



# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: October 17, 2007

SUBJECT: **REPORT OF THE JOINT FINANCE AND CITYWIDE PROJECTS COMMITTEE AND GO BOND OVERSIGHT COMMITTEE MEETING OF SEPTEMBER 20, 2007.**

### **NEW BUSINESS**

#### **1. Discussion regarding review of the Proposed Capital Budget.**

### **ACTION**

#### **The Committee reviewed the Proposed 2007/08 Capital Budget.**

City Manager Jorge Gonzalez along with Budget and Performance Improvement Director, Kathie Brooks, provided an overview of the Proposed 2007/08 Capital Budget and 2007/08-2011/12 Capital Improvement Plan (CIP). Ms. Brooks noted that the Capital Budget and CIP focused on capital expenditures consisting of \$25,000.00 or greater. Ms. Brooks explained that each year the document is updated and, that once capital projects are completed, they are removed from the document. She noted that over 20 construction projects were substantially completed this past year. However some of these are still reflected in the document. The City Manager Jorge Gonzalez advised that within the Proposed Capital Budget for FY 2007/08, \$98 million dollars is to be appropriated immediately and \$122 million dollars would be appropriated with the sale of proposed new Water & Sewer Bonds.

Chief Financial Officer, Patricia Walker, noted that present funds from previous bonds have to be expensed prior to issuing the new bonds. She also advised that based on current schedules, it is anticipated that bonds would be sold in late summer or early fall. Further, this timing could be favorable for interest rates which often are lower just before an election.

Ms.. Brooks also noted the following corrections and updates made to the Proposed Capital Budget since the book was published in August 2007:

- \$14.7 million Cultural Campus Parking Garage construction/Parking Operations funds (moved from FY 2007/08 to FY 2008/09)
- \$380,346 Art-in-Public Places appropriations (deferred from FY 2007/08) to future funding

- \$200,000 for the 16<sup>th</sup> Street Anchor Garage (funded from the RDA Anchor Garage Fund)
- \$15,500 for CCTV (funded from Parking Operations)

The City Manager and Ms. Brooks then provided insight as to the highlights of the FY 2007/08 Capital Budget:

- \$7.5 million Pay-As-You-Go: for new projects or unfunded scope – The Manager noted that a majority of this funding would go to Phase II of the Scott Rakow Project.
- Capital Reserve: unforeseen project costs, estimates, and conditions – Director of Capital Improvement Projects, Jorge Chartrand, noted that the Fire Station 2 Building B Project is a month and a half away from completion. Ms. Brooks noted that an additional \$2 Million would be allocated to the Normandy Shores Golf Course Project. Mr. Chartrand also added that the first round of golf is anticipated to be played at the Normandy Shores Course in the summer of 2008.
- Approximately \$5.1 million programmed for improvements to the Convention Center and the Jackie Gleason Theatre
- Ongoing parking lot/garage refurbishment and replacement
- \$24 Million for City Center Redevelopment Agency (RDA), primarily right-of-way projects and \$6.4 million for infrastructure improvements required for the New World Symphony (NWS) Building
- South Pointe Area - Leonard Wien Jr., with the GO Bond Oversight Committee, suggested making the Boardwalk Project a higher priority. Mr. Beckmann, Public Works Director, responded that the timing of funds reflects the anticipated project schedule.

Chairman Saul Gross requested that the list of future unfunded projects be expanded in the next update. The City Manager agreed and also added that the list provides an opportunity for projects of a concern to the community to be identified even though they are not funded or scheduled.

Chairman Saul Gross questioned the status of the Oceanfront ROW Improvement Project. Mr. Chartrand advised there was an issue with funding for the project. He stated that the scope of work had been modified to accommodate the water and sewer piece pending bond approval. Mr. Beckmann also added that Florida Department of Transportation (FDOT) would be repaving Indian Creek from 41<sup>st</sup> to 29<sup>th</sup> Street. FDOT's portion of the project is scheduled to be completed by the summer of 2008. Chairman Gross requested that the BODR for the project be updated on the City's website to reflect its current status. He suggested that CIP and Public Works coordinate with FDOT to ensure the projects timely completion.

Mr. Wien suggested the use of a 20 foot wide walkway for the Greenway Project. Commissioner Mattie Bower advised moving forward with the completion of the five street ends in the Greenway Project. Mr. Beckmann advised that the City's portion of the Project would take an additional year to complete and acquisition of the required property by the City is imperative. Mr. Beckmann noted his concern that the area in question would not be enough to accommodate the street end and pathway unless the amount of land was expanded. Chairman Gross stated that he had spoken with the property owners regarding this concern.

The City Manager advised that approximately \$5.1 million dollars have been

programmed for improvements for the Convention Center. Beyond this, there remain only a few million of the original County funds provided for Convention Center capital Projects. He stated that no new dedicated funding for the Convention Center had been identified. In the interim, annual year-end surpluses from the Convention center or City Center RDA funds are the few potential sources available. The Manager advised a financial crisis was not present at this time, but wanted the Committee to be aware that future funding for renewal and replacement of the facility would need to be identified.

Chairman Gross expressed his concern regarding the tax roll back affect on RDA funded projects. The Manager advised that some of the projects previously programmed for FY 2007-08 were pushed back, however, this is consistent with revised timing. In addition, the Cultural Campus Parking garage is now anticipated to be funded from Parking Operations funds.

Assistant City Manager, Tim Hemstreet, advised that the \$6.4 million dollars has been added to the New World Symphony Project for the re-alignment of Drexel Avenue. He also advised that, per the New World Symphony, construction for the project is scheduled to commence on November 1<sup>st</sup>, 2007.

Commissioner Bower requested the item regarding the common area maintenance of the little Acorn Project including free lessons for children participating in the school's free lunch program, in exchange for use of space, be brought before the commission for discussion.

Mr. Beckmann noted that he would like to present the South Pointe Pier item at the next Finance and Citywide Project meeting in October.

Chairman Gross suggested adding the North Beach Ocean Front Master plan to the unfunded list of capital projects. The Joint Committee directed the Manager to develop a process through which future unfunded projects would have timelines and funds identified.

The Manager suggested using proceeds from fundraising events to cover the expense of the Altos Del Mar sculpture garden. Commissioner Bower expressed her concern that a not for-profit investor would charge admission fees at a public park. Daniel Veitra, advised that Altos Del Mar anticipates that the City provide the Project with such items as benches, light poles and the infrastructure. He also stated that the project will need an additional \$500,000.00 in capital and that the sculpture garden is not part of the Master Plan. He added that further negotiations with the City will need to take place at a later time. He confirmed that the garden would be free and open to the public. The Manager was directed to prepare a Request for Letters of Interest for a sculpture garden at Altos Del Mar Park to provide an operation similar to that of the Botanical Garden. Proposers shall be required to state their intentions regarding: charging fees to the public; and dollars needed from the City. The more fees charged or the more dollars requested the less points that shall be allocated to the proposed.

Parks and Recreation Director, Kevin Smith, advised that the PAR III Project is not funded during the FY 2007/08-FY2011/12 CIP timeframe. Completion of the Project would include the installation of a new drainage system. He advised that current maintenance of the facility is being handled by staff. Chairman Gross inquired whether additional funds could be allocated for the maintenance and fumigation of the facility.

Chairman Gross also suggested reviewing the role of URS and Hazen and Sawyer consultants given the role of Resident Project Representative (RPR) in CIP projects and determining how the consultant's role can be streamlined in the process.

Chairman Gross also inquired as to the status of the introduction of hybrid vehicles into Fleet Management's inventory. Ms. Brooks advised she would follow-up with the Fleet Division to provide the Committee with a status.

Commissioner Steinberg requested that the administration review increasing the millage in future years for the Pay-As-You-Go component of the Capital Budget, since, in effect, this is in lieu of increasing the millage for general obligation debt.

JMG/PDW/rs/nsI

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