

GENERAL OBLIGATION BOND PROJECT OVERSIGHT COMMITTEE
MEETING MINUTES
JULY 2, 2001

1. Attendance – See Attendance Sheet attachment.
2. Review and Acceptance of June 4, 2001 meeting minutes.

ACTION: A motion to approve the minutes of June 4, 2001, Committee meeting was made by Frank Del Vecchio and seconded by Larry Herrup with one correction made by Michael Rotbart. On page 5 paragraph 1 of the May 14, 2001 meeting minutes, Mr. Jerry Libbin is the President of the Normandy Shores Homeowner's Association not Biscayne Pointe. The minutes were unanimously approved.

3. Project Status Report

Tim Hemstreet explained to the committee that the project update status report is in flux right now and staff is trying to reconfigure it so it will provide more accurate up-to-date information.

DISCUSSION: Larry Herrup expressed concern over the report; it needs to have more up to date detailed information. Mr. LeJeune asked if the funding sources shown in the project update status report could be divided, specifically the Public Works Yard, Property Management, Fire Safety projects. He explained that the numbers and update status could cause some confusion.

Jean-Francois LeJeune asked what was the difference between the Flamingo/Lummus and Flamingo Park Project(s). Mr. Hemstreet explained that Flamingo/Lummus is a streetscape neighborhood project and that Flamingo Park is a separate project. Roberto Sanchez asked who is actually handling the Normandy Isle Project. Mr. Hemstreet responded that originally C3TS was going to handle the project but the City could not negotiate a contract. The second ranked firm Williams, Hatfield and Stoner will be handling the project.

Larry Herrup asked about the Biscayne Point Neighborhood Improvements Project that approximately \$4.15 million was allocated in the six-year allocation and \$43,592 of that allocation has been appropriated and the 1st issue \$350,000 was allocated. What was the form of calculation to get the amount appropriated in the 1st issue allocation.

Tim Hemstreet responded that the Commission for expenditure authorized the amount appropriated. When the City hired the A&E firm that was the amount of money that had been authorized or actually appropriated. The 1st issue allocation is how much money has actually been borrowed and is available for appropriation. Though the bonds were authorized up to a certain amount, we do not actually go and borrow all of the monies immediately because the City is not prepared to spend it within the next two or three years. Of that a certain amount of money was borrowed and allocated to the different projects that the City thought it was going to get to first, so the \$350,000 represents money that was actually borrowed against the authority for the GO Bonds and the \$43,592 is the actually the amount that has been appropriated.

Michael Rotbart asked about the Signage Plan for Biscayne Pointe. Mark Alvarez responded that the Signage Plan is the \$16,000 that was approved some months ago to do a signage master plan, which is not really to design the signs but to design the system for designing the signs as a citywide project. It was matched for \$16,000 from the Convention Center so it is a \$32,000 project. Mr. Rotbart asked how much is going to the signage plan according to this particular neighborhood. Mr. Alvarez responded \$500 and the rest, of the \$43,500 would go to the program.

Mr. Rotbart asked if the \$35,000 from the GO Bond was spent already on the 77th Streetscape because visually it did not seem like any work had been done even though \$400,000 was presumably spent on just one block. Mr. Alvarez responded that \$36,250 from the GO Bond is the actual amount. Mr. Alvarez thinks the total amount for the block and ½ on the west side of Dickens Avenue was just around \$200,000 and the east side going to Harding Avenue was another \$200,000 which is still the side you see the trees, bumpout and the pavement.

Mr. Rotbart asked how is the project going to be accounted for. Marty Hyman explained that he was informed that east of Dickens Avenue there was no GO Bond money and west of Dickens Avenue it received \$36,250 of the GO Bond for streetscape planting. Mr. Alvarez explained that the \$36,250 was not out of the North Shore Neighborhood or Biscayne Point Project. It was a separate line item on the bond issue, it was originally called the Biscayne Elementary School Streetscape because it was in front of the school and it was meant to deal with the loading and unloading problems in front of the school.

Roberto Sanchez asked about the status on the sidewalk between 46th and 47th Streets and that over six months ago expenditures were approved. Mr. Hemstreet responded that the City is in the process of getting the project moving.

(Not a Go Bond project)

Mitch Novick asked about the status of 28th Street Pump Station. Bob Middaugh responded that the City is preparing a full background and analysis of all the Pump Stations at the request of the City Commission. On the 28th Street Pump Station the City has experienced a whole series of delays and problems that have occurred, that has caused the contractor physically not to be there and the City had some utility connection problems. The contractor also was not paying enough attention to that site not getting anything done but within the last two and a half weeks he has had more personnel on site to make work progress more rapidly.

DISCUSSION: Mr. Del Vecchio explained that the public understands that \$92.5 million in GO Bond was authorized and the initial allocation was an issue of \$30 million which finances the first phases that we are dealing with. Mr. Del Vecchio asked Lawrence Levy, First Assistant City Attorney, if he could please explain to the committee and the public on the Loan Pool agreements.

Mr. Levy responded that one of the more recent developments in the world of municipal bonds is what is called Loan Pools. In effect the City of Gulfbreeze has gone out and borrowed probably hundreds of millions of dollars, which they in turn lend to other municipalities, so they have a tax-exempt municipal bond. The City of Gulfbreeze lends us the money and we give them a note. The City signs a loan agreement with the City of Gulfbreeze and the full faith and credit and taxing power of the City of Miami Beach is pledged to the same extent as if we had issued our own GO Bonds. The natural question is why would the City do this, why borrow from another City. Well, the City probably saved \$400,000 on the first \$30 million because we were able to receive funds that have been recycled through this loan pool so that all of the underwriting fees and the bond counsel fees were paid on them and the only thing that was paid was the City's own bond counsel and financial advisor which is a minimal cost when a pool like that is done.

Mr. Del Vecchio asked about the authorization to bond, to make sure it is not being violated, because if the City borrows through this loan pool it being much more cost effective. Has the City actually drawn \$30m on the first issuance or does the City draw in phases as needed? And, If the City does draw on it, does the City deposit those funds and realize interest and what is the schedule and method of repayment?

Mr. Levy explained that there are complicated rules about public borrowing and the bottom line for our purpose is that we borrow at a tax exempt rate and those funds can then be invested at a taxable rate which is a benefit to the City because the City does not pay taxes. The difference between the two rates is called Arbitrage. Essentially, there are different options and elections you can make depending on the kind of project but for general purposes you can't arbitrage for more than six months. There are also rules that say you can't take money, you can't borrow money prior to when you actually need it so in this case the City will take the money down in a couple of different tranches. The first \$30m is what the City believes it can reasonably spend within the first two years of the program. The finance director can inform you on the pay back schedule.

4. Report from Hazen & Sawyer

Bert Vidal reported that seven (7) of the A&E Consultants are in the process of being finalized. Also, negotiations with Williams, Hatfield, Stoner on Normandy Isle has been finalized. Flamingo/Lumms, La Gorce, North Shore and Biscayne Point and surrounding areas are also being negotiated.

DISCUSSION: Mr. LeJeune asked if there would be a database of what utilities are in the City so it can help us understand what the underground of our City is. Mr. Vidal responded that the City is actually going to be verifying the utilities of the affected areas of the City right-of-way, AutoCAD files will be in digitized form in the City's Public Works Department.

Mr. Rotbart asked about the exact funding for Biscayne Point and surrounding areas and North Shore because the report is showing the breakdown of monies for these particular projects and \$0 shows under the stormwater bond. Mr. Vidal responded that in the cost model the total funding includes construction contingency, miscellaneous expenses that have been approved by the GO Bond before whether it be trash receptacles or citywide signage and A&E consultant fees.

Mr. Alvarez explained that the \$0 appears on the report because Basin 142 covers 85th through 87th Street and goes on to the peninsula. That was a priority basin in the stormwater masterplan from 1997. When the stormwater revenue bonds were written that was not part of the line item so we have left it as a \$0 but we do have flexible funding in the stormwater bonds \$6m total that we can allocate to the various areas.

Mr. Rotbart asked what is the City going to improve in the streetscapes, when we have flooding. Mr. Vidal responded that on the stormwater masterplan it shows priority basins that have been funded, miscellaneous funds are available in the bond program it is there so the City can adjust it. Three years ago the designs were not totally complete and when you actually get into the designs you might find you may need \$300,000 to do what is necessary and for example the City may be looking at probably having to go to that to address a priority basin that was recommended in the masterplan. Mr. Vidal thinks that this is what the City may be doing in this particular case.

Mr. Del Vecchio stated that in the Hazen & Sawyer report it shows \$3.3m for the Biscayne Point and surrounding areas project on the proceeding report "summary of expenditures" it shows for Biscayne Pointe a total allocation of \$4.150m. Why is there a difference? Mr. Alvarez responded that the \$4.150m is GO Bond funded; there are pieces that we are taking out right off the top for example signage, traffic counts and trash cans.

Mr. Del Vecchio responded that there should be accounting for the amounts that originally showed up on the project list and the distribution of those amounts or the failure to actually obtain some of the money you might not have obtained. Mr. Vidal responded that the cost model shows the funding and construction budget, the two are 20% different because of expenses. Mr. Alvarez also responded that as far as the other funding sources that would be included in the CIP report and in fact Hazen and Sawyer and Mr. Alvarez are keeping a more complete cost model and trying to track all expenses. The CIP spreadsheet is the master source for the CIP projects.

Mr. Novick asked about the \$300k being used for the Lincoln Road Improvements. Mr. Alvarez responded that the monies are to correct some of the deficiencies in the original designs. It is in the design phase right now.

Marty Hyman expressed concern over the total consolidated picture of these projects with respect to the funding and also the scope of the project. Mr. Middaugh responded that city staff is in the active process of making sure the reports are more concise showing funding, scope, etc.

Mr. Del Vecchio explained to the committee that there is a new city structure for the Capital Improvement Program as of January 2001, the city manager prepared for the Commission an overview of the City's Capital Improvement program identifying \$248.5m capital improvements at that time, GO Bonds at \$92m of the total represents only 37%.

Mr. Del Vecchio also explains that the City has two major consulting firms and is taking on a certain percentage of all capital improvement projects and a new team is trying to develop an overall capital improvement picture which includes the services of the City's own staff and the two firms Hazen & Sawyer and URS Group and through the managing of eight neighborhood A&E firms. Since the City is now going through this, the oversight committee has established the public's confidence that the City would get into the process and in many respects the committee has been effective and insuring that the scope of services and the contracts got reviewed. Another problem is clear that we maybe at a cross purpose by creating an additional burden for the City's Capital Improvement Office in having to separate GO Bond issues 37% of the total from all of the others. That may be burdensome, it may be a duplicate of effort. It may be a very valuable tool to the City administration and the Commission to incorporate a broader view.

DISCUSSION: Leonard Wien had five positive suggestions to have a better report:

1. An overall descriptions of each project.
2. A description of the GO Bond funded portion of the project.
3. A breakdown of each allocation from the GO Bond fund.
4. The status of the GO Bond portion of each project.
5. A percentage of completion of the total project and GO Bond funded portion.

5. Park(s) Project Status Update verbal presentation by Kevin Smith

Mr. Smith explained the City is out to bid with Tatum/Crespi, Stillwater, Fisher, La Gorce and Island View, which are due back on July 12 with bid responses. The City will be moving with those in accordance with the bidding process. North Shore, Fairway, Muss and Washington Park(s) are pending bid waiting for the front-end documents to be finalized.

Flamingo Pool, Scott Rakow Youth Center. Awarded at the last Commission meeting North Shore Open Space Park Phase I that is approximately \$100K plus of landscaping. Pine Tree Park is also moving forward (this is not GO Bond funded). Phase II of North Shore Open Space Park, South Point, Lummus, Botanical Garden, Belle Isle Park, Parks Maintenance Yard and Normandy Isle Park and the pool project is pending a final selection of a review committee.

Mr. Sanchez asked the status of the Normandy Pool Project. Mr. Smith responded that Request for Proposal (RFP) is being initialized instead of it going through the bid process, the manager's office is putting together an evaluation committee. Mr. Sanchez asked why wasn't it done on the bid. Mr. Smith responded that the City had originally gone out to bid but it came back \$800K over budget. It was brought back to the Commission and staff received authorization to reject all the bids; the City then reissued it as a RFP and it was structured in such a format where we can pick and choose, what the City can afford.

6. Status Report on the Street Tree Masterplan

Bruce Henderson explained that the City has two parallel efforts coming forward relating to our Urban Tree Policy; one is the tree ordinance which the City is now in the process of amending to meet the minimum standards established by Dade County in order to allow the City to take over the permitting jurisdiction from Dade County and control that here locally, that will provide a much smoother process for developers who come to the City for all the design, building and zoning approvals and then having to go to downtown to get their landscaping permits approve. It also allows the City to create a better program for establishing standards for care and maintenance of trees, location of trees as well as establishing some enforcement policies for tree abuse and improper removals, the ordinance is being finalized.

The City is redeveloping its ordinance to meet the minimum standards from DERM and introducing some ideas that the City has borrowed from other municipalities around Florida to give us a nice broad base program that will provide a policy for fostering a greater tree canopy and protecting the City's resources. The final resolution will hopefully be ready for the first and second reading in September so the City can affect the new ordinance by the new fiscal year concurrent with that the City is developing was it currently known as a Street Tree Masterplan which is essentially a citywide tree or landscaping planning guide that establishes pallets of acceptable trees for different locations and different neighborhoods throughout the City (for instance what should be planted on swales, what should be planted near utility lines and underground utilities and establishes installation and maintenance and care standards. This will be a tool that will be used by the City's own or City hired landscape designers as well as the private developers who are working in the City to help guide them towards our goals of an increase tree canopy and a better managed City or Urban Forest area.

The plan is largely completed there is a lot of polished work, there is a catalogue of all the different species of trees that are encouraged to be planted, and those that are prohibited from being planted, polish that up to get it ready for final publication. We are looking to have that document for the first meeting in September for presentation to the Commission.

In the interim the City is also developing a guidance policy to be distributed to each of the neighborhood design firms that are undertaking the GO Bond neighborhood planning process now to give them some of these as a interim measure of the planning tools and guidance to use as they begin to develop the plans for renovating our neighborhoods so as to meet those overall goals for tree protection and additional tree canopy.

It is our goal to have that interim guidance document distributed within the next few weeks to all the A&E firms that we are now initiating the work on with the various neighborhoods.

Mr. Rotbart asked if the green areas in the parks could be included in this study. Mr. Henderson responded that in the overall landscape-planning guide there were going to be addressing the tree coverage in the City. The City is approximately 11% tree canopy citywide, right now the City should be between 30% & 40% to be in what consider to be a cool city or a green city. The City is going to establish some overall policies or goals to achieve a greater canopy citywide and distribution & diversity of those tree species to ensure that have a healthy manageable forest and that we are susceptible to various diseases lithely yellowing so we are going to guide the overall things and the overall canopies within the green areas in our parks and open space and incorporate in our overall Urban Forestry policy in terms of landscape planning guidance. Mr. Sanchez asked if the ordinance would only apply on city property. Mr. Henderson responded that the ordinance would apply to all trees in the City of Miami Beach.

Meeting adjourned at 7:43p.m.

JMG/RM/TH/jv

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