

**City of Coral Gables
First Budget Hearing
September 10, 2020
Virtual Meeting
405 Biltmore Way, Coral Gables, FL**

City Commission

**Mayor Raul Valdes-Fauli
Vice Mayor Vince Lago
Commissioner Jorge Fors, Jr.
Commissioner Pat Keon
Commissioner Michael Mena**

City Staff

**City Manager, Peter Iglesias
City Attorney, Miriam Ramos
City Clerk, Billy Urquia
Budget Director, Keith Kleiman
Finance Director, Diana Gomez**

Public Speaker(s)

Javier Banos

Start [5:01p.m.]

Mayor Valdes-Fauli: Shall we get started, Peter.

City Manager Iglesias: Yes sir. Yes Mayor.

Mayor Valdes-Fauli: Do we have a quorum?

City Clerk Urquia: Yes, Mr. Mayor, you do.

Mayor Valdes-Fauli: Okay. Perfect.

City Manager Iglesias: Thank you Mayor. I will turn the meeting over to our Finance Director Diana Gomez and her Budget Director Keith Kleiman.

Budget Director Kleiman: Thank you Mr. Manager. Good evening Mayor, Vice Mayor, and Commissioners, we are here to discuss the FY21 Annual Budget. This is the first of two hearings,

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the first will be tonight, the second one is on the 22nd. Can everyone see the meeting, I just lost visual?

Finance Director Gomez: Yes, its fine Keith.

Budget Director Kleiman: Its fine now, okay.

Mayor Valdes-Fauli: Now it is.

Budget Director Kleiman: Alright, very good. Okay. So, we are first going to go through the presentation. There will be a time for public questions, and we will also then ask the Commission to vote on the legislation, the millage rate and to vote the budget in for the first reading of the ordinances. I'm going to share my screen. Is everybody seeing this now on full screen.

All: Yes.

Budget Director Kleiman: Okay. The first slide is our budget calendar. As you can see, we've made it almost all the way through, we are down to September 10th, which is the first Budget Hearing, the second Budget Hearing, as I said is September 22nd. It will also be at 5:01 p.m. As you know, its been a tough year for FY20. The pandemic started in mid-March, and at that time we started developing our methodology, the handling the fiscal impact that the pandemic would have on the city. We looked at it as a three-year event. Its going to affect FY20, as you all know, FY21, and possibly FY22. Now, the main thing that we want everyone to understand is that the goal here is to keep each fiscal year's potential shortfall contained to that fiscal year without the use of Fund Balance. And right now, we have projected FY20 to do just that, and FY21 and FY22 are planned to do just that. Can I ask everybody, are you seeing the full screen, are you seeing a screen that has next slide on it.

Finance Director Gomez: Yes, we are seeing the next slide Keith. You need to change.

Budget Director Kleiman: I'm going to see if I can fix that. Give me one second.

City Clerk Urquia: Keith, if you go up to display settings and you just select full screen on the top.

Budget Director Kleiman: Yes.

City Clerk Urquia: Click on the presentation slide show.

Budget Director Kleiman: Its down at the bottom, isn't it?

City Clerk Urquia: Yes.

Budget Director Kleiman: Yes, that's what I have. That's what I was doing.

City Clerk Urquia: Up top where it says slide show.

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Budget Director Kleiman: Is this it here? – no.

City Clerk Urquia: Keep going up.

Finance Director Gomez: Slide show to the right, keep going over to the right.

Budget Director Kleiman: That's where I was.

City Clerk Urquia: Resume slide show.

Budget Director Kleiman: What is everybody seeing?

[Meeting resumed after experiencing technical issues]

Budget Director Kleiman: Sorry about that everybody.

Mayor Valdes-Fauli: That's much better.

Budget Director Kleiman: Okay. Thank you. Sorry about that. So, as I said, the goal is to keep each fiscal year's potential shortfall contained to that fiscal year without the use of Fund Balance, and we believe we have done that successfully for each of the three years in the three-year event. For FY20 we are projecting a shortfall of \$8.2 million dollars. As most of you would remember, when we met in July, this was \$9.5 million dollars. We started working during the summer to do a full projection of expenditures and revenues and projected to the end of the fiscal year and our revenues came in slightly higher than we anticipated, and right now the potential shortfall is only \$8.2 and not \$9.5 (million). So that's very good news for us. Now, for budget reductions that are applied to the budget, we identified \$9.2 million dollars. We wanted to overextend the identification of funds, because we want to use a million of that surplus to give us an additional soft reduction in FY21. So, we'll be moving that money into FY21 and we'll have additional soft reductions if revenues do not pan out as planned for FY21. And we'll go into more detail as we move forward in these slides. FY21 potential shortfall - \$12.6 million dollars. During the workshop in July, we had rejected \$11.2 million dollars. The reason for the difference is mainly parking revenues. When we met in July, that was just when the restaurants were closing down for the second time. When in March everything came to a grinding halt, the budget which before that have been coming in 110 percent, parking revenue, specifically, 110 percent of budget, went down to about 20 percent of budget. Once the restaurants opened up again, and I believe it was maybe April or May, the parking revenues jumped up to 65 percent of normal. So, the budget that we submitted to you in July basically was looking at some sort of recovery. However, the city was closed down again, and we then re-projected a larger shortfall of \$12.6 million, instead of \$11.2 (million). Now, we balanced the budget and so we are still not touching Fund Balance. So, we will go through those details in one of the future slides. Now, just to go over the methodology. I now we talked about this in July, but for those who were not present at that point, we applied hard reductions and soft reductions. Hard reductions are items eliminated from the budget to balance expenses to projected revenues. That is by law we have to present a balanced budget. Soft

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reductions are additional items identified but remain funded in a holding code until sufficient revenue activity is confirmed. And for instance, we will look at, for instance we will look at Public Works and we took some professional services expenditures. We deducted it from the professional services line and put it in a holding code within the same division. It cannot be spent unless we make revenues. For FY21, we had to come up with \$12.6 million dollars to cover the expected shortfall and that comes out to vacancies. We have frozen vacancies that's \$1.9 million. We reduced operating expense of \$2.2, those are hard reductions; reduced capital transfer from the General Fund of \$4.6 million, and that's from recurring revenues; reduced the capital contingency in the General Fund by \$1 million; reduced reserve for future debt by \$1.2 million; adjust for compensated absences \$950,000; reduced the fleet replacement for one year, FY21 of \$495,000; and we had a health insurance adjustment of \$280,000. That adds up to \$12.6 (million) and we present you with a balanced budget. Now in addition, as I said, in case revenues do not pan out and we believe that they will, and we actually believe they will come in higher than we are projecting, but we want to be very conservative. But in the case that they do not pan out, we have set aside contingency for budget reductions of \$5.4 million in the non-departmental division, we can reduce reserve for future debt an additional \$600,000; and we have money set aside in pension stabilization of \$1 million dollars. So that's a goodly sum in case we cannot make up our budget. We really don't intend to use this, but we have that available just in case. Sorry?

Vice Mayor Lago: Just a quick question.

Budget Director Kleiman: Sure.

Vice Mayor Lago: In regard to reserves for future debt. Can you go through that line item, what do we currently have in that line item? Like you mentioned before, if we needed \$600,000, we are reducing about \$1.2 million. What do we have in that line item right now?

Budget Director Kleiman: Okay. For FY20, we budget \$1.8 million dollars coming from parking fees, because the Commission approved a parking fee increase to cover debt service for Garage 1. Now, we did it in advance so we can start collecting some money to have a cushion. So, for FY20, we budgeted \$1.8 million dollars. In theory the budget is always the same for the next fiscal year. So, we have the money set aside in FY20, okay. Now, for FY – we still have that money coming out of the parking budget, but we're reducing the parking budget by \$1.2 (million) okay, because we have to look at what the recurring revenue structure is at the beginning and then we reduce it by \$1.2 (million) and that leaves a balance of \$600,000 that is still budgeted going to the debt service fund as a cushion. So, we still have that available, its balanced with the parking revenue and we can fall back on that and use it if other revenues do not come in.

Vice Mayor Lago: Okay. Thank you.

Budget Director Kleiman: Now FY22 – because we always start each year with the adopted budget of the previous year, these items will still be in there. We did not build the FY21 budget based on the use of any of the items, these are all from recurring revenues, aside from the pension stabilization, but we are not using – this is the second million dollars we have available there. We have a \$2 million reserve. We are using a million of it in FY21, possibly if we need to, and then

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in FY22, we have a second million dollars. The others are there because they are recurring revenues, but we will have those there as well. Now moving onto the Budget Summary. We are presenting the budget of annual revenues of \$188.6 million dollars. There is planned use of Fund Balance of \$23.1 million, for a total revenue budget of \$211.7 million dollars. On the expenditure side, we have an operating budget of \$172.8 million; capital expenditures of \$27 million; and debt service of \$10.3 million; transfers to reserves of \$1.6 million for a balanced budget of \$211.7 million dollars. Revenue increases affecting the budget. Typically, we have many more line items on the budget, but for FY21 its going to be conservative. Property tax \$2.7 million, that is based on the increase in values. The numbers we presented to you in July were based on 2.7 percent increase. With the July 1 numbers, we come up to actually 3 percent increase in value. So, the property tax increase is \$2.7 million dollars. Sanitary Sewer Fees – this is based on the fee increase that was approved about a month ago, \$763,000. The Storm Water Utility Fee, \$545,000, that's \$100,000 of just better collections and \$454 that's going straight to the sea level rise project. Public Safety Fees is just trend of \$130,000. Refuse Collection Fees early payment – this is a trend \$97,000, we are projecting higher use of the early payment, which is not so great for us, but its good for the residents. Parking Rental Retail Space escalations on leases, \$78,000, and then the rest are minor. Revenue decreases affecting the budget. Now these look terminal, but they are not. Most of these are reappropriations from prior year. Intergovernmental revenues, the majority of the \$4.1 million items are onetime grants that are in the budget. Parking Fees, that is a decrease. We are projecting parking fees down \$3.6 million, but we still have a balanced Parking Budget and a balanced General Fund. Developer Fees that's a onetime item from Agave at \$2.7 million. General Fund Investment Earnings – obviously the market has gone down, we are projecting only \$520,000 for the year, that's a considerable decrease from FY20. Miami-Dade County Roadway Impact Fees – that's a grant from Miami-Dade County, that's one time. If we do not spend it in FY20, we will reappropriate this into FY21. And the same goes for the first item on this slide, the Intergovernmental Revenues. Any grants in there that are not spent by the end of the year will be reappropriated in October. Permit Fees are down almost \$800,000. Capital Project Investment Earnings that's down \$468,000. We are going very, very conservative and not projecting interest there. We do expect some interest, at this point its going to be much lower than we would expect, so we are leaving it blank. Other revenue decreases are small in numbers that come up to \$3.8 million. We have total revenue changes of \$15.6 million and the total budget, operating budget is \$188,601 (million), operating revenue budget I should say. On the expenditure side. Salaries – they are down \$1.7 million because of the frozen positions. Overtime is down \$180,000, that is due to onetime overtime money that we put in in FY20. There is no change to the regular overtime budget other than the one taking the onetime item out. Under Employee Benefits – the retirement amount, the payment to the pension is going up by \$675,000, that is due to the annual indexing that we do and a change in assumption that we are covering. FICA, \$128,000, that is directly related to the frozen positions, the decrease, 7.65 percent. Workers Comp is just a minor adjustment of \$3,000. Health and OPEB is due to a onetime Cigna credit that came in for FY20, it is not available to us for FY21. And other miscellaneous benefits, a change of \$1,500. The total Personal Services Budget is \$118.6 million.

Commissioner Mena: A quick question Keith.

Budget Director Kleiman: Yes.

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Commissioner Mena: And I apologize if this was asked. I had somebody come into my office for a second. When you are at the salary number that you are budgeting, but you are not filling a position, how does that work?

Budget Director Kleiman: We have zeroed out the salaries for those positions. The positions that are still authorized, so the headcount is not changing from 846, but the positions are zeroed out.

Commissioner Mena: Okay. So, take for example Historic Preservation Director has not been filled. You are saying you zeroed out that salary?

Budget Director Kleinman: That's an exceptional position. For the initial budget for the July 1 budget, it was frozen, however, we are going to fund that. You will see that funded in the adopted budget and that change will come during the second hearing.

Vice Mayor Lago: So how many open positions are we not filling currently?

Budget Director Kleiman: I believe the amount of frozen positions is somewhere near about 25, and of course none of them are Public Safety.

Vice Mayor Lago: Okay.

Mayor Valdes-Fauli: Alright.

Budget Director Kleiman: Okay. On the operating side, you can see there is some goodly amount of negative numbers here. Some of them are due to budget reductions, most of them are due to reappropriations, onetime items. Professional Services, \$1.5 million, some of that are onetime items in the budget, but most of it is due to budget reductions, and soft reductions. The soft reductions you often see are somewhere else in the budget. They are in the contingency line; you'll see that that number down of \$4.4 million is an increase. So, some of the professional services is down, it was cut permanently, some of it was cut as a soft reduction. Repairs, Maintenance and Miscellaneous Services, most of that has to do with wastewater treatment and sanitary sewer. And that was part of the fee increase. And if you look at Park Supplies, Equipment Replacements and additions, grants and fleet equipment and non-operating, all of those were onetime items in the budget that will not repeat for FY21. Now just to zero in on debt, employee payouts and contingencies, \$4.4 million. That is a net change to that grouping of accounts and the majority of that is for the soft reductions that are now housed in those accounts. So, the total change to the operating budget is \$3.7 million. The total operating budget is \$172.8 million on the expenditure side. This slide was requested by the Budget Advisory Board. They wanted us to show the cost of labor. And as you can see, the percentage in the right-hand column is the total percent of the salaries and benefits of that department's operating budget. The final row here total personnel benefits that is 68.6 percent of the total operating budget. So, you can see there are many departments that are almost all labor and they are labor intensive. They don't have a lot of operating cost.

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Commissioner Keon: What was the operating budget again, the total operating budget?

Budget Director Kleiman: \$172. – hold on a second, let me go back - \$172.8 million dollars.

Commissioner Keon: Oh, okay.

Budget Director Kleiman: Its just operating now, its not capital or not debt.

Commissioner Keon: No, no, no.

Mayor Valdes-Fauli: Thank you.

Budget Director Kleiman: Okay. Employee Classification – as you can see there is no change from FY20. We are still proposing a budget for 846 fulltime positions, however, a goodly number of them are frozen and they will only get to be unfrozen if the City Manager sees that the revenue is coming in higher than budgeted. Now we are going to go through the Capital Budget, just the FY21 component. The five-year plan will be presented to you at the next budget hearing on the 22nd. So, I'm just going to read the totals of each category. If anyone has any questions, please stop me and we will bring in the appropriate director to talk about his or her item. Capital Equipment, \$1.1 million; Facilities Repairs and Improvements, \$1.4 million; Historic Facility and Repairs and Restorations, \$2.7 million; Motor Pool Equipment, \$2.9 million; Parking Repairs and Improvements, \$7.6 million; Parks and Recreation Repairs and Improvements, \$3.4 million; Public Safety Improvements, \$800,000; Transportation and Right-of-way Improvements, \$1.6 million; and Utility Repairs Improvement Projects, the total is on the next page, \$8.4 million. Total Capital, which includes vehicles in this slide, \$30 million. Just as a bit of understanding, the motor vehicles are distributed in the operating budget. They are on these slides for presentation purposes only. If you look at the total budget of the city, you'll see the capital at \$27 million. Okay. This is just for illustration purposes. The proposed tax rate is 5.559. This will be the sixth consecutive year that we've maintained the same millage rate. Now, this slide, the information comes from the Property Appraiser. The items here are average taxable value of Homesteaded property. Now, these numbers, like if you look at now under 2020, which is tax year 2020, which is the budget year we are going into. The taxable value is \$704.6 thousand dollars. Now that is considerably higher than the 2019 of 654. It is not – it doesn't pay homage to the 3 percent cap. And the reason for that is it includes new construction and any additions that were done in renovations. So, even though that percentage between the two years is considerably higher than three percent, we are keeping the three percent cap here to show people that whatever your value is, its capped at three percent if you are Homesteaded. Okay. You can see the estimated Coral Gables portion of the property tax is \$3,917 based on a value of \$705,000, and that is a proposed increase of \$280 for a house of that value. Now if you take that same value and apply it to the millage rates of the other full-service cities in Miami-Dade County, you can see where we stand. Okay. The only one that is less than ours is Key Biscayne, because their millage is considerably less than ours, it's at 3.2. The other full-service cities are considerably higher. Now this slide shows the property accounts, which is almost 20,000 properties and it shows the breakdown by percentage of Homesteaded residential, non-Homesteaded residential, commercial and all others. This slide has the same breakdown, except it is for the actual value of tax revenue. So, you can see Homesteaded, non-Homesteaded,

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commercial, and all others. Now this is a similar slide, but now you can see it, it's a pie chart. The numbers are the same, however, you can see the percentages. So, we know that commercial and all others adds up to about 27 percent, the rest of it is residential.

Commissioner Keon: But is the non-Homesteaded residential primarily apartments and that sort of thing?

Budget Director Kleiman: No. It could be homes that are...

Commissioner Keon: I thought they were more likely, a larger percentage than rental apartments. We don't know that.

Budget Director Kleiman: Yes. I don't know. We could look into it and see if we can find out.

Commissioner Keon: You could ask if those are rental apartments as opposed to single family homes.

Budget Director Kleiman: Okay.

Commissioner Keon: Thank you.

Budget Director Kleiman: No problem. Ten-year municipal millage rates for full-service cities by tax year. You can see Coral Gables is the orange and we are second from the bottom and that's a good thing. We want to be lowest. These are the five full-service cities. And here we are maintaining our standing of 11 in the county. We have to consider that we give the residents the vast majority of their services. The best slide in the entire pack shows where we are with the dollar of taxes. Coral Gables is at 29 cents, Miami-Dade County is 31 cents, regional is 2 cents and School Board is 38 cents. For the annual pension contributions. You can see that we are improving. We have the additional payment right now at \$5.2. The arch is at 23.6. There will be a minor change to this for the second hearing. There is an additional valuation that the city has just received, not in time to put it into this presentation. The numbers will change mildly, nothing drastic. We still will have over a \$5 million additional payment for the pension. Here you can see we are going in the right direction. We are at 65.1 percent funded; 34.9 percent unfunded. Now our General Fund Reserve analysis. We are currently sitting at the end of FY19 is when we calculate what the reserve is, and it is about 16 to 17 percent. It will go up considerably when we close out FY20, because the City has received several million dollars from FEMA, and those dollars will be restored to the 25 percent reserve. And that is the end of the presentation. Does anybody have any questions?

Mayor Valdes-Fauli: Are there any comments from the Commission?

Commissioner Keon: No. Thank you.

Mayor Valdes-Fauli: Very good presentation.

Vice Mayor Lago: Yes. The presentation – in regard to the presentation and staff, I think its wonderful as always. Its very educational for anybody who is tuning in. I just want to commend the City Manager and all of the staff for making a very prudent decision, even though we had a significant delta, over a million dollars of less losses that were expected for this year as a result of Covid and rolling that over, I think was a very smart decision in preparation. You can never be too conservative fiscally, so I just want to commend the City Manager and the Finance team and everyone who's on today at Zoom for really thinking ahead. Next year is obviously be a little bit bumpy. Obviously, by the forecast that you showed a few moments ago, but I think that good decisions are being made and I just wanted to commend all of you for that work. So, thank you.

Budget Director Kleiman: Thank you very much.

Mayor Valdes-Fauli: I have a question. The projects that are coming online and the permit trees for new projects, I'm talking about Plaza, I'm talking about the new ALF on Ponce and south, that will have a very positive impact next year, won't it?

Budget Director Kleiman: It depends on when they actually enter the tax rolls. So, we do not budget for that right now.

Mayor Valdes-Fauli: I know. I know. But for our information.

Budget Director Kleiman: Potential – yes.

Mayor Valdes-Fauli: Okay.

Budget Director Kleiman: Absolutely.

City Manager Iglesias: Mayor, I don't think the ALF's will come in for next year. They will come in for the year after, but for next year we do have Paseo, we do have Agave Phase 1, we do have Gables Station and some of these. But probably those two projects will probably not come in because they won't be TCO'd before January 1st.

Mayor Valdes-Fauli: Okay.

Commissioner Keon: Peter, do they come on the tax roll when they are TCO'd or CO'd?

City Manager Iglesias: TCO. Once the buildings are...

Commissioner Keon: Tax – Okay. Thank you.

Mayor Valdes-Fauli: Okay. Are there any comments, questions from the Commission?

Commissioner Keon: No. Very good. Thank you.

Mayor Valdes-Fauli: Very good presentation. I join Vice Mayor Lago in congratulating you and thanking you for a very prudent planning and dealing with this pandemic.

Budget Director Kleiman: Thank you very much.

Mayor Valdes-Fauli: Miriam where do we go from here?

City Attorney Ramos: On the second item, sir, is a public hearing to obtain comments relative to the budget. Billy, do we have anybody waiting to speak either on Zoom or on the phone?

City Clerk Urquia: No ma'am, no one has requested to speak.

Mayor Valdes-Fauli: Okay. Then...

City Attorney Ramos: I'll read the third item on the agenda, which is an Ordinance providing for the levy of taxes for Fiscal Year beginning October 1, 2020 and ending September 30, 2021, fixing the rate of such levy providing for the segregation and the application of the proceeds of such levy; providing for the severability of the provisions thereof and providing that the ordinance shall become effective October 1, 2020. Be it ordained by the City Commission of the City of Coral Gables, Florida that there is hereby levied upon all, real and personal property within the present corporate limit of the City of Coral Gables, which is assessed for taxation for the year 2020 and which is subject to taxation under the Constitution allows and the State of Florida as now written. A tax of 5.559 mills, which is a 3.64 percent increase over the rollback rate of 5.3637, all proceeds of the collection of this levy to be recorded into the General Fund of the City and shall be reserved therein and disbursed or transferred therefrom for the sole and expressed purpose of paying the necessary operating and capital expenditures of the City of Coral Gables, its departments, offices and properties for the fiscal year ending September 30, 2021.

Mayor Valdes-Fauli: Alright. Do I hear a motion?

Vice Mayor Lago: So moved.

Commissioner Keon: Second.

City Clerk Urquia: Mr. Mayor before you vote on the item, we do have one member of the public who would like to speak.

Mayor Valdes-Fauli: Alright. Please.

City Clerk Urquia: Mr. Javier Banos.

Mayor Valdes-Fauli: Alright. Mr. Banos.

Mr. Banos: Good afternoon. Couple of questions that I had with some of the items of the budget. They mentioned there is FEMA money that you have, its been nearly three years, I believe since

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most of that money came. I would like to know what did it pay. All the municipalities have received it. Is there something that Miriam or anybody else needs to do to move that process along and prodding the federal government help. I have a few other follow up questions, if I may.

Commissioner Keon: I think Diana answered that. We've been working with Representative Durand and the money has started to come back in, but Diana can certainly.

Finance Director Gomez: There is nothing that – its just delays from FEMA, but lately there has been some, we have been reaching out to our Representatives and believe that – we have been seeing some movement in the payments. As a matter of fact, today we got just under a million dollars, there is another million dollars in the pipeline, but to date, we've received about \$8.2 million. We still have a significant amount outstanding, but there is nothing that is stopping it. Its just very due process. There is a lot of back and forth. They have a lot of questions. They want to look at every single transaction, every single detail for the transaction, so it's just a time-consuming process.

Vice Mayor Lago: If I may just step in for one second. I had a conversation with Mr. Durand, State Representative Durand, along with State Representative Fernandez, not only last week, but the week before on August 21st, I was just looking back on my texts. He basically stated that he had had multiple conversations with Moskowitz' team, that he was basically getting further details, but it was really like our Finance Director said. This is an issue of the auditors, just going through a very sluggish process and the review after review. I don't want to say this, but they want to keep the money on their side as long as they possibly can. So, I know that we are diligently working on it, the city, our team, and we have the State Representatives, like I mentioned. I spoke to incoming future Speaker of the House, Danny Perez, also I mentioned that to him, saying that we are missing significant amount of money. He'll be the Speaker three years from now, excuse me, God willing. I explained to him, you know, how important this was, obviously for our reserve and how critical it was to our 25 percent goal, and how this basically is a big component to our strength financially. We are trying everything we can. I know that our lobbying team is working diligently in this effort, so hopefully we'll have, as you can see, I didn't even know our Finance team just mentioned they got a million dollars today. So good news.

Mayor Valdes-Fauli: And I have, following what the Vice Mayor is saying, I've talked to our lobbyists, I've talked to our Congress people about this delay, and there are a lot of people trying to help us with it.

Commissioner Keon: Yes. I think they told us that they are looking at the end of September to have the majority of these reimbursements made back to the city, so I think we are looking at by this fall, it should be taken care of. Its three years since Irma, but I think now with all of the people we've reached out to, and they are working on it with us, for us, that we expect that by early fall we will see all of this reimbursed.

Mayor Valdes-Fauli: Mr. Banos other questions?

Mr. Banos: Very good news and I appreciate...[inaudible]...there was good planning on their part. Following on what Commissioner Mena had asked, the 25 positions that remain open, how long has those been vacant? In other words, is it a holding effort, is it just a situation of just...[inaudible]...is it just positions that keep opening from budget year to budget year? I just want to get a little understanding of why this budget item is open one year to the other.

Budget Director Kleiman: The vacancies rotate as some are filled; others get vacated. There is always a percentage of the city's positions that are going to be vacant. We have very few that are staying open for a while and that's more of a budget planning purposes. We have new staff that has come in and they will look at their organizations and possibly make changes to them. But for the most part, positions rotate in and out. You may see five police positions, but during the time from one report to the next, those could be filled and five more vacancies that happen. So, it looks like the five is still there, but they're constantly rotating them in and out.

Finance Director Gomez: The ones that were actually frozen just happen to be what was vacant at the time that we decided to freeze it because of Covid. So those just happen to be vacant and those are the ones that we froze.

Budget Director Kleiman: Right.

Mr. Banos: And one last item. I know...

Mayor Valdes-Fauli: Mr. Banos, Mr. Banos, excuse me, but you are breaking up. You are really breaking up. I don't know what you can do.

Mr. Banos: Mr. Mayor, I'll try not to interrupt. Its really for Diana. I just want for understanding. The pension system...[inaudible]...what's the health of the pension...a new valuation at the end of this month?

Finance Director Gomez: So, your question was breaking up. I could not hear your question; you were breaking up in the connection. So, if you could try to repeat it.

Mr. Banos: I will. So, the numbers on the pension liability that you reflected are based on evaluation for that year. I just want to get a sense of the valuations, in other words, valuations now is it still a healthy plan or, I think the market is encouraging, so it should be a better valuation than it was.

Finance Director Gomez: No. So, the valuation that we are using for purposes of the amount that is due now in October is the current valuation. As of October 1, 2019, before the contribution for Fiscal 21. So, it is the most current valuation. We are not expecting another valuation till next year. So, we are using the most recent valuation.

Mr. Banos: I'm aware of that. All I'm trying to figure out is, you sit on the Board, so the valuation today for the plan seen the marking been going up, I just want to make sure there is no surprise going at the end of this fiscal year, if you have events...

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Finance Director Gomez: So, today we had a Pension Board meeting, as a matter of fact, and if rates stay the way they are, we are going to exceed our assumed rate. I think I want to say it was like twelve and-a-half percent. We re-evaluate it on September 30th so that rate doesn't mean anything today. It will be what it is on September 30th. But as of right now, if everything stays the same, stays calm in the marketplace, we should do very well this year.

Mr. Banos: So encouraging news all around. So, thank you very much.

Finance Director Gomez: Yes – absolutely.

Mayor Valdes-Fauli: Thank you very much. Anything else Mr. Banos?

Mr. Banos: That's it, sir. Thank you very much.

Mayor Valdes-Fauli: Okay. Thank you. Any other – anyone else wishes to speak Billy?

City Clerk Urquia: No Mr. Mayor.

Mayor Valdes-Fauli: Okay. Then we need a motion.

City Clerk Urquia: We have a motion, Vice Mayor made a motion, it was seconded by Commissioner Keon.

Mayor Valdes-Fauli: Okay. Any other comments. Will you call the roll please.

Commissioner Fors: Yes

Commissioner Keon: Yes

Vice Mayor Lago: Yes

Commissioner Mena: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

City Attorney Ramos: The last item sir is an Ordinance adopting the annual budget of estimated revenues and expenditures for the Fiscal Year beginning October 1, 2020 and ending September 30, 2021; providing for the separability of the provisions thereof; and providing that the ordinance shall become effective October 1, 2020....the operative portion of the ordinance. Whereas the City Manager prepared and on July 1, 2020, submitted to the Commission a Budget Estimate of the revenues and expenditures of all city departments, divisions, offices and properties commencing October 1, 2020 and copy of such estimate have been made available for public viewing at the Coral Gables Library and the Offices of the Clerk; and whereas, the Budget Estimate submitted to the Commission on July 1, 2020, in the amount of \$208,091,965 has been revised by the City Manager to include revenues and expenditure increases in the amount of \$3,617,283, bringing the total budget amount to \$211,709,248. But the following summary of estimated revenues and expenditures for the fiscal year commencing October 1, 2020 and ending September 30, 2021, is

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hereby agreed upon and adopted along with supporting data related to hereto, on file with the Finance Department of the City of Coral Gables, Florida, the official 2020-2021 Budget for City of Coral Gables, which includes total revenues in the amount of \$211,709,248; total Operating Expenditures in the amount of \$172,775,170; Capital Projects of \$27,020,828, total Debt Service appropriations in the amount of \$10,344,809; total Transfers to Reserve in the amount of \$1,568,441, for total expenditures again of \$211,709,248.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Lago: So moved.

Commissioner Keon: Second.

Mayor Valdes-Fauli: Second someone.

Commissioner Keon: Second.

Mayor Valdes-Fauli: Will you call the roll Mr. Urquia.

Commissioner Keon: Yes

Vice Mayor Lago: Yes

Commissioner Mena: Yes

Commissioner Fors: Yes

Mayor Valdes-Fauli: Yes

(Vote: 5-0)

Mayor Valdes-Fauli: Miriam.

City Attorney Ramos: That's it, sir. That completes the agenda for this hearing.

Mayor Valdes-Fauli: Alright. Any other comments by anyone?

Commissioner Keon: Thank you.

Vice Mayor Lago: Thank you.

Mayor Valdes-Fauli: Thank you very much. Meeting adjourned.

