

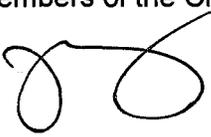


MIAMIBEACH

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

COMMITTEE MEMORANDUM

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

FROM: City Manager Jorge M. Gonzalez 

DATE: October 19, 2011

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING OF September 26, 2011.**

OLD BUSINESS

- 1. Follow up: Discussion regarding the Miami Beach Festival of the Arts and potentially contracting with a professional art festival company to produce the Festival for the City**

ACTION

The Committee asked that the Neighborhood/Community Affairs Committee prioritize the proposed alternatives for the Festival of the Arts.

Max Sklar, Director of Tourism & Cultural Development, presented the item.

The Miami Beach Arts and Crafts Festival took place on April 9 – 10, 2011. Attendance was very poor and the vendors reported very low sales over the course of the two day event. Sales were so poor that some vendors said that they would not return and the producer had to refund their registration fees. The Fine Arts Board discussed the 2011 Festival at their regularly scheduled meeting on April 14, 2011. The members generally felt that the Festival was not a success, and that marketing and promotion of the Festival was poor. There followed general discussion about street art festivals being passé. All agreed that the Festival presented a “bad image” of Miami Beach to the public. The Board recommended by unanimous vote that the City permanently cease presentation of the Festival and seek other ways to promote activity in North Beach.

Members of the Finance & Citywide Projects Committee discussed the Fine Arts Board recommendation at its meeting on May 19, 2011. The Committee was hesitant to approve cancellation of the Festival without having a clear alternative in place. There was general agreement that a series of events over an extended period of time would be more effective in promoting business and community in the North Beach neighborhood than the one-weekend-a-year Festival of the Arts. The proposed alternatives to the Festival include Arts in the Park options which include movies and live performances dedicated to the North Shore Band Shell, street vendor festival, and food truck event.

The Committee asked that the Neighborhood/Community Affairs Committee prioritize the

proposed alternatives for the Festival of the Arts.

2. Discussion regarding a proposed ordinance on ethics guidelines for acceptance of gifts, favors, or services by City employees

ACTION

The Committee recommended that Administration monitor the county regarding ethics guidelines for acceptance of gifts, favors or services by elected officials and City Employees and provide a status report to the Finance & Citywide Projects Committee.

Commissioner Jonah Wolfson introduced Frank Del Vecchio, Miami Beach Resident, who presented the item. Mr. Del Vecchio proposed that the City Commission implement a standard of conduct prohibiting the City's Officers and Employees from accepting a gift, favor or service discounted below fair market value for an entity doing business with the City or from a lobbyist. Mr. Del Vecchio provided examples from the United States Department of Justice Ethics Office Handbook on acceptance of gifts by federal employees. Discussion ensued. City Attorney Jose Smith stated that Miami-Dade County is currently reviewing the issue. The Committee recommended that Administration monitor the county regarding this issue and provide a status report to the Finance & Citywide Projects Committee.

3. Discussion regarding Security Alliance

ACTION

The Committee recommended that the Administration begin the Request for Proposals (RFP) process for security services and include the new criteria mentioned in the meeting as part of the evaluation process.

Procurement Division Director Gus Lopez presented the item.

Beginning in or around at least the late 1990's and continuing until in or around March 2007, the defendant, JAMES B. LOFTUS, JR., and Brian W. Ouellette occupied high-level security positions at Rooms To Go ("RTG"), which was a Florida corporation with its principal place of business in the Middle District of Florida. In those positions, the defendant and Ouellette were given substantial discretion by RTG to handle security-related matters entrusted to them.

Without RTG's knowledge and approval, however, the defendant and Ouellette created, among other entities, Lot 49 Inc. and Wiley Management Corp. ("Wiley Management"), respectively to enable themselves to secretly receive kickbacks from an outside security vendor named Security Alliance, LLC, a/k/a Security Alliance of Florida, LLC ("Security Alliance"), which RTG had retained to employ and manage its security guards. Unbeknownst to RTG, Security Alliance had created another company, Choice Management Solutions, LLC ("Choice Management"), to make these kickback payments to the defendants and Ouellette.

To conceal and cover-up these kickbacks from RTG, the defendant and Ouellette, among other things, secretly prepared sham invoices addressed to Security Alliance and Choice Management which fraudulently sought payment for "consulting" services, and which required that such payments be made indirectly to the defendant and Ouellette

through Lot 49 Inc. and Wiley Management, respectively. The defendant and Ouellette e-mailed these fraudulent invoices to Security Alliance and Choice Management, and Security Alliance and Choice Management, in turn, used the United States mail ("Postal Service") to deliver checks to the defendant and Ouellette which were addressed and made payable to Lot 49 Inc. and Wiley Management, respectively. The defendant and Ouellette received these checks from the United States Postal Service at the place the defendant and Ouellette directed said checks to be delivered.

All total, the defendant and Ouellette solicited and received kickbacks from Security Alliance and Choice Management in the amounts of approximately \$287,562 and \$550,456, respectively. In exchange for these payments, the defendant and Ouellette provided favorable treatment to Security Alliance in their official positions with RTG, including the opportunity to employ and manage, and to continue employing and managing, RTG's security guards.

Commissioner Jonah Wolfson stated that he was very concerned and suggested starting termination proceedings with Security Alliance. Chairperson Deede Weithorn stated that she also found this troubling and asked when the Security Alliance contract would expire. Mr. Lopez stated that it expires in April 2012. The Committee recommended that the Administration begin the Request for Proposals (RFP) process for security services and include the new criteria mentioned in the meeting as part of the evaluation process.

- 4. Discussion regarding a proposed modification of the Promissory Note dated February 5, 2007, from MBCDC Meridian Place LLC, A Florida Limited Liability Corporation, to the Miami Beach Redevelopment Agency, and to discuss a subordination of the City's mortgages in favor of a mortgage being made to MBCDC by Bank United**

ACTION

Item Deferred

- 5. Discussion regarding the proposed inter-local agreement between Miami-Dade County and the City of Miami Beach for the provision of a bi-directional transit circulator route service known as the "South Beach Local"**

ACTION

The Committee recommended approving the proposed Interlocal agreement between Miami-Dade County and the City of Miami Beach for the provision of a bi-directional transit circulator route service known as the "South Beach Local".

Public Works Director Fred Beckmann presented the item.

Under the provisions of an Interlocal Agreement (ILA) Miami-Dade County (the County) has been operating a bi-directional transit circulator route service in Miami Beach known as the "South Beach Local" (SBL) since September 25, 2005. The SBL replaced both the City's Electrowave Shuttle Service and Miami-Dade Transit's (MDT) Route W,

servicing the entire South Beach community. MDT became the provider of bus shuttle services on South Beach in lieu of the previous provider, the Miami Beach Transportation Management Association.

The SBL ILA expired on October 11, 2010; however, MDT has continued to provide service after the expiration of the SBL ILA under the same terms and conditions. MDT initially wanted to have the City contribute more to the annual operating cost than our current proportion of approximately 35% City and 65% County. The County wanted to have a 50% City and 50% County split. The cost increase to the City would have been \$507,379 annually. In addition, the County wanted to increase the headways during peak hours, eliminate the City's 3% annual increase limits, and eliminate the Belle Isle service.

After negotiations, the City and MDT agreed to the following:

1. The City will maintain the current level of contribution of \$1,213,121 per year.
2. Maintain the current headways of 13 minutes during the peak hours.
3. Continue service to Belle Isle.
4. Maintain the City's contribution to the annual net operating cost increase to the Miami-Ft. Lauderdale CPI Transportation Index or 3%, whichever is less.

The Committee recommended approving the proposed Interlocal agreement between Miami-Dade County and the City of Miami Beach for the provision of a bi-directional transit circulator route service known as the "South Beach Local".

6. **Discussion pertaining to the issuance of the Request for Proposals (RFP) for the comprehensive professional tennis management and operations services at the City's Flamingo Park and North Shore Tennis Centers**

ACTION

Item Deferred

7. **Discussion regarding authorizing the City Manager to negotiate and enter into temporary licensing-use agreements with contractors requiring the use of City-owned property for the purpose of staging and/or storage of construction equipment in connection with City or privately funded construction projects**

ACTION

Item Deferred

8. **Discussion concerning City Fees and Charges for Gay Pride 2012**

ACTION

Item Deferred

9. Discussion regarding reducing the bills penalty from 10% to 5%

ACTION

Item Deferred

10. Discussion regarding the Catering and Concession Agreements for the Miami Beach Convention Center

ACTION

Item Deferred

11. Discussion Pertaining to Providing Outdoor Seating on City-Owned Space Adjacent to Cinematheque Theater at Historic City Hall

ACTION

The Committee recommended approving the proposal by the Miami Beach Film Society, Inc. d/b/a, Miami Beach Cinematheque, to operate an outdoor café in the city owned public space adjacent to the Cinematheque's leased premises at Historic City Hall and exclude the security deposit from the agreement.

Anna Parekh, Director of Real Estate Housing and Community Development, presented the item.

On December 9, 2009, the Mayor and City Commission adopted Resolution No. 2009-27282, approving the Lease Agreement between the City of Miami Beach and the Miami Beach Film Society, Inc. d/b/a Miami Beach Cinematheque for the approximately 2,523 square feet of ground floor space in the building is known as Historic City Hall, the City-owned property located at 1130 Washington Ave, 1st Floor South, Miami Beach, Florida. The Leased Premises include two large doors that open out onto steps and an outdoor courtyard to the south of the Historic City Hall Building. The Leased Premises do not include the outdoor space. The Tenant has requested use of the outdoor courtyard space, adjacent to the Leased Premises, to place eight (8) tables and sixteen (16) chairs immediately outside of the south door for the purpose of serving the public and Cinematheque's patron's light fare, including without limitation, baked goods, specialty chocolates, coffee, tea, and non-alcoholic beverages.

In order to facilitate use of the outdoor area by Cinematheque, and consistent with other similar arrangements, a separate agreement was recommended by Administration for governing the use of the space. Staff recommended that the annual guaranteed fee be set at \$7,000, payable in 12 equal monthly installments of \$583.33 and after the submission of an annual end-of-year report by the Cinematheque, the Cinematheque would be responsible to pay the difference between the minimum guaranteed fee and 15 percent of its reported gross revenues. Additionally, Staff recommended a security deposit equal to three months minimum guaranteed fees in order to provide the City relief in the event of damage to the site or unanticipated maintenance at the expiration of the agreement; Cinematheque felt that this would be a challenge. The Committee

recommended approving the proposal by the Miami Beach Film Society, Inc. d/b/a, Miami Beach Cinemateque, to operate an outdoor café in the city owned public space adjacent to the Cinemateque's leased premises at Historic City Hall and exclude the security deposit from the agreement.

12. Discussion Regarding Possible Refunding of General Obligation Bonds of Series 2000

ACTION

The Committee recommended moving forward with the refunding of General Obligation Bonds, Series 2000 and the advance refunding of the General Obligation Bonds, Series 2003.

Chief Financial Officer Patricia Walker presented the item.

On June 23, 2000, the City Commission passed Resolution 2000-23966 authorizing the issuance of \$30 million of General Obligation bonds (the first of two bond issuances) by borrowing funds from the Gulf Breeze Government Loan Pool. On June 11, 2003, the City Commission Passed Resolution 2003-25240 authorizing the issuance of \$62,465,000 of General Obligations (the second of the two bond issuances).

As of September 26, 2011, the City has approximately \$18,710,000 outstanding on the Series 2000 General Obligation bonds, which has a scheduled principal payment of \$1,460,000 on December 1, 2011, and \$49,570,000 outstanding on Series 2003 General Obligation bonds. The City intends to refinance all of the outstanding Series 2000 bonds of \$17,250,000 on December 1, 2011, and up to \$49,570,000 million will be used to advance refund the Series 2003 bonds. The total amount for both refunding will not exceed \$67 million which will also include such costs as cost of issuance, premiums and/or discounts, and underwriters' discounts. The actual refunding amount of the Series 2003 will be determined at the pricing date which will take into account the prevailing market conditions at that time.

This refunding is the result of the Administration's continuous review of opportunities to refund outstanding bonds to ensure that the City is paying the lowest possible rate within statutory and tax requirements.

The City's Financial Advisor, RBC Capital Markets, has determined that the City has the capacity to refund the Series 2000 General Obligation Bonds as well as to advance refund a portion of the Series 2003 General Obligation Bonds, and that both of these refinancing may provide, as of September 26, 2011, a present value savings of approximately \$4.0 million or approximately 11%. The refunding of these bonds does not extend the term of the bonds beyond their original maturity date.

According to the loan agreements with Gulf Breeze, the City can refinance the outstanding Series 2000 General Obligation Bonds on the next redemption date which falls on December 1, 2011. The original call/redemption date for these bonds was on December 1, 2010; however, at the time the City would have had to pay a premium of approximately \$187,000 to call the bonds. The reason the Administration is recommending calling the bonds as of December 1, 2011 is because they are callable at par in addition to the fact that interest rates today are about 70 basis points lower for a AA rated General Obligation issue than it was at December 1, 2010. As for the Series 2003 General Obligation Bonds to be advance refunded, we will seek, with the advice of

the City's Financial Advisors, the best opportunity in the near future to determine when market conditions are optimal to achieve the most savings for the City.

Because of the character of the proposed refinancing of the Series 2000 and Series 2003 General Obligation Bonds, the prevailing market conditions, the complexity of structuring a refunding and the recommendations of the Financial Advisor, it was further determined that the sale of the new refinanced General Obligation Bonds on the basis of a negotiated sale rather than a public sale by competitive bid is in the best interest of the City.

The Committee recommended moving forward with the refunding of General Obligation Bonds, Series 2000 and the advance refunding of the General Obligation Bonds, Series 2003.

13. Discussion authorizing the City to enter into an energy audit and permitting agreement with Ameresco to provide a detailed engineering study and energy savings calculations with guaranteed payback related to the feasibility of construction and operation of a water reclamation plant for the irrigation of the Miami Beach Golf Course

ACTION

Item Deferred

14. Discussion regarding amendments to the Recycling Ordinance

ACTION

The Committee asked for an economic impact study regarding the enforcement of the proposed Recycling Ordinance.

The Committee asked that this item be brought to the Sustainability Committee Recycling Sub-Committee.

Commissioner Jonah Wolfson presented the item.

Commissioner Wolfson worked with the City Attorney's Office and City Administration, as well as members of the City's Sustainability Committee, on a proposed ordinance that would require mandatory recycling for multifamily residences and commercial establishments in the City, via the establishment of a City of Miami Beach Mandatory Recycling Enforcement Program.

Currently, Miami-Dade County Code (Sections 15-2.2 to 15-2.4) requires multifamily and commercial establishments to have a recycling program. However, as a result of multiple issues, including fiscal constraints at the County level, the County Code requirement to demonstrate a recycling program is not adequately or comprehensively enforced. The proposed ordinance, which is an amendment to Chapter 90 of the City Code, would establish more stringent requirements than the County and require multifamily residences and commercial establishments in the City to recycle pursuant to the requirements of a City of Miami Beach Recycling Program. The proposed program

would require that multifamily and commercial establishments not only have a recycling program in place, but it would also mandate that recyclables be recycled. Multifamily and commercial establishments would receive fines if recyclables were found comingled with their solid waste or vice versa. Single-family homes and multifamily buildings of up to eight (8) units are already provided weekly recycling services via Miami-Dade County's Curbside Recycling Program, which was done through an Inter-Local Agreement entered into on June 14, 1990.

On September 1, 2009, the Miami-Dade County Multifamily and Commercial Recycling Memorandum of Understanding (MOU) between the City of Miami Beach and Miami-Dade County – Department of Solid Waste Management (SWM) was approved. Under the MOU, the County agrees to enforce recycling under the County Code within the City of Miami Beach. When facilities are found to not have a recycling program, the County issues the offending party a warning notice followed by a notice of violation that may include fines as delineated in Miami-Dade Code Chapter 8CC. In August 2010, the County initiated a proactive inspection approach to enforcement. However, in October 2010 the County returned to a complaint-driven approach with an emphasis on education.

Commissioner Jerry Libbin stated that he was in favor of recycling and wanted to find a way to incentivize recycling rather than issue fines for noncompliance. Chairperson Deede Weithorn asked if the proposed ordinance excluding the fine schedule was the same as the County ordinance. Chief Deputy City Attorney Raul Aguila stated that the County ordinance only requires that a recycling program be in place but the proposed City of Miami Beach ordinance requires a recycling program be in place and that waste be recycled. Chairperson Weithorn opened the floor to public comment which included support for recycling programs and education about recycling. Chairperson Weithorn stated that the proposed ordinance would require enforcement and requested an economic impact study. Discussion ensued. The Committee asked that this item be brought to the Sustainability Committee Recycling Sub-Committee.

Attendance Sheet

MEETING OF THE FINANCE & CITYWIDE PROJECTS COMMITTEES

Date: September 26, 2011

Please State Your Name When Speaking to the Committee - Thank You

Please PRINT Name	Business Name & Phone
Lorena Rosario	The Bath Club Residences 305 866 8799
Julio Sanchez	The Bath Club 786-970-0549
DELORES WOLFF	SUNSET HARBOR NORTH 305/538-9004
JOSE ESPINOSA	THE SETAI 305-520-6280
PATRICK FERNANDES	THE SETAI - 305-520-6220
Gayle Durham	201-315 5363
MARIBEL MIGOYA	MOSAIC CONDOMINIUM 305-674-8889
Gail M. Frank	Barleigh House Condo - 305-864-2831
Jo ASHUNDSSON	MBCDC 305.861-5703
FRED SCIANNAS	110 Washington Ave.
SUZANNE HOLLANDER	CITY OF MIAMI BEACH
DANA KEITH	MBC 305 673 4567
Lylia JUPIN	MBC 305 673 4567
Anna Parekh	CMB RHCD x6471
Gina Chevannes	Caribbean Condominium 954 889 4969
JOSE VILARELLO	CONTINENTAL GROUP 305-793-6980
Nicolas DiGiovanni	APOBEE 35674 1316
Edwin Lugo	CONTINENTAL Group - 786-319-5300
Geley Acuña	Morcan Keelan 305 460 -2752
William Murphy	Security Alliance 305 670-6544
Eric WHEELER	PORTO FINO + MASTER ASSOCIATION 305-534 4422

Attendance Sheet

MEETING OF THE FINANCE & CITYWIDE PROJECTS COMMITTEES

Date: September 26, 2011

Please State Your Name When Speaking to the Committee - Thank You

Please PRINT Name	Business Name & Phone
JAMES NOUAK	AQUA ALLSOW ISLAND 305.864.0199
Dennis Fajal	Iron Condo 305.695-6910
Emily Velez	Continuum South Tower 305.938.4240
Jesse Carrizal	IL Villaggio Condominium
CAROLINE WASKER	The Continental group inc.
JORGE POVONES	GREEN DIAMOND CONDO ASSOC.
Kim Pinillos	The Continental Group. 305.775.1644
Jim Fernandez	The Continental Group 305-606-7054
Carmen Luisa de Valle	South Pointe Tower 1 TCG Impmt Cndt
Legne Lima-Montes	Blue Diamond Condo. (305) 672-4774
Carlos Lopez Carnegie House	305.961.5401
Max Sklar	CMB - x6118
Aleksandr Boksner	City Attorney's Office
Dolores M. Mejia	CMB - ext 6834
DIANA FONTANA	CMB
GREG SCARFARO	ARTECITY GOVERNOR (TCG)
Ashley Ligas	South East FL Apartment Assoc ^{561.447.0696}
Marina Antalean	Burley House Condominio
Jill Penzing	self employed 786.897.2508 w/ Special Olympics
Olivia Velazquez	Lic REAL ESTATE Broker INVESTOR & BUILDER
LUIZ RODRIGUES	LUIZ@ECOMB.ORG ECOMB - 786.853.1855

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