



City of Miami Springs, Florida

The Miami Springs City Council held a **SPECIAL MEETING** in the Council Chambers at City Hall on Thursday, July 26, 2012, at 5:01 p.m.

1. Call to Order/Roll Call

The meeting was called to order at 5:02 p.m.

The following were present:

- Mayor Zavier M. Garcia
- Vice Mayor George V. Lob
- Councilwoman Jennifer Ator
- Councilwoman Grace Bain
- Councilman Bob Best

Also Present:

- City Manager Ronald K. Gorland
- Asst. City Mgr./Finance Director William Alonso
- City Attorney Jan K. Seiden
- Chief of Police Peter G. Baan
- Comptroller Alicia E. González
- City Clerk Magalí Valls
- Clerical Assistant Elora R. Sakal

2. Invocation: Councilman Best offered the invocation.

Salute to the Flag: The audience participated.

3. Proclamation – Year of the Korean War Veteran

Mayor Garcia proclaimed 2012-2013 as "Year of the Korean War Veteran" on the occasion of the 60th anniversary of the Korean War to recognize the sacrifices made by the veterans of that war.

Mayor Garcia presented the proclamation to Mr. Donald Skelton who commented that he accepted the proclamation on behalf of everyone who served in the Korean War.

4. Approval of the City Attorney's Invoice for June 2012 in the Amount of \$16,389.00

There was no discussion regarding this item.

Councilman Best moved the item. Councilwoman Ator seconded the motion which was carried 5-0 on roll call vote.

5. Recommendation that Council Approve an Expenditure of \$12,502.00 to Mason Corporation for Repairs to the Pool Slide, as a Sole Source Provider, Pursuant to Section 31.11 (E) (6) (c) of the City Code

City Manager Ronald K. Gorland stated that Mason Corporation is a company that designed, built and installed the pool slide. The request is for the repairs and replacement of all fittings and rusted galvanized slide supports with SCH aluminum including installation. The slide has been closed due to safety issues. The cost shown in the request is \$12,502 but there has been an increase in the cost due to travel cost time that is involved. The total cost now is \$14,796.

Councilwoman Ator asked if the funds are in the account and City Manager Gorland replied affirmatively.

City Manager Gorland explained that the damages were caused by chlorine and repairs are due every two to three years. It was thought that there was another year until repairs were needed to be done but unfortunately it did not work out that way.

Councilwoman Bain asked for how long the repairs would be guaranteed.

City Manager Gorland replied that there is no guarantee on how soon it will have to be repaired again. He commented that different alternatives can be looked at, but it is to his understanding that this issue is common.

Mayor Garcia asked how expenses such as the slide are allocated and Assistant City Manager/Finance Director Alonso responded that Recreation Director Omar Luna has funds for repairs and maintenance in his budget in order to account for these contingencies.

Councilwoman Ator moved the item. Vice Mayor Lob seconded the motion which was carried 5-0 on roll call vote.

6. Resolution No. 2012-3550 – A Resolution of the City Council of the City of Miami Springs Authorizing Participants in the City’s Section 401 Money Purchase Plan, ICMA-RC Plan # 107207 and Section 457 Deferred Compensation Plan, ICMA-RC Plan # 300151, to Permit Loans from the Retirement Plan Funds; Effective Date

City Attorney Jan K. Seiden read the resolution by title.

City Manager Ronald K. Gorland stated that it is recommended that Council authorize the Administration to amend the City’s 401/457 deferred Compensation Plan to allow participants to apply for loans against their investments. The City implemented, via a Resolution, a 401/457 deferred compensation plan back in the 1980’s to provide employees with another vehicle to save for their retirement.

City Manager Gorland stated that the plan was voluntary for the employees and they were able to contribute a percentage of their salary as they deemed appropriate for their individual situation. A few weeks ago, an employee of the Police Department approached the Administration regarding his inability to obtain a loan from his investment account since it appears that when the City established this plan with ICMA, the City did not check the appropriate box so that loans would be allowed.

City Manager Gorland said that in order to correct this situation, the appropriate Resolution required by ICMA has been prepared in order to allow plan members the ability to obtain loans against their accounts. As of this date, there are currently 53 employees enrolled in this plan. Attached is a copy of the loan program for Council review and the Administration recommends approval of this change.

City Manager Gorland explained that there is no cost to the City for this amendment and it is in fact a benefit because it directly affects morale. He is familiar with the 401/457 plans and he has never seen one without a borrowing option because all the funds in the plan belong to the employee.

Vice Mayor Lob moved to adopt the resolution. Councilman Best seconded the motion which was carried 5-0 on roll call vote.

Councilwoman Ator stated that in her experience, she agrees that these plans allow employees to borrow.

(Agenda Item No. 7 was discussed after Agenda Item No. 8)

7. Resolution No. 2012-3549 – A Resolution of the City Council of the City of Miami Springs Setting the Tentative Operating Millage Levy for Fiscal Year 2012-2013; Setting Time, Date and Place for Public Hearings on the Proposed 2012-2013 Budget and Tentative Millage Rate

City Attorney Jan K. Seiden read the resolution by title.

City Attorney Seiden stated that before reading the Resolution in its entirety, Council would need to fill in the blank on Section one.

City Manager Ronald K. Gorland stated that in preparation for tonight's millage rating meeting, a package of options and alternatives was prepared to assist Council in making sound financial decisions when addressing the approximately \$756,000 General Fund budget deficit the City is facing for FY2012-2013. Each 0.1 increase in millage represents an additional \$13 in property taxes annually to the average homesteaded property in the City.

Mayor Garcia clarified that this is simply to set the millage rate, which is the highest ceiling that it could possibly be and it cannot go higher. Council will work through the budget process to make the rate lower than what it is now and it cannot be set any higher than what Council sets it at tonight.

Vice Mayor Lob recommended that Council should set the millage at the first option knowing that they are not utilizing that first option and to set it lower could hinder their options. He believes that Council needs to have leverage in their discussions and they are aware that the rate will not be set as high as the first option, but it will give them the space that they need.

City Manager Gorland clarified that Vice Mayor Lob was referring to the first millage rate option of 7.6480.

Councilwoman Bain agreed with Vice Mayor Lob that Council should select the first option of 7.6480 because if they choose Option C it will limit them and their goal is to have a millage rate of Option C or D after working through the budget. She said that until Council determines what cuts are going to be made, they should not get too close and they need to give themselves some leeway.

Councilwoman Ator agreed. Option A of 7.6480 would allow Council to evaluate all of their options in the budget. She believes that last year Council put themselves in a very bad place by making the maximum millage rate at less than what they were told it would cost to run the City and they suffered for that.

Councilman Best disagreed because he cannot see raising the millage rate just to achieve something that Council should have been more responsible for as time went on and he cannot see raising taxes to that extent. This message goes out to the residents in terms of how this body wants to act going into the budget from this meeting forward and by going to 7.6480 from 6.74, in his opinion, is somewhat egregious.

Councilman Best would be in favor of a "middle of the road" approach such as a 7.1 or 7.5 millage rate. Over the last 8 years, Council has done a great job in terms of reducing the millage rate.

Mayor Garcia said that it is not so much about setting the ceiling. He is fully confident that once Council goes through the budget process, the millage rate will not be at the 7.6480 option that is being discussed. He has met with staff and looked at the potential of items that can be reduced that must be discussed by Council. He stated that he came into the meeting with a mindset of the millage rate option at 6.99 and he is confident that Council will find ways to lower the rate. If Council is comfortable with the 7.6480 millage rate and there is a majority then he is okay with that as well.

Vice Mayor Lob noted that he is comfortable at setting the rate somewhere in between and he thinks that going to 6.995 at this time would limit Council.

Mayor Garcia explained that he was also considering a rate in between and in looking at the 6.74 option and the high ceiling of 7.64, the in between rate could be 6.78 or 6.99, as recommended. He is confident that Council will work through the budget and reach a rate below 6.99, while still maintaining the current services. The number that Council sets today is also the number that every resident will receive in their proposed tax bill. He reiterated that after his discussions with Staff, he is very comfortable with 6.99.

Vice Mayor Lob commented that at the 6.99 rate, reserve funds are being utilized to create a budget and that should not be done. He does not doubt that Council can reach the expected budget, but he does not want Council be in a position where they are going to utilize reserve funds.

Councilman Best stated that with the 7.64 rate the taxes will be raised instead of using reserve funds.

Councilwoman Ator said that reserves are non-recurring income and essentially are the savings. She believes that there will be a lot of expenses that can be cut from the budget, but Council needs to be cautious of unexpected costs such as workers compensation and pension increases.

Councilman Best stated that there are going to be many departments that have an excess of funds and there will be numerous expenses to cut in order to create savings.

Vice Mayor Lob understood that some Council members do not want to get to a point where they are not comfortable with the available funds. He is in favor of setting the rate somewhere in between such as Councilman Best suggested.

Mayor Garcia explained that the in between rate does not have to be one of the options that was given to Council. He said that Council is going to tap into the reserves no matter which rate is chosen.

Vice Mayor Lob stated that reserves should not be used for budgetary items. He commented that reserve funds were used previously and they were at \$8MM and are currently at \$1.1MM. He believes that Council should be cautious of what rate they choose because they will not have the discretionary funds forever. He reiterated that he is fine with choosing a rate somewhere in between 6.74 and 7.64, but he is uncomfortable with choosing the 6.99 rate.

Mayor Garcia commented that he is strongly against and does not feel comfortable with choosing the 7.64 option.

City Attorney Seiden suggested that Council should make a separate motion on the millage rate and then it will be adopted into the Resolution on a second vote.

Councilwoman Ator made a motion to approve the first millage rate option of 7.6480.

Vice Mayor Lob understands that Council has hopes to go below the 7.64 rate and even go below the 6.9 rate but they are utilizing discretionary reserve funds and they should never do that.

Councilwoman Bain seconded the motion which was carried 3-2 on roll call vote with Mayor Garcia and Councilman Best casting the dissenting votes.

City Attorney Jan K. Seiden read the resolution in its entirety.

Councilwoman Bain moved to adopt the resolution. Councilwoman Ator seconded the motion which was carried 4-1 on roll call vote with Mayor Garcia casting the dissenting vote.

(Agenda Item No. 8 was discussed before Agenda Item No. 7)

8. Approval of Letter of Support for Leadership Team Requested by Miami-Dade County Public Schools

Mayor Garcia explained that this letter was sent to Municipal Mayors to sign but since it is something that somewhat binds the City he wanted to ensure that it came before Council before he signed it.

Councilwoman Bain asked if the letter was going to be sent as it is written saying "I" or will it say "we" and Mayor Garcia responded that the letter is written to be signed by the Mayor, though it is coming from the City and he wanted to get Council approval.

Councilwoman Bain commented that she has no issue with the letter and believes that grants are great, but she would like to see a letter go to Miami-Dade County Public Schools regarding their priorities because she feels that their priorities are focused on the wrong issues. Funds are being found for new programs, but current issues are not being addressed such as schools with leaks and termite infestation.

Councilwoman Bain questioned what their priorities are because those are health issues and schools are focusing on health a lot. She believes that Miami-Dade County Public Schools should obtain funds for things that the schools really need.

Mayor Garcia asked Councilwoman Bain if she would be willing to draft a letter explaining that they support the letter, but they have concerns on certain voids. He would be happy to submit the letters together.

Councilwoman Bain stated that she would love to draft a letter if it was approved by Council.

City Attorney Seiden suggested that this item should be dealt with first and then the second letter can be written and placed on the agenda for Council to review and approve.

Mayor Garcia commented that if a Council member wanted to send a letter on their own they can do so at any time.

City Attorney Seiden explained that if Councilwoman Bain decides to write the letter and have it go from the Council then it should be placed on the agenda for Council to review and approve. If she would like to write the letter and send it on her own as a Council member she could do so, but he would suggest that any Council member who writes a letter should be sure that it is being framed in a way that it is his or her own opinion or request.

Councilman Best said that this is the Department of Health and Human Services and he is not certain that infrastructures are covered under that authority. He is not sure if what Councilwoman Bain suggested is within the venue of the Health Department.

City Attorney Seiden noted that what Councilwoman Bain suggested is in addition to the Health Department.

Councilman Best moved the item. Councilwoman Ator seconded the motion which was carried 5-0 on roll call vote.

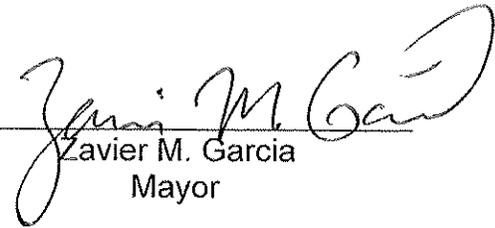
Councilwoman Ator suggested adding a paragraph to the letter stating that as a Council they agreed to the Resolution.

City Attorney Seiden explained that the letter was sent in a specific format and he suggests that the other letter be dealt with on a separate basis.

Mayor Garcia stated that the other letter will be done jointly through Council and it will be taken directly to the Superintendent.

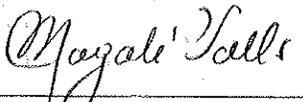
9. Adjourn

There being no further business to be discussed the meeting was adjourned at 5:40 p.m.

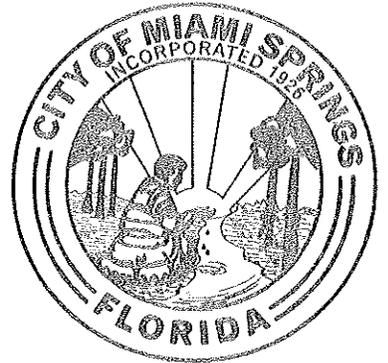


Xavier M. Garcia
Mayor

ATTEST:



Magali Valls, CMC
City Clerk



Approved as written during meeting of: 08-13-2012.

Transcription assistance provided by Suzanne S. Hitafer and Elora R. Sakal.