



# MIAMI BEACH

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

## COMMISSION MEMORANDUM

TO: Mayor Matti Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: December 9, 2009

SUBJECT: **A REFERRAL TO THE FINANCE AND CITYWIDE PROJECTS COMMITTEE A DISCUSSION REGARDING AMENDING AND RESTATING THE CITY'S BASS MUSEUM AGREEMENT TO ALLOW FOR REPLACEMENT OF THE MUSEUM'S CURRENT BOARD OF TRUSTEES BY A NEW GOVERNING ENTITY, THE BASS MUSEUM OF ART, INC., A FLORIDA NOT-FOR-PROFIT CORPORATION.**

### ADMINISTRATION RECOMMENDATION

Refer discussion to Finance/Citywide Projects Committee as recommended by the Administration.

### ANALYSIS

The Bass Museum was established from its inception as a strong public/private partnership through a contractual agreement entered into 45 years ago when the City accepted the gift of the art collection of John and Johanna Bass. This agreement stipulates that the City will "maintain the collection in perpetuity...provide for the exhibition of the collection, keep it open and available to the public," and provide basic funding for the maintenance and exhibition of the collection. The City fulfills this obligation by funding the operational elements of the Museum, and maintaining the building, which is a City asset. The agreement further stipulates that the Bass Museum, as an operating entity, should be overseen by a Board of Trustees composed of the City Manager, the President of the Miami Beach Chamber of Commerce, the President of the Friends of the Bass Museum, Inc., and two members of the Bass family. The Board has the responsibility for Museum policies and procedures, as well as day-to-day management through the staff it employs. The Museum's Executive Director/Chief Curator, for example, is a City employee with full benefits, but is hired by, and answers to, the Board of Trustees.

In addition to the City and the Board of Trustees, a third entity exists to promote and further the mission of the Bass Museum of Art: the Friends of the Bass Museum, Inc. This private and separate 501(c)3 organization was established in 1978 as the membership and fundraising arm of the Museum. The President of the Friends chairs the Board of Trustees. The Friends' Board of Directors serves as advisory to the Trustees, advocates and raises funds for the Museum, and sponsors Museum programs, which include all special exhibitions and educational programs. The Museum's membership, education, development and marketing efforts are realized by employees of the Friends of the Bass Museum. Thus, the current Museum staff consists of City employees (both classified and unclassified) and Friends employees, with substantial differences in benefits and pay scales.

To remedy this situation, the Administration has been working closely with the Museum's staff and Boards to streamline the current governance model, standardize employment practices, and empower the Museum to fully realize its potential as the City's preeminent art institution. At the June 3, 2009,

Agenda Item CYE  
Date 12-9-09

City Commission Meeting, Resolution No. 2009-27089 was approved, which authorized the transfer of \$137,000 in budgeted, appropriated funds for the Bass Museum to the Friends of the Bass Museum. In addition to providing them with direct oversight and management of the operational issues funded by this allocation, this also allows the Friends to pursue potential savings by using non-City contracts for certain services, such as carpet cleaning or for the purchase of office supplies, for example. By transferring the budget allocations for certain line items the City also began the process of transitioning some of the day-to-day administration and oversight of operational issues to the Friends. This is an important step in moving towards increased simplification of the Museum's governance structure, which has been considered essential for the future well-being of the institution and was included in the Museum's own five-year strategic plan, completed in March 2007. This concept was discussed at the May 5, 2009 Finance and Citywide Projects Committee. The Finance Committee approved the transfer of those operating line item balances and recommended that the Administration come back as part of the budget process for any future allocations. Therefore, at the September 24, 2009 City Commission Meeting, Resolution No. 2009-27216 was approved authorizing the transfer of \$512,000 to the Friends of the Bass Museum to fund certain operating expenses through September 30, 2010.

The Administration and Friends of the Bass Museum met in August of 2009 to begin the process of developing, for implementation, a new governance model for the Museum. The City also has been working with Dennis Richard, who is the testamentary representative of the Bass Family, to draft an amendment of the original agreement between the City and the Bass Family. Conceptually, this new agreement would replace both the Board of Trustees and the Friends of the Bass Museum, Inc., with a new governing body composed of actual stakeholders, as opposed to the current Board of Trustees, who maintain their seats by virtue of their contractually designated positions. The City would retain membership on the new governing board, much as we do on the Miami City Ballet Board. The day-to-day responsibility to ensure the City's contractual obligations to maintain the collection would be handled by this new governing body. The Friends are currently working on updating and amending their by-laws in preparation for their transitioning to this new governing body, Bass Museum of Art, Inc. The amended and restated agreement between the City of Miami Beach and Dennis Richard, testamentary legatee of the Bass family's original agreement, is being completed and will be ready for review by the Finance and Citywide Projects Committee in January.

## **CONCLUSION**

The Administration recommends referral to the Finance/Citywide Projects Committee.

  
JMG/HMF/mas

T:\AGENDA\2009\December 9\Consent\Bass Agreement Referral\_ Finance Committee.doc