



City of Miami Springs, Florida

The Miami Springs City Council held a SPECIAL MEETING in the Council Chambers at City Hall on Monday, September 16, 2013, at 6:00 p.m.

1. Call to Order/Roll Call

The meeting was called to order at 6:13 p.m.

The following were present:

- Mayor Zavier M. Garcia
- Vice Mayor Michael Windrem
- Councilman Billy Bain
- Councilman George V. Lob*
- Councilman Jaime A. Petralanda

*Arrived at 6:15 p.m.

Also Present:

- City Manager Ronald K. Gorland
- Assistant City Manager/Finance Director William Alonso
- City Attorney Jan K. Seiden
- Chief of Police Peter G. Baan
- Planning and Zoning Director James H. Holland
- Golf and Country Club Director Paul O'Dell
- Building & Code Compliance Director H. "Tex" Ziadie
- I. T. Director Jorge Fonseca
- Public Works Director Thomas Nash
- Acting City Clerk Suzanne S. Hitaffer
- Administrative Assistant Elora R. Sakal

2. Invocation: Councilman Bain

Salute to the Flag: Audience Participated

3. Fiscal Year 2013-2014 Budget Review and Update

3A) Fiscal Year 2013-2014 Maximum Millage Levy Calculation

Mayor Garcia said that he recommended this meeting since he felt it was very important to take the opportunity to answer any questions or concerns about the budget before the final budget hearing on Monday, September 23rd.

Assistant City Manager/Finance Director William Alonso referred to a memorandum he sent to Council regarding the maximum millage levy calculation. He said that under Florida Statute 200.065, the State has certain calculations that dictate the vote that is required to pass a certain millage rate. In the case of Miami Springs, in order to pass with a majority vote (3-2) the maximum millage that can be assessed is 7.2601. Any millage over that rate and up to the cap that was set in July of 7.8950 requires a 2/3rd vote, which is a 4-1 or 5-0 vote.

Assistant City Manager/Finance Director Alonso stated that the purpose of this meeting is to discuss the budget so that at the final budget hearing on Monday, September 23rd, Council understands that the budget must pass with a minimum 4-1 vote in order to maintain the proposed millage rate. He explained that in order to reduce the millage rate to 7.2601 that requires a vote of 3-2, the budget would have to be reduced by at least \$380,000.

3B) CMI Fiscal Year 2013-2014 Budget Questions Responses

Assistant City Manager/Finance Director Alonso stated that at the last meeting there was a request for detailed information from Curtiss Mansion, Inc. (CMI) and City Manager Gorland has provided that to Council, as well as detailed information that CMI sent today. He said that Richard Wheeler is present on behalf of CMI to answer any questions.

Councilman Petralanda thanked Mr. Wheeler for the numbers that he sent. He has a concern about the CMI expenses totaling \$168,000. He was of the opinion that the total should be \$158,000 since CMI is requesting to borrow \$10,000 for the repairs.

Former Mayor Richard Wheeler, representing CMI, clarified that the total expense budget is \$168,000 for CMI's current fiscal year.

Councilman Petralanda asked if the request for \$35,000 is a one-time deal or if CMI would be coming back to request additional funding next year.

Mr. Wheeler responded that based on the budget results this year and the anticipated revenue for rentals, he hopes that CMI would not require assistance next year, which is their goal. The budget is based on the anticipated business revenue, which could exceed what is budgeted. On the expense side, they tend to keep the expenses in check, except for those that are really necessary until they see that funds are available. The budget is fairly lean and sometimes that could be a detriment if there is marketing that should be taking place or improvements to be made. The intent is not to come back to request additional funds and CMI will continue to do the best they can.

Councilman Petralanda asked what is predicted to be CMI's largest expense next year considering all categories, including labor, marketing, etc.

Mr. Wheeler responded that insurance policies could increase slightly and utilities could increase based on the use of the facility. CMI took over a completed construction site with empty rooms and they have been outfitting the best they can through donations in order to make it a facility that can be rented. There are certain items that can be added to the interior to make it a complete facility with interactive displays for the museum element and historic artifacts, etc.

As far as maintenance is concerned, Mr. Wheeler said that CMI is ending the first year following the construction of the facility, which is a \$3MM building that will require funds in order to keep it in good condition. The roof was inspected last week and there is some minor maintenance that is required. The warranty will expire on the building and CMI will be responsible for whatever repairs are normal for this type of facility and since it is a historical landmark there is a higher standard to maintain. He anticipates more maintenance with the new parking lot, lighting and additional landscaping.

Mr. Wheeler said that he would hope to maintain marketing costs, but at the same time there is a cost benefit and without marketing CMI will not receive the necessary revenue. On the management side, this should be stable from one year to the next since CMI cannot afford to invest additional funds at this point. In the future if they can generate the type of revenue and activities that they should, then there might be an administrative position that would be necessary.

Mayor Garcia said that regarding expenses, it seems that the normal cost of living increases would not be in CMI's control like insurance premiums. The number of events and the use of the facility have an associated price tag that is offset by revenue. He would be surprised if Mr. Wheeler was 100% sure that CMI would not be coming back to request funding and he hopes that CMI will continue to increase the number of rentals and events.

Mr. Wheeler commented that CMI is also hopeful to increase revenue and they have had very nice events and more are booked.

Councilman Petralanda reiterated his concern is that CMI would be back next year and the following years to request additional funding. He wants CMI to run the operation as a business and for it not to burden the taxpayers. He does not want to continue raising taxes to pay for CMI. Apparently the City has already assisted CMI by funding more than \$500,000.

Mr. Wheeler clarified that the City invested in the construction of the Curtiss Mansion in the amount of approximately \$500,000 from the \$4MM total budget for the construction. He said that the City finished the construction on the facility that is owned by the City.

Councilman Petralanda stated that he wants CMI to operate the facility, not the City, and he does not want CMI to continue asking for funds if they cannot make ends meet. He acknowledged that CMI has done a fine job and the existing facility is a combination of everyone's efforts.

Councilman Bain said that the CMI financial statements should be submitted the first of August so that Council has an understanding of what is needed during the budget process. There should be an agreement between the City and CMI to have the information available before the City's budget process.

Mr. Wheeler explained that CMI's fiscal year ends June 30th and the contract between the City and CMI establishes what is to be provided and when.

Councilman Bain reiterated that there needs to be an adjustment so that Council is aware of what is happening before they are asked to make a decision.

City Attorney Jan K. Seiden said that Mr. Wheeler is correct because the management agreement provides for 90-days from the end of the fiscal year, which would have been September 30th.

Councilman Bain stated that September 1st would be satisfactory and Mr. Wheeler agreed that it would have made it easier for him if the financials were completed by that time.

City Manager Gorland said that it might be possible for CMI to switch to the same financial year as the City.

Mayor Garcia commented that whatever the decisions about the fiscal year are he would like CMI and the Administration to consider them outside of this budget process that Council is considering at this time.

Mr. Wheeler agreed with the Mayor to work with the City Manager and the Assistant City Manager/Finance Director.

Assistant City Manager/Finance Director Alonso added that according to Internal Revenue Service (IRS) guidelines, all non-profit organizations have a fiscal year ending June 30th.

City Attorney Seiden said that it is a matter of logistics and if the accountants can have them ready, the agreement can be modified by an addendum or a letter.

Councilman Bain commented that he is a detailed person and he does not understand the information that CMI originally provided showing a profit of \$29,000 for the fiscal year.

Mr. Wheeler clarified that there were funds remaining from the historic tax credit funding.

Councilman Bain asked what the \$29,000 would be used to pay for and why CMI is asking for \$10,000.

Mr. Wheeler said that \$29,000 was the balance of the tax credit dollars as of June 30, 2013 and the majority of that amount was spent. There has also been incoming revenue as part of CMI's current fiscal year, which is reflected in CMI's 2013-2014 budget.

Councilman Bain stated that CMI was supposed to be an independent situation based on volunteers who would take care of the Curtiss Mansion. He did not foresee the operation becoming a responsibility of the City.

Mr. Wheeler explained that it was CMI's hope to be self-sufficient and that is their goal.

Mayor Garcia said that he was glad that Councilman Bain raised this point because it is important for the public to understand. He is a liaison to the CMI Board and he knows that the Board is comprised of different people since it was first established. He is positive about the Curtiss Mansion movement because he receives calls from people who are interested in renting the facility for events. It is very impressive that CMI is only asking for \$25,000 to help offset the expenses after the first year and he hopes that next year they will realize a profit. He said that it is the taxpayers' money and Council must be stewards of those funds.

Mr. Wheeler thanked Mr. Gabe Rodriguez who has a construction business and had a job site where six Royal Palm trees were going to waste. He brought the palms to the Mansion and installed them over the weekend. This is the type of donation that really helps CMI.

Councilman Petralanda commented that CMI needs \$50,000 not \$25,000 and he would like to know what is going to happen if they do not receive \$25,000 from the County.

Mr. Wheeler stated that CMI has managed to renovate the entire facility and they are working on the grounds through all types of means and it has been a challenge to develop the funds.

City Attorney Seiden stated that according to an update on the status of the warranty items it appears that the stucco cracks have been repaired and are now going to be painted; it should all be taken care of and the wood beam has been sent out to a specialist for an opinion.

To answer the Mayor's question, Assistant City Manager/Finance Director Alonso stated that the funds for CMI are already included in the budget.

Mayor Garcia said that last week Council approved the tentative budget by a 3-2 vote and that vote does not have a negative impact on the budget, but the final budget must pass by a 4-1 vote.

City Manager Ronald K. Gorland clarified that funds are in the budget for CMI totaling \$35,000 with no strings attached. He would like to know what Council's intent is and whether or not they want the City to issue CMI a check on October 1st for \$35,000 because he has heard different comments.

Mayor Garcia asked Mr. Wheeler if the \$25,000 could stay on the City's books until it is needed by CMI, since only \$10,000 is needed for the repairs. The additional \$25,000 will be allocated as needed.

Mr. Wheeler responded that CMI is looking to offset the maintenance and utilities as time goes forward.

Councilman Bain said that the funds would be allocated on an "as needed" basis.

Mayor Garcia clarified that \$10,000 would be issued for the repairs and there is a chance that the City could be reimbursed. CMI will apply for the remaining \$25,000 as needed and Mr. Wheeler agreed.

City Manager Gorland asked if Council wanted the Administration to come back for approval.

The Mayor replied "no", not unless the total amount exceeds what was budgeted and approved by Council. He said that notification would be sufficient and Council agreed.

3C) Miami Springs Fiscal Year 2013-2014 Budget Discussion

City Manager Ronald K. Gorland referred to Schedule 1-10 and said that if Council is unhappy with the tentative millage rate as it stands now, they would have to reduce the millage.

Mayor Garcia stated that Council voted 3-2 to set the tentative millage rate at 7.6995 and there were concerns about some budgetary line items. He asked if Council was willing to discuss any questions or concerns they might have.

Councilman Bain stated that he understands about the swimming pool and the budget, but when Council makes a commitment for the budget there are practical things that must be done before making a decision. There should be an agreement on whether or not the pool should be closed from October to March and there should be an understanding of what the options are and what the expenses would be to reopen it for the summer. There are funds in the budget for the pool and if it stays open, the funds in the budget will be exhausted and then Council will have to find funds outside the budget or borrow the funds in six months.

Councilman Bain said that Council must make a major decision because it is unknown what the costs will be or how long the repairs will last and whether or not it is worth it to patch the pool for two years. It must also be determined if it is practical to demolish the pool with the funds that are in the budget without costing the citizens anything additional outside the budget and then focus on a replacement facility similar to what was done with the Community Center.

Mayor Garcia commented that if there is a savings the funds would go into the reserves.

Councilman Bain emphasized that the funds should remain allocated for the pool until Council receives all the information and makes a decision on whether or not it should be repaired or demolished.

Mayor Garcia stated that Council requested numbers based on closing the pool for six months and Councilman Bain is requesting to leave the funds in the budget. He asked the City Manager what the savings would be and City Manager Gorland said that it would be \$48,000 if the pool is left filled for six months and the savings would be \$60,000 if the pool is drained.

Mayor Garcia asked if the funds remain unused if they would go into the reserves or if they would remain in the budget.

City Attorney Jan K. Seiden explained that it comes down to one or two things; it is very simple. It seems that no one wants to make a fiscal impact on the budget or the millage rate based upon the pool as it stands right now. If this is the case, Council should deal with the line items as they are, but agree that shortly after the passage of the budget, there will be a comprehensive discussion at a workshop or special meeting when the City Manager will have more definite numbers in regard to the cost of shoring the pool facility compared to demolition. The public needs to hear the discussion on all the options in order to be able to express their opinions and provide input for Council.

City Attorney Seiden said that Councilman Bain is making a statement for the record that he wants to discuss the pool, but it really does not impact the budget. He explained that Councilman Bain is looking for some type of agreement or consensus from Council that as soon as possible, in accordance with what the Administration is prepared to do, to schedule a special meeting. He said that Councilman Bain does not want the special meeting to be six months into the budget year after spending six months of the budgeted funds because then it will impact the budget.

Mayor Garcia clarified that the six months being discussed are October to March and this is only two weeks away. It is too soon to make a decision to close the pool in two weeks and he agrees there should be a special meeting to discuss the issue. He noted that there were people who signed up to speak on the subject of the pool.

City Attorney Seiden asked Councilman Bain if he fairly stated his opinion and Councilman Bain replied affirmatively and explained that he does not want to find out the information three months into the budget.

Mayor Garcia emphasized that Council must discuss the issues during a public meeting; they cannot discuss anything outside of the Council Chambers. For months, he has sat with the City Manager to discuss the options for the pool and he has given it a lot of thought and does not want it to impact the budget. He agrees that Council must discuss the options as soon as possible since the months in question are October to March.

Melissa Bennetti of 1171 Nightingale Avenue said that she has two children with special needs and the pool is the only place that offers a certified special needs swimming program. The pool has been a source of engagement for her children and the rest of the community. She understands that there have been discussions about closing or repairing the pool and she is not okay with the City shutting down the pool temporarily without a plan in effect.

Ms. Bennetti asked the Mayor and Council to take her concern into consideration. She does not complain when her property taxes increase as she knows all the amenities that the City has to offer and she specifically chose to live here for that reason. She trusts the elected officials and their judgment and she wants them to understand that closing the pool indefinitely should not be an option.

Ivonne Amore of 540 Raven Avenue stated that she had thanked Council previously for having a wonderful pool and recreation programs in place. Her son has asthma and he has not had an attack since he has been swimming in the Miami Springs pool year round, including the months from October to March. She knows many parents who also wanted to speak on this issue but were unable to attend tonight. There are many children on swim teams and kids that take swimming lessons and play water polo, including the high school students who use the pool the entire year. She added that many elderly people use the pool to swim laps or take exercise classes.

Ms. Amore hopes that before Council makes any final decisions that they will look into the possibility of not closing the pool and consider the people who use the facility who are being helped and will be affected. She would like a community discussion to consider upgrading the pool or building a new facility.

Greg Maestre of 330 Miller Drive said that his daughter participates on the swim team and she finally has confidence in something that she is able to grow into by joining the team that uses the pool facility. He hopes that Council will arrange a special meeting so that the citizens can give their input to help develop a plan that will allow the pool to stay open as long as possible and hopefully go forward with the repair or replacement of the facility.

Mayor Garcia thanked the residents for their input.

Councilman Bain added that by receiving citizen input from people who want the pool, this is how things get started and it motivates other people in the community to work with Council toward getting a new pool. He thinks that people also have to consider Council's fiscal responsibilities and what it will cost to shore-up the pool facility.

Mayor Garcia stated that the City Manager has compiled a lot of information and there are many options to consider for the pool as far as repairs and replacement are concerned. He commented that is not an easy process and it could be similar to the process that Council went through with the construction of the new Community Center and it will take community involvement. Council must make a decision based on what is in the best interest of all the residents.

Mayor Garcia asked Council to address any other budgetary concerns at this time.

Councilman Bain said that he would like to know if anyone else would like to consider lowering the millage rate. Right now the budget would not pass with a 3-2 vote because it must pass 4-1 or 5-0. He is open to ideas from the other Council members. He feels that the budget can be reduced \$35,000 without hurting any of the departments.

Mayor Garcia commented that he had gone through seven budget processes during his term as Mayor and as a former Councilmember and this time there were detailed pre-budget meetings with the City Manager. He said that the budget had already been reduced before it reached the point of being presented to Council. Everyone would like to reduce taxes more, but not at the expense of reducing services to the residents.

Councilman Lob stated that he is fine with discussing budget reductions, but he does not think that reducing the millage rate would be good for the City mainly because there is a \$200,000 shortage; \$178,000 will go to reserves and there is still a shortage of \$30,000. This means that almost nothing is going back to the reserves. Council must look forward to the future in order to see how the City stands as far as maintaining the facilities and the infrastructure. He is a citizen like everyone else and he does not want to pay higher taxes, but he understands that in order for the City to function in the future there must be funds available.

Councilman Lob reiterated that he is for discussing possible cuts to the budget, but he is not in favor of reducing the millage rate.

Councilman Bain stated that the question to be answered is whether or not the budget is going to pass on a 4-1 or 5-0 vote at the next meeting and if this is the case, then Council can go home.

Mayor Garcia said that if there is something that can be cut to reduce the budget then Council should make a decision now. He asked Council to consider if they want to add funds to the reserves and the majority agreed.

Councilman Bain stated that there is a reason the state is mandating a majority vote and that is because last years' millage rate was 6.9995 and this year is will be 7.6995.

Mayor Garcia emphasized that it would be nice to reduce the millage rate and keep it at the same level it was before, but Council must also make sure that they continue to maintain or improve the City and its infrastructure by gradually increasing the reserves.

Councilman Lob said that he also wanted to increase the reserves in last year's budget.

Mayor Garcia explained the issue with the property taxes that are collected by the County Tax Assessor that resulted in a shortage of approximately \$200,000. The budget has a deficit which is not the fault of the City Council. Council should be happy if they can add \$172,000 into the reserves and balance the budget.

Mayor Garcia said that it is easy to reduce taxes, but it is also irresponsible to do that when the residents expect the City to maintain the swimming pool, repair the sidewalks and maintain City facilities, etc. He reiterated that there is a \$200,000 deficit that is not the City's fault and the \$172,000 will make up part of that deficit. This is the first time that the ad valorem taxes have been short by this amount due to the appeals to the County Value Adjustment Board.

The Mayor asked Council to commit to adding funds to the reserves every year. He feels that Council has done a good job to reduce the budget to this point and he does not want to be "penny wise and pound foolish." Council has managed to balance the budget and add \$172,000.

Councilman Bain reiterated that the question that should be answered is whether or not there will be a majority vote to pass the budget at the next meeting on Monday, September 23rd.

Mayor Garcia agreed with Councilman Bain that the question should be answered about the vote. He asked if there was any further discussion about reducing the budget by \$35,000. He added that Council could make their recommendations for reducing the budget by communicating with the Acting City Clerk and request additional back-up information that can be discussed at the next meeting.

City Attorney Seiden asked how much the millage rate would be reduced if \$35,000 was cut from the budget and Assistant City Manager/Finance Director Alonso replied that it would be less than .04%. He did not feel that reducing the budget by that amount would change the final vote. He suggested that each Council member could state what their opinion is at this point without it being binding.

Mayor Garcia asked if there was any particular item that Council wanted to discuss before the next meeting. He was hoping to come to a resolution at this meeting.

Councilman Bain reiterated that the question to answer right now is whether or not there is a majority vote to pass the budget and if there is not, then there is going to have to be a major discussion at the next meeting in order to comply with the State requirement.

Mayor Garcia clarified that he asked the City Manager to call this Special Meeting in order to avoid discussions like this at the final budget hearing when the budget must pass by a vote of 4-1 or 5-0. He urged Council to contact the City Manager for answers to any questions they might have up to this point. He would like the budget to pass by a vote of 5-0.

Mayor Garcia asked Councilman Petralanda how he would vote on the budget the way it stands right now and Councilman Petralanda responded that he needed more time to think about it.

Councilman Petralanda clarified that it is not a matter of not having the information to make the decision; it is a matter of thinking through the information.

Councilman Lob said that he is open to listening to any ideas regarding the budget. He does not want to lower the millage rate from 7.6995 and he would like to hear if there are any ideas about adding funds to the reserves.

Mayor Garcia commented that there is \$11,000 in the budget for the Miami Springs Historical Society and just because the funds are in the budget it does not mean that they are entitled to that amount. Council can pass the budget as it stands right now and make a decision to eliminate a certain amount during the next fiscal year.

Councilman Petralanda asked why the Mayor used the Miami Springs Historical Society as an example when that organization is trying to reduce their budget request, while CMI continues to make demands on the City's budget.

Mayor Garcia said that it would take another special meeting to debate on CMI or the Curtiss Mansion and he believes in both groups, but that is not the point right now. He added that funds are budgeted for the pool operation and Council could change their minds three months into the budget and decide to close the pool facility if there is another plan in place.

Vice Mayor Windrem echoed Councilman Lob's strong concern about adding to the reserves. He does not have a problem with keeping the proposed millage rate and adding funds to the reserves. He wants to consider passing a budget that maintains the same level of service to the residents and what is the responsible amount to add to the reserves. He added that any funds that are cut from the budget should be added to the reserves.

Vice Mayor Windrem said that Council reviewed each line item in the budget for all Departments and he is glad that Councilman Bain asked to consider reducing each one by 3% because it forced Council to look at every penny and they were only able to cut \$27,000. He cannot think of cutting any more funds out of the budget unless they are rolled over to the reserves. He is fine with the millage rate and will vote in favor of passing the budget.

To answer Mayor Garcia's question, Councilman Bain stated that he would not vote in favor of passing the budget the way it stands now.

Mayor Garcia urged Council to get the answers to their questions so that they can support the budget. He said that Councilman Petralanda made it clear that he has all the information and he needs to think about it, but Councilman Bain is going to wait until the next meeting.

Councilman Bain said that there are two legitimate reductions to the budget that would not hurt anyone at all. He does not want the taxpayers to pay for mistakes that have been made and adding to the reserves will increase the residents' taxes. He was told that the reason for holding this meeting was to ensure a majority vote and he also thought there would be additional proposals from the Administration to cut \$380,000, but did not receive them.

City Manager Gorland stated that Council received Schedule 1-10 at the beginning of the budget process with the Administration's proposals for reducing the budget and there were many interactive meetings with Council members. Council can go back and address the items that are listed in that schedule. The idea for this meeting was to resolve Council's differences so that they can adopt the budget.

Mayor Garcia emphasized that it is important to "iron out" Council's differences; not just to ensure a 4-1 vote. He wants to know what everyone's ideas are.

Vice Mayor Windrem stated that he would consider the example of closing down the pool for six months and to move the savings into the reserves as long as they are earmarked for the pool. He wants to see how much revenue would be lost during the six months the pool is closed and to be advised of what the different options are.

Vice Mayor Windrem added that he would also like feedback from the residents in regard to the pool. He said that he would vote in favor of the budget and would hope to identify more dollars to put into the reserves. He is willing to listen to the Department Heads and is interested in their ideas for reducing the budget.

Councilman Bain asked what the millage rate would be if the budget was reduced by \$80,000 and Assistant City Manager/Finance Director Alonso stated that it would be approximately 7.5995 because every 1/10th of a mill equals \$86,000.

Mayor Garcia said that it would save \$206,979 if the pool is closed for the year and the community might agree as long as there is a master plan for improving or replacing the facility. He said that Council could debate the issue at a special meeting as soon as the budget is adopted. He assured everyone that Council had worked to reduce the budget already.

Councilman Bain stated that he is finished with his discussion and feel that Council should go home.

Mayor Garcia urged Council to share their ideas with Staff so that any questions or concerns about the budget can be discussed and allow them to make a decision before the next meeting.

Councilman Petralanda agreed to communicate through the Acting City Clerk.

City Attorney Seiden clarified that Council could communicate through the Clerk's Office and the answers would be provided by the City Administration. Council will not be sharing their opinions with each other and their questions can only be answered by Staff.

Mayor Garcia said that Council could express their ideas right now and after tonight they will not be meeting until Monday, September 23rd, unless there is a need for another Special meeting. He urged Council to let the Administration know what their questions are as soon as possible so they can provide the necessary information.


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4. Adjournment

There being no further business to be discussed the meeting was adjourned at 7:41 p.m.


Zavier M. Garcia
Mayor

ATTEST:


Suzanne S. Hitaffer, CMC
Acting City Clerk



Approved as written during meeting of: 10-14-2013

Words ~~stricken through~~ have been deleted. Underscored words represent changes. All other words remain unchanged.