



MIAMIBEACH

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COMMITTEE MEMORANDUM

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

FROM: City Manager Jorge M. Gonzalez

DATE: March 9, 2011

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF January 27, 2011.**

OLD BUSINESS

1. Follow up: Discussion regarding \$94,000 – Sleepless Night

ACTION

None - Status Update

The Committee asked that anything finance related be given as a status report included in the Finance & Citywide Projects Committee (F&CWP) Agenda.

Gary Farmer, Cultural Affairs Program Manager, presented the item and stated that on November 29, 2010 the Knight Foundation awarded the City a \$200,000 matching grant for Sleepless Night 2011 and 2012. The Committee asked that anything finance related be given as a status report included in the Finance & Citywide Projects Committee (F&CWP) Agenda.

Commissioner Jerry Libbin asked, in reviewing the projected budget, where the \$150,000 from the Greater Miami Convention and Visitors Bureau (GMCVB) came from, and was it part of the approximately \$950,000 the City allocates to the GMCVB. The Committee asked for a breakdown of the \$950,000. The Committee also asked for a breakdown of the Sleepless Night budget. Below referenced are both the budget for Sleepless Nights and the breakdown of the \$950,000 for GMCVB.

Agenda Item	<u>CGB</u>
Date	<u>3-9-11</u>

TARGET MARKET INITIATIVES for GMCVB

2010/11 BUDGET

EXPENDITURES

	BUDGET
GOAL 1: ENHANCE THE DESTINATION'S TOURISM INFRASTRUCTURE AND EXPAND ATTRACTION ASSETS	
Spot Surveys (Lincoln Road, Ocean Drive, Beaches, MBCC)	in-kind
GOAL2: ENHANCE THE VISITOR EXPERIENCE	
Miami Beach Visitor Center (currently operated by the Miami Beach Chamber of Commerce)	\$ 30,000
Customer Service Initiatives	\$ 10,000
GOAL 3: OPTIMIZE SALES & MARKETING	
Targeted Initiatives	
Boutique Hotel Program	\$ 225,000
One-time cost - redesigned website/new guide - boutique hotel	\$ 50,000
Gay & Lesbian Tourism Research & Co-op Advertising	\$ 145,000
GLBT sponsorships/marketing/advertising 25/7 (Fund throughout-market)	\$ -
Cultural Leverage	
Sleepless Night	\$ 150,000
Collaterals/promo - other cultural (e.g. SoundScape Cinema Series, 25/7)	
Film, Fashion & Entertainment	
Trade Shows/events	\$ 25,000
Black Book Production and Reprint	\$ -
Events/Festival Season	
Art Basel Miami Beach/Art Basel: Media, Promotions, Staff Travel	\$ 55,000
South Beach Wine and Food Festival Marketing	\$ 45,000
South Beach Comedy Festival	\$ 5,000
Marketing/Public Relations - in-market	\$ 25,000
Marketing/Public Relations - out-market (select events, locations)	\$ 125,000
MB Golf Club and Normandy Golf Course	\$ 20,000
Welcome Channel	\$ 20,000
Other Events incentive/marketing support/sponsorships (i.e. Miss MB, Conferences/conventions, film festivals, etc.)	\$ 15,000
Shop Miami Beach	\$ 5,000
Collateral materials and support (25/7, website, etc.)	\$ -
Contingency	
TOTAL	\$ 950,000

REVENUES

Agreement Set Aside - MB Initiatives	\$ 950,000
TOTAL	\$ 950,000

Sleepless Nights Projected Budget 2011

	PROJECTED	
REVENUE	2011	NOTES
CMB - CAC Marketing Funds	\$ 94,000.00	
Grants	\$ 125,000.00	VCA, NEA, State of Florida, Miami-Dade County
Knight Foundation Grant	\$ 100,000.00	Year 1 of 2
GMCVB	\$ 150,000.00	
Corporate Sponsorships	\$ 250,000.00	Anticipated
TOTAL INCOME	\$ 719,000.00	
	PROJECTED	
EXPENSES	2011	
City Services	\$ 40,000.00	Fire, Police, Sanitation, Prop Mgmt
Professional Services	\$ 379,000.00	Artist Fees, Festival Coordination, Technical Services, Shuttle Busses, Legal (Immigration Attorney)
Production and Equipment Rental	\$ 75,000.00	Staging, Sound, Lights, Backline, Barricades, Banner Stands, Theatrical Expenses
Printing Services	\$ 35,000.00	T-Shirts, Flyers, Programs, Posters
Marketing and Advertising	\$ 170,000.00	Marketing, Advertising and Public Relations
Other Operating Expenses	\$ 20,000.00	Artist Travel Expenses, ADA Accommodations, Misc.
TOTAL EXPENSES	\$ 719,000.00	

2. Discussion of a renewal for the Security Alliance contract

ACTION

The Committee recommended exercising the first and second renewal option for the unarmed security guard services contract with Security Alliance and directed Administration to issue a Request for Proposal (RFP) for the Security Guard Services Contract at least six (6) months prior to the expiration of the current contract.

City Manager Jorge Gonzalez presented the item and gave a synopsis of the memo.

The Finance & Citywide Projects Committee, at its January 26, 2010 meeting, recommended the issuance of a new Request for Proposal (RFP) for Security Guard Services. At its March 10, 2010 meeting, the Mayor and City Commission approved the issuance of an RFP for Security Guard Services. The RFP was posed on BidSync and the Procurement's City website on March 10, 2010, with an original bid opening date of April 9, 2010. The bid was also advertised in the March 12, 2010 Daily Business Review publication. At the May 20, 2010 Finance & Citywide Projects Committee, the deadline for submission of the proposals for the RFP for security guard services was extended to allow for an analysis of paid time off for employees covered by the Living Wage Ordinance, and the possible inclusion of paid time off in the RFP requirements. Subsequently, the RFP opening date was postponed and has been on hold until further direction by the Mayor and City Commission.

The City, at its sole option and discretion, may renew the contract for unarmed security guard services with Security Alliance. The first renewal option would be retroactive to May 1, 2010 and the second renewal would be from May 1, 2011 to April 30, 2012. The Committee recommended exercising the first and second renewal option for the unarmed security guard services contract with Security Alliance and directed Administration to issue a Request for Proposal (RFP) for the Security Guard Services Contract at least six (6) months prior to the expiration of the current contract.

3. Discussion regarding final suggested amendments to the Request for Proposals (RFP) to provide parking cashiers/attendants and supervisors for the City's parking garages.

ACTION

The Committee recommended:

- **increasing the hourly rate \$1 for the "Supervisor" position**
- **the RFP requires proposers to include standardized reports that they currently prepare**
- **include an add alternate for a fraud prevention program**
- **require that proposers state what fraud prevention program, if any, is already in place**

City Manager Jorge Gonzalez presented the item.

The Administration further reviewed the Request for Proposals (RFP) with an effort to more align with a cost plus model. In particular, the Price Proposal Form has resulted in a more user friendly format to be completed by prospective bidders. Additionally, the new form is more inline with traditional "cost plus" formats. Lastly, the hourly rate paid to employees must be compliant with the City's Living Wage Ordinance Requirement. For purposes of evaluating the bidders, the hourly rate paid to employees in Year One shall commence on October 1, 2011 (City's Fiscal Year 2011/12). The hourly rate to the employees will be either \$10.72 which includes benefits or \$12.17 which does not include benefits (\$10.72 + \$1.45). When utilizing the FY 2011/12 Living Wage hourly rate salary compression issues arose: Cashier/attendants and Supervisors will both be at the Living Wage hourly rate. The Committee recommended increasing the hourly rate \$1 for the "Supervisor" position.

Chairperson Deede Weithorn asked that the RFP require proposers to include any standardized reports that they currently prepare.

Commissioner Jerry Libbin was concerned about how proposals would be scored and how the points will be distributed. Discussion followed. Chief Financial Officer Patricia Walker stated that she would use a weighted average based on the number of proposers.

Commissioner Jorge Exposito expressed concern over the possibility fraud and suggested that fraud prevention should be included in the RFP. Chief Financial Officer Patricia Walker suggested that a requirement be added to the RFP for proposers to state what fraud protection, if any, is already in place. Discussion ensued. The Committee recommended adding a requirement in RFP for proposers to state what fraud prevention program, if any, the company already has in place and adding as an add-alternate a fraud prevention program.

4. Discussion regarding Hop-on-Hop-off city bus tour service from various locations in the City

ACTION

The Committee referred the item to the Land Use & Development Committee and asked the City Attorney's Office to research allowing commercial sales in the public right-of-way.

Cultural Arts & Tourism Development Director Max Sklar presented the item.

At the December 16, 2010 Finance and Citywide Projects Committee meeting the Committee expressed concerns that the issuance of a Request for Proposal (RFP) and resulting contract could lead to litigation similar to that experienced by the City of Key West. The Committee directed staff to research the Key West case and to also provide additional information on potential revenue share projections if a concession agreement was executed.

The City Attorney's Office researched the referenced litigation between Duck Tours and the City of Key West. Duck Tours was seeking to operate tours of Key West similar to their operations in other cities. The City of Key West had franchise agreements for sightseeing services with two sister entities: Conch Tour Train, Inc. and Buggy Bus, Inc., d/b/a Old Town Trolley, both owned by Historic Tours of America (HTA). These agreements were made by municipal ordinances that not only granted franchise status to the train and trolley tours, but prohibited the issuance of similar franchises to competitors. The ordinances also prohibited any sightseeing or shuttle company, other than the train and trolley tours, from having offices, depots, ticket sales booths, and/or passenger loading or unloading "stops" within 1,000 feet of Train and Trolley's existing depots. Duck Tours argued that this created a monopoly and violated the Commerce Clause of the United States Constitution. Mr. Sklar stated that the City has no intention of awarding an exclusive contract as part of a potential RFP. Therefore, the City Attorney's Office is comfortable with proceeding with a RFP should the City Commission decided to do so.

Commissioner Jerry Libbin raised concerns over allowing commercial sales in the public right-of-way and the congestion that on-street kiosks may add to the City. Discussion ensued. The Committee referred the item to the Land Use & Development Committee and asked the City Attorney's Office to research allowing commercial sales in the public right-of-way.

5. Discussion regarding the shift to an iPad from the printed agenda

ACTION

The Committee recommended Commissioner Deede Weithorn use the iPad for the February 9, 2011 Commission Meeting and that the item be brought back to the March 24, 2011 Finance & Citywide Projects Committee meeting.

Commissioner Jorge Exposito asked staff to look at replacing printed Commission Agendas with iPads. Gladys Gonzalez, Information Technology Division Director, presented the iPad analysis. The Committee discussed the analysis presented and the practicality of the iPads. Commissioner Jerry Libbin stated that he would use his personal iPad and have the Information Technology Department install the software on it. The Committee recommended Commissioner Deede Weithorn use the iPad for the February 9, 2011 Commission Meeting and that the item be brought back to the March 24, 2011 Finance & Citywide Projects Committee meeting.

NEW BUSINESS

- 6. Discussion of all fees administratively set or have been administratively set**

ACTION

Item Deferred

- 7. Explanation for any increases in individual department budgets (net of increases from pension reallocations and internal service increases)**

ACTION

Item Deferred

- 8. Discussion regarding proposing a refund of the Miami Beach millage increase**

ACTION

Administration to provide quarterly reports on the status of new potential revenue initiatives are given to the Finance & Citywide Projects Committee.

The Committee discussed giving a refund of the Miami Beach millage increase. Commissioner Jerry Libbin supported giving a refund of the millage increase if the City was able to. Chairperson Deede Weithorn did not favor committing to refunding the increase at this point; felt that it was too early to determine if the City would be able to give a refund and stated that she favored lowering the millage rather than giving a refund. Commissioner Libbin proposed segregating any additional revenue which was unbudgeted, for the Commission to decide at a later date if a refund could be given. Chairperson Weithorn felt that any additional revenue or saving should be used to replenish the approximate \$3.5 million from the FY 2008/09 Year-end surplus that was used to balance the budget for FY 2010/11 and when that amount is reached she would favor discussing a refund. Conversation followed. Chairperson Weithorn asked that quarterly reports on the status of new potential revenue initiatives be given to the Finance & Citywide Projects Committee.

- 9. Discussion regarding the Convention Center Extension and Enhancement Plan**

ACTION

None – Status Update

Assistant City Manager Hilda Fernandez presented the item.

Ms. Fernandez reviewed the pending issues and timeline outlined in the memo. Chairperson Deede Weithorn asked if a market analysis had been done, so that the Master Plan meets the needs of this market. City Manager Jorge Gonzalez stated that Conventions, Sports and Leisure International (CSL) provided research and analysis with respect to the short and long-term planning initiatives for the Miami Beach Convention Center. Commissioner Jerry Libbin was concerned that an expanded convention center may reduce the number of bookings because event planners may plan for hotel

accommodations at several different locations for their event. Bill Talbert, president of the Greater Miami Convention and Visitors Bureau (GMCVB), stated that a headquarter hotel would make planning events easier and any overflow from a large event could be handled by any of the hotels that are already within walking distance. Commissioner Libbin then asked what sized convention could be accommodated comfortably and what size would be ideal. Ita Moriarty, senior vice president of convention sales at the GMCVB, stated that an event of 15,000 – 20,000 could be accommodated but the ideal size would be multiple events of 3,000 – 4,000 overlapping or occurring simultaneously. Commissioner Jorge Exposito asked what the timeframe was from inception to completion. City Manager Jorge Gonzalez stated that it would be approximately four (4) years from approval to construction to get all of the new aspects in place and usable and then another three (3) years approximately to renovate the existing space so that there will not be a loss of usage.

10. Discussion regarding Veterans Day Parade and Picnic 2011

ACTION

The Committee recommended funding the Veterans Day Parade and Picnic up to \$25,000.

Commissioner Jerry Libbin presented the item.

Commissioner Libbin requested the City provide funding to the Veterans of Foreign Wars (VFW) for the Veterans Day Parade and Picnic in future years. The Committee recommended funding the Veterans Day Parade and Picnic up to \$25,000.

11. Discussion on adopting the Master Plan for the North Shore Bandshell Park Project

ACTION

The Committee requested that the Administration fund the connection from the park to the beachwalk and the reconfiguration of 73rd Street in such a manner to ensure completion of those elements concurrent with phase one of the projects. Furthermore, they asked that staff ask the Police Department to comment on the furniture chosen for the park.

The Committee recommended approving the Basis of Design Report (BODR).

Assistant City Manager Jorge Gomez presented the item and gave a brief history of the North Shore Bandshell Park project. Mr. Gomez presented the Draft Master Plan and the phased implementation plan of the proposed improvements.

Chairperson Deede Weithorn asked that staff check with the Police Department to determine if the tables and chairs chosen will invite the people to sleep on them. Chairperson Weithorn then opened the floor to public comment. North Beach Resident Daniel Veitia stated his concerns with the project which included the unfunded walkway connector to the beach. Mr. Veitia also asked that they City conduct a traffic study which looks at replacing the existing parking spaces/lot with a pick-up and drop-off area for the elderly that will be visiting the Senior Center along with a bicycle lane. Discussion ensued. The Committee recommended approving the Basis of Design Report (BODR).

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