in the past, there was some misunderstanding that we would not continue the backyard pickup. The backyard pickup is signature to the city, where we would go, get it, and bring it back. Do you want to talk about the concept of the pilot and...

Commissioner Lago: Madam City Manager, let me interrupt you just one second, because I want to give your statement the respect that it deserves. You're being too kind. It was more of a political issue in that in the previous election that somebody used it as a ploy to kind of divert us from the topic. So, I agree with you 110 percent. I don't want to derail the conversation. I just want to know, do we have any monies available because, I mean, it just gets to the point where we've been discussing it, I think, for about two years now, and I know that we're studying it. It's simple containers with lids, because it's just not working anymore.

Assistant Public Works Director Osgood: One preliminary step we have taken, which is operationally going to be really significant is we're replacing the old recycling trucks that are on the street. We've seen those four trucks that are obsolete now. They have the contain -- the compartments on the side. They're really difficult to handle cardboard. And we -- I think Steve can correct me if I'm wrong -- but I think we've gotten two trucks already in that will replace two of the four, with another two coming next year. So -- and those will be ready for a pilot, if we do a pilot -- if the Commission decides to do a pilot that can take those blue containers and tip them into the rear loader, which is what those trucks will be. They compact, which our current trucks do not, so operationally, we expect to see an increase in efficiency, the ability to -- even from the...

Commissioner Lago: Cardboard, the cardboard perspective.

Assistant Public Works Director Osgood: Cardboard, especially. And you know, you've seen the way that our team has to collect that material. You've all seen it. They do it by hand. They wheel carts. They come back to the trucks. Now, instead of having to, you know, kind of put the stuff onto the side of the trucks, they'll be able to load it easily into the rear of the truck, which will be an increase in efficiency. It will be operationally more efficient.

Commissioner Lago: I just want to make it clear that we're going to continue with backyard pickup, but I would like to see in the near future, if possible, maybe a neighborhood who would volunteer to do it. I think my neighborhood would do it. I imagine anybody here who's interested in it, so that we can roll out these larger bins for recycling. I think you're going to see the neighbors be very happy about it. I haven't met one neighbor that opposes it, especially if you add the top to it.

Assistant Public Works Director Osgood: And you're right. It would...

City Manager Swanson-Rivenbark: And with the idea that it's back there and we'll go get it...

Commissioner Lago: Yes.

City Manager Swanson-Rivenbark: And we'll bring it out...

Assistant Public Works Director Osgood: Yeah.

City Manager Swanson-Rivenbark: And, then we'll put it back where it belongs.

Commissioner Lago: But, can we maybe look at that for the budget? And kind of speak with our sustainability team and find out if there's -- what would it cost to do a pilot program for that...

Assistant Public Works Director Osgood: Sure. We have all that data and we can talk with the...

Vice Mayor Keon: Who has expressed an interest in doing it is Old Cutler Bay.

Commissioner Lago: Yeah.

Vice Mayor Keon: Has expressed an interest in doing recycling -- in additional recycling. So, that's such an easily contained area that, you know, you may want to -- you could talk to the homeowner's association in Old Cutler Bay and maybe have that discussion.

Commissioner Lago: I bet you if you chose randomly ten blocks on recycling day, you took away their old bins and you left -- at my house, for example, you left me five bins, four bins that were larger, that had a top, I bet you would get -- you know, everybody would be super ecstatic about it. I mean, it would -- I don't think you would hear anybody say that they oppose it. I got to drag five bins out there. Or if you could just leave me two bins. Alright, just putting it out there.

Assistant Public Works Director Osgood: No, great, thank you. And probably, once we do the pilot, we will do a pilot in the south part of town and I could see a pilot in the north part of town to see how that works. Thank you.

Commissioner Lago: Thank you.

Management & Budget Director Kleiman: We can work with John for a change item for the September hearings, or depending on what the cost will be, if we can find money this year, but we'll have to discuss that with the City Manager.

Commissioner Lago: I just wanted to bring it before my colleagues because, again, they're going to -- like Commissioner Mena and I discussed about bike sharing, bikes, parks, all kind of different things, bike infrastructure, I want to be on the same page, you know, in reference to what we maybe want to change up in the budget and increase or decrease.

Management & Budget Director Kleiman: And, just -- as you can see with this slide, this is just the new monies that we're giving for capital projects in FY18. But, if you take a look at the capital section in the book, which I believe is around page 65 or so, it does give prior available information for each of the projects and the total available. Historic facility repairs, \$2 million. Motor pool equipment, \$3.2 million. Parking projects, \$1.6 million. And, most of these are continuations of older projects. This is the second and third and fourth years.

Commissioner Lago: Can you give me just a breakdown on the motor pool...

Management & Budget Director Kleiman: Yes.

Commissioner Lago: How many electric vehicles we'll buy? Are we substituting...

Management & Budget Director Kleiman: It's actually in your book, but yes, we could get...

Commissioner Lago: I left my book...

Management & Budget Director Kleiman: Not on the slide.

Commissioner Lago: I left my book.

Management & Budget Director Kleiman: Yeah, no. We'll get that for you.

Commissioner Lago: Okay, perfect.

Management & Budget Director Kleiman: We can email you just the document.

Commissioner Lago: Thank you.

Management & Budget Director Kleiman: Sure.

Commissioner Mena: On the Biltmore bridges, I thought we talked about it'd be 1.8. I see it at \$2 million. Is that just like conservative budgeting or is there...

Commissioner Lago: Soft costs, probably.

Management & Budget Director Kleiman: At the time the budget was put together, that was our best estimate...

Commissioner Mena: Okay.

Management & Budget Director Kleiman: Of what it would be. I mean, as we saw today, I saw 1.6, but I think there are other components, maybe some soft costs which (INAUDIBLE) included there.

Commissioner Mena: Okay.

Management & Budget Director Kleiman: Okay, parks and recreation equipment -- repairs, that's \$3.3 million. Just let me point out that the third item down, the major repair, almost 1.4,

that is the parks matrix. It's ongoing, and that is funding the parks for all items, all amenities for the long haul and replacing everything according to schedule.

Commissioner Lago: How much do we have right now in reference to purchase of land?

Management & Budget Director Kleiman: As of FY17, \$1.5 million, which will be 1.8.

City Manager Swanson-Rivenbark: And remember, that does not include impact fees.

Commissioner Lago: Yeah, the one...

City Manager Swanson-Rivenbark: This is the -- your decision to put \$300,000 a year away. So, the total amount in -- when this new budget comes will be...

Management & Budget Director Kleiman: 1.8.

City Manager Swanson-Rivenbark: \$1.8 million.

Commissioner Lago: Do we have any properties right now that we're looking at as potentially...

City Manager Swanson-Rivenbark: We're always looking.

Commissioner Lago: Okay. I would like to see that number bumped up a little bit. I mean, I know that we have the ten-year, \$21 million impact fee, but I know how you feel about that.

Commissioner Mena: I mean, I'll -- you know, we're talking budget in terms of you're going to increase the budget...

Commissioner Lago: Brainstorming. I mean, we're just...

Commissioner Mena: No, no, no.

Commissioner Lago: We got to take it from somewhere.

Commissioner Mena: No, no.

Commissioner Lago: That's it.

Commissioner Mena: And I'm with you on trying to have more parks, for sure. But, my question is the amount that we've allocated the previous year, that we currently have allocated, how has that worked for us operationally? What has that enabled us to do?

Commissioner Lago: It really hasn't...

Commissioner Mena: Have we been short on...

Commissioner Lago: It really hasn't worked. The reason why we were able to buy these six parks was because there was fees -- there was garbage fees that hadn't been collected.

City Manager Swanson-Rivenbark: And neighborhood renaissance monies...

Commissioner Lago: Yeah, and the neighborhood renaissance...

City Manager Swanson-Rivenbark: That were reallocated.

Commissioner Lago: Yeah, reallocation of funds. So, it's never -- we've never -- let me not say never. Since I've been here, we never purchased parkland based on what we've been allocating, you know, on a yearly basis. We have, over the last five years, \$1.5 million, and we've got that

in the coffers. But, I'd like to see if maybe we can increase it a little bit more. I mean, again, you can never have enough green space, especially when you got kids.

Commissioner Mena: Yeah. I also -- you know, part of that discussion, I think we also -- not just acquiring new parks, but also improving existing parks that are, you know, not being maintained as well as we'd like them to be. I know there's a lot of talk about Phillips Park, but there's other parks as well that I think -- you know, I want to make sure the existing parks we have, especially the bigger ones, are well maintained and up to date.

Commissioner Lago: Well, just so you know, the impact fees of the -- the parks impact fees, the additional .5, the ten-year over \$21 million, that's for the acquisition. That's not for the renovation or maintenance.

Commissioner Mena: Right. Right, but in...

Commissioner Lago: You make sense.

Commissioner Mena: Discussing...

Commissioner Lago: You make sense. I mean, you're acquiring all of these properties and then, at the end of the day, we have to find a way to maintain them and keep them up to our standards.

Management & Budget Director Kleiman: Do you have a number in mind for...

Commissioner Lago: No, talking openly. I mean...

City Manager Swanson-Rivenbark: And just...

Commissioner Lago: You know, we don't get to have these conversations, you know...

Commissioner Mena: Right.

Commissioner Lago: Very often.

City Manager Swanson-Rivenbark: So, in the total parks and recreation improvement projects, in the five-year plan, which is included in your budget -- and I am so sorry that it is so -- the font is so small. But, over the next project total -- over the next five years, the amount is like \$38 million. So, he's got increases over time in the -- and I'll just pass this to any Commissioner that is interested to see that your comment about the conditions of the parks have been a priority of the Commission. And so, there's a matrix that addresses repair that had never been addressed before. So, roof and, you know, irrigation and...

Commissioner Mena: Shade.

City Manager Swanson-Rivenbark: All of those pieces of it have been loaded into the annual program in a five-year plan.

Management & Budget Director Kleiman: Yeah. Thank you. And just keep in mind, we're also, as you can see, developing passive parks, \$875,000. That's to renovate the five pieces that we purchased already.

Commissioner Lago: Okay.

Management & Budget Director Kleiman: Public safety improvements, \$1.6 million. Transportation and right-of-way improvements -- this is the big one -- this is almost \$4.4 million. This does include an additional \$1.5 million for Miracle Mile. And then, it also includes a large sum of money for all the sidewalk infrastructure improvements that the City wants to do.

Commissioner Lago: And this doesn't also include the additional improvements around the University of Miami, which are being done.

Management & Budget Director Kleiman: I can't tell you for what locations, but this is part of the program that we've been funding. If you want more locations, we'd have to bring Jessica up.

Commissioner Lago: No, no. No, I'm just telling him. That's not included, obviously, because that's the responsibility of the University of Miami.

Management & Budget Director Kleiman: Oh, yeah, no. Then this would not be included there. Utility repairs and improvements -- the only change is going to be on here for the adopted budget is that \$2 million is going to go down to \$1,445,000. Okay, employee classification. We've pretty much toed the line. The only increase you have -- this year going -- FY18 over FY17 are five additional NSAs full-time. everything else has stayed the same. The proposed millage rate is the same as it was in FY16 and 17, 5.559 mills. The estimated average taxable value of a homesteaded property is \$621,000, up from \$591,000 last year. And you can see, if you apply the 5.559 to it, the Coral Gables portion of the tax would go up \$166 from last year. Now, we'll get to some of our favorite slides. These are the five full-service cities in Miami-Dade County. And you can see Coral Gables is next to the bottom, not on the lowest, but next to the lowest, and that's quite impressive, considering the amount of services that the City offers.

City Manager Swanson-Rivenbark: Can you explain why Key Biscayne is a different example than the other cities that are listed there?

Management & Budget Director Kleiman: Yes. Actually, it's two main concerns -- actually, lack of concerns for them. They don't have the legacy problem we have with our pension, and most of their properties are not homesteaded, so that cap that limits our value increases, they don't have that. And another one of our favorite slides, this lists all the cities in Miami-Dade County. The blue bars are the full-service cities, except for the gold one is Coral Gables. This is

another view now comparing us to the other full-service cities and the non-full-service cities. And as far to the left you go is the best, so you can see Coral Gables is situated very nicely. And the pie. This is a dollar. This is what every dollar or tax that your residents will pay, 30 cents goes to the City, 29 cents to the County, 2 cents for regional and 39 cents to the School Board. Now, one thing everyone has to keep in mind is that most -- the vast majority of the services that residents enjoy come from the City, so that's what that 30 cents per dollar is getting.

Vice Mayor Keon: What is regional? What does regional...

Management & Budget Director Kleiman: There's...

Vice Mayor Keon: Mean if it's not County.

Management & Budget Director Kleiman: The water district -- I don't have them minimized, but there's just some very small items.

Vice Mayor Keon: Oh.

Management & Budget Director Kleiman: Originally, this slide said state and it really wasn't the state. It was more regional items and it's all within Miami-Dade. But, I think it's -- I think -- they're different authorities within -- outside...

Vice Mayor Keon: Oh.

Management & Budget Director Kleiman: The County government that those taxes go to.

Vice Mayor Keon: Oh, okay.

Management & Budget Director Kleiman: The annual pension contributions. And, as we promised, we increased the payment by the 1.25 percent. And, you can see the extra payment for FY18 is going to be \$3.348 million. This current year, it was \$3.232 million. And, you could also see at the very, very top, the interest in participating in the 401k program, as opposed to the pension is increasing, which is where the City wants to go, because that reduces risk. And this is the general fund reserve analysis. We are maintaining our 25 percent of operating budget. The 25 percent that is held in reserves right now is of the FY17 budget. When we close out FY17, we will adjust the reserves to bring it up to what's needed for the FY18 budget. And be assured also that we do not touch that money. That money, we make believe it is not there. Any touching of fund balance is a planned use for capital projects or one-time needs. Now, this is that slide I promised you. These are the changes that we know so far. The additional property tax values -- it went from 15.128 to 15.172, and that brings in an additional \$232,000. Now, unfortunately, this is the first year in many years that the half-cent sales tax that we get from the County is going down. The trend has been going up. I actually upped the increase by \$100,000 for this year, and now I have to go down in the fall by 125, so that's going to eat up some of what we just gained on the taxes.

City Manager Swanson-Rivenbark: But we're challenging that figure.

Management & Budget Director Kleiman: Well, we're going to be reviewing it. We want to make sure that they did this correctly. And in the future, you know, we have a nice, robust internal audit program. There's nothing to stop us from actually doing an internal audit on any of the revenue sources that we have. It could be FPL. It could be...

Commissioner Quesada: We would get -- I'm sorry to cut you off. But we would get, what, like 1.3 from the half-penny sales tax, \$1.3 million?

Management & Budget Director Kleiman: No. I think it's more than that.

Commissioner Quesada: Is it more than that?

Management & Budget Director Kleiman: Yeah, I think so. If you give me a moment, I can pull it up.

City Manager Swanson-Rivenbark: But it's calculated by population. It's not calculated by how much you're actually generating when you're -- I'm sorry. It's calculated by population. It's not calculated by the amount that's actually generated by the community. And so, it gets allocated among the entire state. So, high growth -- we're not a high growth, nor do we want to be. High growth populated cities will be winners on this equation. And those that are slow will not be. So, we're -- we are going to challenge, though, on that calculation.

Management & Budget Director Kleiman: So, right now, we're budgeted \$3.98 million for the half-cent. This is not -- let's not mix this up with the CITT money, which funds the trolley. This is completely different. So, we're going to lower the \$3.98 million by \$125,000. And then for the local option fuel tax, we're getting an additional \$25,000. Total changes known to date, \$132,000, so the budget's going to go up by that amount. And, this will change this other thing that's coming up that we do not know yet from the County. They haven't released -- from the state. They haven't released those numbers yet.

Commissioner Mena: You said you had budgeted an increase of 100,000 stemming from the half-cent sales and what...

Management & Budget Director Kleiman: Right, over last year's number.

Commissioner Mena: So, we're talking about a net 225 difference there?

Management & Budget Director Kleiman: No.

Commissioner Mena: In terms of the budget.

Management & Budget Director Kleiman: Last year, I budgeted \$3,880,000. The budget estimate you have before you has \$3.98 million. I'm going to lower that by \$125,000.

Commissioner Mena: The 3.98?

Management & Budget Director Kleiman: Yeah.

Commissioner Mena: Okay.

Management & Budget Director Kleiman: Okay. And one item is still outstanding. Last year, it's been -- remember, we had to take a rather large hit on the communications services tax, because of a one-time item that by law we had to pay back, which was a pass-through. So, we're hoping this all gets reinstated. We don't know those numbers yet. So, right now, I've reinstated \$600,000 of the \$800,000 that we lost last year. I tried to be conservative. Hopefully, those numbers are correct and we won't have to make a further adjustment.

City Manager Swanson-Rivenbark: And, we don't know them because we haven't been provided them yet.

Management & Budget Director Kleiman: Right.

City Manager Swanson-Rivenbark: For some reason, there's a lag with when the state will notify.

Management & Budget Director Kleiman: Yeah. They say they'll be -- by mid-July, the numbers will be available. And that is the end of the presentation. If anybody has any questions, please don't hesitate. And of course, after this meeting, you can always reach out to us.

Mayor Valdes-Fauli: Thank you.

Management & Budget Director Kleiman: Okay.

Mayor Valdes-Fauli: Thank you very much. Great presentation.

Unidentified Speaker: So, we have to read the resolution.

City Manager Swanson-Rivenbark: Yes, but you may have some questions from the Commission.