



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: September 10, 2008

SUBJECT: **REPORT OF THE SPECIAL FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF JUNE 30, 2008.**

NEW BUSINESS

1. Capital Projects Priorities Workshop

ACTION

The committee agreed on the following prioritization regarding funding allocation for capital projects in FY 2008/09:

- a) Under category "Additional Funding Needs for Existing Funded Projects" all projects will be considered for funding with the exception of the Property Management Facility project.
- b) Under category "Funding for Previously Planned Projects not in CIP", the 53rd Street Restrooms project and the Mid-Beach Recreational Corridor Phase I (Eden Roc to Indian Beach/46 St) will be considered for funding and the Jackie Gleason Life Safety Improvements will be funded from CDT or Convention Center funds.
- c) Under category "Need for Projects Future Unfunded in Adopted CIP", \$35,000 will be allocated for a study to evaluate the feasibility of a multi-use project, as part of the Par 3 Golf Course Renovations. CIP will provide an LTC with an update on the Scott Rakow Youth Center Improvement including a breakdown of costs and the status.
- d) Under category "New Projects", Fred Beckmann to provide information on a full assessment for seawall projects and will analyze what other Cities have done in the past regarding such projects, including the use of public/private partnerships in areas such as Punta Gorda.
- e) Also under new projects, building a Tot Lot and Shade Structure for the North Shore Park Youth Center will be considered for funding, and funding for the 17th Street Bridge will be pursued through PTP funds or the MPO.

- f) Under category “City Center RDA Projects” all projects will be considered for funding.**
- g) Under category “Other South Pointe Projects”, the possibility of issuing water and sewer bonds for the South Pointe Water Pump Station will be explored.**
- h) Under category “Convention Center Projects”, City Manager Jorge Gonzalez will meet with Convention Center General Manager Doug Tober to go over projects and prioritize them based on available funding.**
- i) Under category “Parking Projects”, Administration will consider issuing requests for proposals to have the public sector assemble contracts inclusive of land, or a swap of land, to build garages.**

City Manager, Jorge Gonzalez presented the item by providing background information regarding the prioritization of capital projects. He explained that as part of the development of the Adopted FY 2007/08 Capital Budget, and the associated Capital Improvement Program for FY 2007/08 through FY 2011/12 (Adopted CIP), the Finance and Citywide Projects Committee directed the administration to develop a process for prioritizing unfunded capital projects as part of the annual update of the City’s Capital Improvement Plan.

At the February 2008 FCWPC meeting, the administration was directed to provide the Commission with the opportunity to review a full listing of potential projects in order to obtain input prior to the distribution of the City Manager proposed capital budget, consistent with the process for Commission input regarding operating budget priorities in prior years.

The Manager then explained that there are 3 major component parts of the capital budget process that staff undergoes each year:

1. Existing projects are reviewed to identify areas where funding previously programmed in the Adopted CIP for the upcoming, as well as future years of the plan, need to be revised due to changes in cost, scope, etc.;
2. Projects that have been in the conceptual planning stage are reviewed to determine whether they are sufficiently far enough along to warrant incorporating in the proposed capital budget and CIP for the upcoming year; and
3. Proposed funding for new projects are submitted and reviewed by an in-house Capital Budget Process Committee comprising of City Staff. Typically, the new projects proposed are small projects requested to be funded in the next fiscal year.

He then presented a listing of funding needs, in draft form, with the following categories: Additional Funding Needs for Existing Funded Projects, Funding for Previously Planned Projects not in CIP, Need for Projects Future Unfunded in Adopted CIP, New Projects, City Center RDA Projects, Other South Pointe Projects, and Parking Projects. The list also included a listing of potential funding sources which was comprised of the Pay-As-You-Go Capital which has \$7.5

million appropriated in FY 2007/08 to specific projects and expected to be approximately \$4 - 5 million in FY 2008/09; the Quality of Life Funds that include unappropriated \$1.6 million in North Beach and \$1.8 million in Mid-Beach as of September 30, 2007; the Parks GO Interest of approximately \$1 million available as of September 30, 2007; and the Neighborhoods GO interest of approximately \$7 million available as of September 30, 2007.

He then stated that given the funding sources, the administration is now seeking guidance as to the prioritization of the projects on the list and whether the timeline for the project should be pursued in the short, medium, or long term.

The Manager then went on to present the funding needs in the "Additional Funding Needs for Existing Funded Projects" category. He noted that there are two groups of projects in that category, the first one being Neighborhood Right-of-Way (above ground component) with funding needs of \$10,471,231. The second group being other projects in the adopted Capital Budget Book, with funding needs of \$6,236,960.

Commissioner Deede Weithorn asked if there was anything on the list that could be pushed to future years because they could not be realized in FY 08/09.

The Manager responded by stating that the property management facility is not likely to happen given the status of negotiations.

Chairman Saul Gross asked if the projects had been bid. Commissioner Ed Tobin asked how numbers were assigned to projects. CIP Director, Jorge Chartrand responded by stating that projects have not been bid, but cost estimates have been obtained and reviewed by consultants, with the exception of Normandy Shores Neighborhood Improvement project, which is currently in construction.

Chairman Saul Gross then noted that assigning dollars to particular projects gives bidding contractors an idea of how much the City is willing to pay, and then questioned if it is to the City's advantage to make that information available to contractors.

Mr. Chartrand responded by saying that the purpose served is to put a cap on project pricing to make contractors refine their bids according to what the City is willing to pay.

Discussion ensued regarding project estimates, estimators, and what information is provided to contractors in the bidding process.

The Manager asked the Committee if it was safe to say that all projects on page 1 of the list meet the Committee's criteria for the additional funding. Commissioner Weithorn stated that those are all the projects committed to people and does not see how to get rid of any.

Commissioner Tobin requested more information about the additional funding required in FY 08/09 for the Scott Rakow Youth Center Project – Phase II. Mr. Chartrand explained that the additional funding is for contingencies such as an increase of project scope. Chairman Gross requested a Letter to Commission

(LTC) to provide an update and status of the project.

The second category discussed was the Funding for Previously Planned Projects not in the Capital Budget Book.

Commissioner Weithorn stated that there may be some Mid Beach Quality of Life funds that could be allocated to some projects such as the 53rd Street Restrooms because there is a long stretch of beach that does not have restroom facilities. The Manager agreed that the project is of high priority.

Commissioner Jerry Libbin questioned if there is funding in Public Works to cover sidewalk and street pavement restoration projects. Public Works Director, Fred Beckmann stated that most of the budget for sidewalk and street repairs come from Gas Tax Funds but they usually run out of budget half way through the year.

Manager Gonzalez then discussed the Middle Beach Recreational Corridor projects and explained that the only allocation in FY 08/09 is for the design expenses and that the demolition and replacement budget will be determined in future years.

The third category discussed was the "Need for Projects Future Unfunded in the adopted CIP". Commissioner Libbin asked for clarification as to what improvements to the Bandshell Park project are being made. Mr. Chartrand explained that the improvements include the expansion of 72nd Street, the addition of pavers, electrical, and other aesthetic improvements.

Commissioner Weithorn noted that it is very difficult to conceptualize projects so far in the future and that small pieces of the projects should be analyzed and funding allocated for, especially for the Bandshell Park, the Indian Creek Greenway, and the Par 3 Golf Course projects. The Manager stated that Administration has a conceptual idea of what the Par 3 Golf Course project would look like but that public input is required.

A Miami Beach resident stated that this is the right time to produce a master plan to include a sustainable golf course where artificial turf would be used. Another Miami Beach resident added that they have consulted with a contractor and were advised they could get a proposal for approximately \$35,000 and that the golf course could be built for under \$2 million. She added that the course would include a jogging area, and a potential event area. Chairman Gross indicated that the allocation of \$35,000 for a proposal could be placed in FY 08/09 budget. Commissioner Weithorn added that the funds could come out of the Quality of Life Fund.

The fourth category discussed was titled "New Projects". Commissioner Weithorn asked for status on seawall projects. The Manager stated that only three are being considered for funding in FY 08/09 and that funding for the rest is to be determined in the future. Commissioner Libbin suggested that projects from other Cities be looked at to see what has been done about seawalls. Chairman Gross asked for a proposal on how to handle seawalls. Fred Beckmann stated that he will come back to the Committee with a proposal to see what other Cities have done about seawalls and how they fund these projects. Mayor Matti Herrera Bower added that details should include if citizens voted to approve those

projects.

Fred Beckmann discussed the funding requirements for the 17th Street Bridge project. The Committee decided that funding would come from road impact fees.

The Manager then discussed the prioritization of building a Tot Lot and shade structure for the North Shore Park Youth Center. Commissioner Steinberg stated that there is value in building a tot lot because families use it and it should be of high priority. The Manager noted that citizens in different areas have expressed desire for tot lots, and asked how the Administration decides on the location. Commissioner Weithorn stated that it should be built where the cost is lower.

The Manager then presented the fifth category titled "City Center RDA Projects" and stated that most of the projects listed did not offer much flexibility in regards to funding because they had been funded in prior years and committed until 2012.

Under the sixth category, titled "Other South Pointe Projects", the Manager discussed the South Pointe Waste Water Pump Station which is the project with the majority of the funding request of \$22,364,382. Mr. Chartrand stated that documents are completed and currently awaiting for an estimate. Commissioner Weithorn stated that the only way to fund the project is by issuing water and sewer bonds. The Manager noted that bonding that amount will affect water and sewer rates.

Under the seventh category, titled "Convention Center Projects", the Manager suggested that he would meet with Convention Center General Manager Doug Tober to go over projects and determine which ones can be realized in FY08/09 based on available funding.

He then moved on to the category titled "Parking Projects" Commissioner Gross asked what would be the best way of handling the parking projects to keep them moving along without putting too much burden on Administration. The Manager suggested that perhaps requests for proposals could be issued to have the public sector assemble contracts inclusive of land, or a swap of land, to build garages.

2. Discussion regarding the Capital Improvement Project (CIP) Department Budget. (Handouts and supplemental material submitted and available at the City Clerk's Office)

ACTION

The topics discussed included the key intended outcomes supported by the department, construction procurement, the CIP program model, department staffing and workloads, budget overview, CIP projects, and future funding.

CIP Director, Jorge Chartrand presented the item regarding the Capital Improvement Projects (CIP) Department Budget. He distributed a printout of a Power Point presentation titled "Finance and Citywide Committee Budget Briefing – June 2008 – Capital Improvement Projects Office".

Mr. Chartrand began his presentation by stating that the key intended outcomes supported by the department are improving parking availability; ensuring well-designed quality capital projects; ensuring well-maintained infrastructure; and enhancing external and internal communications from and within the City.

He then stated that since 2005, CIP has teamed up with the Parking department to carry out all their construction and renovations in an effort to improve parking availability and noted the following:

- (23) parking projects have been completed valued at \$8 million.
- (13) surface parking lots have been completed, valued at \$3.6 million, increasing parking available by nearly 200 spaces and expected to increase by an additional 140 spaces by 2009.
- (10) garage maintenance projects, valued at \$4.4 million.
- Municipal Multi-Purpose Parking Facility which will produce a net gain of over 530 spaces.

Chairman Gross inquired about the extra parking spaces planned for Lincoln Lane and Washington Avenue.

Mr. Chartrand responded that the department is currently holding discussions with the County regarding the traffic aspects of the project. The County asked the New World Symphony to produce a parking study which they are currently working on.

Mr. Chartrand continued his briefing by presenting performance plan highlights related to the key intended outcomes of ensuring well-designed quality capital projects and enhance external and internal communications from and within the City. He stated that the average number of days to review construction documents and return comments is 27 for FY 06/07, with a baseline of 45 for FY 04/05 and a target of 14 for FY 07/08; the percentage of projects with substantially completed construction and in beneficial use within 120 days of schedule is 45 for FY 06/07, with a baseline of 45 for FY 04/05, actual of 100 for FY 06/07 and target of 100 for FY 07/08. The average number of days to process invoices from contractors and consultants is 27.1, with a baseline of 35 and a target of 25. The number of newsletters published is 28 for FY 06/07, with a baseline of zero for FY 04/05, and a target of 28 for FY 07/08.

He then discussed the department's program model. It consists of the CIP office, consultants, and the Program Management firm Hazen & Sawyer which reviews all bids, offers recommendations, attends design and construction meetings, reviews change orders, code compliance issues, etc.

Commissioner Tobin questioned how much the firm gets paid per year. Mr. Chartrand responded by saying that the firm is currently paid approximately \$2.5 to \$3 million per year for consulting services. Chairman Gross asked how many staff members they provided. Mr. Chartrand stated that their staff consists of 16 including an office manager and administrative support.

Regarding staffing, Mr. Chartrand said that the staffing structure consists of a director and support positions, administrative, community outreach, construction, and inspections personnel. He presented the positions in the department and the

current vacancies. He then added that a field inspector has been interviewed and noted that they are currently going through the recommendation process.

Commissioner Weithorn asked for clarification regarding staffing presented on page 11 and page 14 of the handout given. Mr. Chartrand explained that page 11 contains all the positions budgeted for but not completely filled, and page 14 contains the names of current project managers in charge of current projects.

The Manager noted that the Administration is currently exploring the possibility of including a CIP person in the Manager's office, perhaps reallocating a Senior Capital Projects Coordinator dedicated to analyze and track the construction market, and provide a second opinion regarding the numbers provided by project estimators.

Mayor Matti Herrera Bower asked how savings would be measured if the reallocation of the Senior Projects Coordinator is realized.

Commissioner Deede Weithorn answered by saying that the reallocated person would be in charge of watching market details and advising where savings could be realized and making sure that the projects are done in the most efficient way.

Mr. Chartrand then presented a table that contained project manager names, number of projects being handled, and the total project value for each.

Discussion ensued about project managers and their workload.

Mr. Chartrand then presented a list of projects in the design phase which have a total value of \$324,000,000. He stated that the Collins Park, Fire Station 2 Administration Building Demolition, Surface Parking Lot 8C-4000 Chase Avenue, Surface Parking Lots – Collins at 80th St. & 84th Streets, 17th Street Garage – Elevator Refurbishment, and Surface Parking Lot 24A – 925 Normandy Dr. projects may have budget concerns if construction was to commence this fiscal year.

He then presented a list of 23 projects currently in the construction phase which have a total value of \$291,000,000.

Commissioner Tobin noted that out of this list, three projects have been completed, and questioned if there are any other projects close to completion. Mr. Chartrand indicated that the Belle Isle Park is close to completion.

Mr. Chartrand presented a summary regarding the Neighborhoods Right-of Way project funding needs showing that in addition to the \$10.8 million in additional funding needed for above ground improvements discussed as part of the capital funding priorities, additional Stormwater funding needs were \$94.7 million and additional Water and Sewer funding needs are \$71.9 million. These are in addition to whatever additional Water and Sewer and Stormwater funding needs exist and are anticipated to be funded by additional bonds. Commissioner Weithorn noted that the Commission needs to be aware that there will need to be associated fee increases for these additional bonds. Mr. Chartrand concluded his presentation.

3. Discussion regarding the Code Compliance Budget. (Handouts and

supplemental material submitted and available at the City Clerk's Office)

ACTION

The topics discussed included the key intended outcomes of the department, current outcomes, budget overview, staffing, and code compliance activities.

Assistant City Manager Hilda Fernandez presented the item regarding the Neighborhood Services Department/Code Compliance Division Budget. She presented a Power Point slide show titled "Finance and Citywide Committee Budget Briefing – June 2008 – Neighborhood Services Department/Code Compliance Division".

Ms. Fernandez explained that the Neighborhood Services Department has four divisions which include Community Services, Community Outreach, Housing & Community Development and Code Compliance with the bulk of all staff in the Code Compliance Division with a total of 62 employees in the department.

Commissioner Tobin asked how many employees are working out in the field. Ms. Fernandez stated that there are 34 positions but only 28 filled, of which, one is on light-duty and another one is deployed in Afghanistan, for a total of 26 employees currently working on the streets.

She added that there is a schedule overlap to cover the afternoon period when the service is needed the most, but that they are not currently providing 24 hour coverage because of staffing insufficiency.

Commissioner Steinberg questioned if there is a rotation of duties in place. Ms. Fernandez indicated that employees are moved from zone to zone on a regular basis.

Ms. Fernandez then moved on to present the key intended outcomes supported by the Neighborhood Services Department which include increasing resident satisfaction with level of Code Enforcement and ensuring compliance with Code within reasonable time.

Chairman Gross questioned the number of handbill and sign violations issued and asked why it is lower than it used to be. Ms. Fernandez noted that the number has gone down due to steeper fines.

Ms. Fernandez then presented the following departmental performance indicators:

- Number of days required to have a case appear at the Special Master for non-compliance for is 169.6 FY 06/07 with a target of 90 for FY 07/08.
- Number of days from initial receipt of complaint to first inspection is 3.4 for FY 06/07 with a target of 1 for FY 07/08.
- Number of elapsed days from first inspection to voluntary compliance for nuisance complaints is 73 for FY 06/07 to a target of 30 for FY 07/08.
- Number of days from case initiation to voluntary compliance is 22.32 for FY 06/07 with a target of 35 for FY 07/08. An adjustment will be made to

this target number to reflect the same level of achievement as in FY 06/07.

- Number of inspections conducted daily by code compliance officers is 8 for FY 06/07 with a target of 12 for FY 07/08.
- Number of vacant and improved lots remediated is 17 for FY 06/07 with a target of 25 for FY 07/08. An adjustment will be made to this target number to reflect the same level of achievement in FY 06/07.

Ms. Fernandez noted that an internal budget shift will be made in order to maintain and mow vacant/abandoned lots.

Commissioner Weithorn added that the number of vacant/abandoned lots will increase as foreclosures increase.

Ms. Fernandez then presented the types of cases handled in FY 06/07 which included noise, sanitation, zoning, property maintenance, sign on public property, handbills on vehicles, transient rental, soliciting, marine related, peddling, business on public property and vendor with a total of 7,214 cases.

She then moved on to present a budget overview and staffing for the Code Compliance division. She stated that the work plan for FY 08/09 includes 46 full time positions and concluded her presentation by adding that reorganization is being planned to realize savings of approximately \$151,000.