



MIAMIBEACH

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

COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: May 13, 2013

This shall serve as written notice that a meeting of the Finance and Citywide Projects Committee has been scheduled for May 13, 2013, at 1:00-3:00 P.M. for a Special Meeting to discuss:

1. Discussion of Performance and Operational Audit by Crowe Horwarth

Patricia Walker – Chief Financial Officer

And from 3:00-6:00 P.M to discuss the agenda as follows below in the City Manager's Large Conference Room.

OLD BUSINESS

2. Discussion regarding the Catering and Concessions for the Miami Beach Convention Center (September 12, 2012 Commission Item C4E)

Max Sklar – Cultural Arts & Tourism Development Director

3. Discussion regarding a proposed marketing program for Sunscreen (June 6, 2012 Commission Item C4I)

Max Sklar – Cultural Arts & Tourism Development Director

4. Discussion regarding renewal of the Professional Services Agreement between the City of Miami Beach and the Superlative Group for Professional Services in Corporate Sponsorship marketing pursuant to request for proposal No. 06-04/05 (February 6, 2013 Commission Item C4A)

Max Sklar – Cultural Arts & Tourism Development Director

5. **Discussion regarding PACE (Property-Assessed Clean Energy)** *(October 19, 2011 Commission Item R9H)*

Steve Alexander - PACE

NEW BUSINESS

6. **Discussion regarding Budget Advisory Committee recommended Pension Reform policies and guidelines** *(September 14, 2011 Commission Item R7H)*

Carla Gomez – Assistant Human Resource Director

7. **Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters** *(October 24, 2012 Commission Item PA6)*

Anna Parekh – Real Estate, Housing & Community Development Director

8. **Discussion regarding the collection of City Liens** *(June 6, 2012 Commission Item C4G)*

Patricia Walker – Chief Financial Officer

9. **Discussion regarding the implementation of the regional climate action plan. Discussion regarding to review the 28 rules to determine what can be done when performing City projects, to avoid doing double work and increasing the cost** *(February 6, 2013 Commission Item R7B)*

Jay Fink – Public Works Assistant Director

10. **Discussion regarding International City/County Management Association (“ICMA”) Recommendations for Fire Department efficiencies** *(May 8, 2013 Commission Item C4A)*

Carla Gomez – Assistant Human Resource Director

11. **Discussion regarding Labor Peace Agreements** *(April 17, 2013 Commission Item C4L)*

Raul Aguila – Assistant City Attorney

12. **Discussion regarding the Management Agreement for the Management of the Miami Beach Convention Center and Colony Theater**

Max Sklar – Cultural Arts & Tourism Development Director

Finance and Citywide Projects Committee Meetings for 2013:

June 13, 2013

July 25, 2013

September 19, 2013

October 24, 2013

November 14, 2013

December 19, 2013

PDW/rs/kd

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Cc. Mayor and Members of the City Commission
Management Team

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City of Miami Beach, Florida

Performance and Operational Audit



Crowe Horwath™

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EXECUTIVE SUMMARY

The City of Miami Beach, Florida (the City), engaged Crowe Horwath LLP (Crowe) to conduct an independent performance and operational audit over several key city processes to determine the efficiency and effectiveness of the City's:

- Key internal controls;
- Department/division processes (including uses of technology); and
- Department/division operations and structure.

We conducted our audit in accordance with *generally accepted governmental auditing standards* (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or material non-compliance may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the performance audit objectives.

We conducted the audit through a series of interviews, documentation reviews, process walkthroughs and detailed testing on a sample basis. We evaluated the City's processes against standards and requirements for internal control, including The Committee of Sponsoring Organizations of the Treadway Commission's (COSO) internal control framework.

PROJECT OVERVIEW

Background

A resolution of the Mayor and City Commission of the City was approved for services related to auditing the processes of certain regulatory departments or divisions in response to an earlier investigation. The scope includes, but is not limited to, reviewing organizational structure and culture, internal controls, processes and operations of the:

- Code Compliance Division;
- Fire Inspection process;
- Parking Enforcement Division;
- Fire Prevention Division;
- Public Works Department (permitting processes only);
- Planning Department (permitting process, concurrency fees, impact fees and other related areas); and
- Special Master Process.

Objectives

Our objectives to perform a performance audit over the several key city processes have been defined as follows:

- Identify the processes that have deficiencies and that present significant risks to the City. Provide rankings based on process complexity and risk to enable prioritization.
- For processes that have been prioritized (are within scope), gather information and document the current state of processes using a standard format that uses process maps (diagrams) and narrative descriptions.
- For each prioritized process, identify and document control deficiencies and potential improvement opportunities. Perform verification steps to ensure current processes and control deficiencies are properly understood and documented.
- Identify best practices, where available, and review applicability to the City.
- Perform analysis of alternative process improvement approaches and create recommendations based on the analysis. Document recommendations and perform review steps to ensure there is common agreement that the recommendation adequately addresses the deficiency.

Scope and Methodology

We conducted this audit in accordance with performance audit standards contained in *Generally Accepted Government Auditing Standards (GAGAS)*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on

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our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements or material non-compliance may not be detected, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the performance audit objectives.

In making our risk assessments, we considered those internal controls that were significant within the context of the audit objectives in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Miami Beach's internal control environment. However, this report communicates in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control significant within the context of the audit objectives that we have identified during the audit.

To assess the controls at the City, we utilized industry best practices and The Committee of Sponsoring Organizations of the Treadway Commission's (COSO) internal control framework. A graphical depiction of this framework is illustrated below.

Figure 1
COSO Internal Control Model



We have also obtained an understanding of internal control that is significant within the context of the audit objectives. For internal control that is significant within the context of the audit objectives, we have assessed whether internal control has been properly designed and implemented. For those internal controls we deemed significant within the context of the audit

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objectives, we performed tests of controls including testing underlying transactions, as required by GAGAS, to evaluate the effectiveness of the design and operation of controls. This report includes any deficiencies or other matters involving internal control as required by GAGAS.

Our audit and work product are intended for the benefit and use of the City of Miami Beach only. The audit was not planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

We conducted our fieldwork from August 2012 through January 2013. The engagement team performed the following tasks in conduct of this Performance Audit:

- Held an entrance conference on August 1, 2012, to discuss the scope of the audit, identify key contact personnel per division, and outline the planned schedule.
- Risk Assessment
 - Assessed risk around the audit scope and objectives
 - Crowe conducted interviews with various departments in the City to obtain an understanding of the processes, risks and controls in place.
 - We obtained and reviewed documentation from each department related to their processes.
 - Based on the identified risks, the processes were then plotted in a matrix to graphically show the significance of the process and likelihood of an issue with the process.
- Information System Assessment
 - Assessed the major systems in place including:
 - Entity Level IT Controls
 - Access Controls
 - Change Management Controls
 - Operations and Backups
- Code Compliance, Parking Enforcement and Fire Prevention division
 - Obtained Policies and Procedures
 - ◆ Reviewed Policies and Procedures
 - ◆ Documented significant controls over each process.
 - ◆ Interviewed key personnel who performed daily tasks for each process
 - ◆ Performed walkthroughs of each process
 - ◆ Created a high level process flow
 - ◆ Determined whether differences exist between documented policy/procedure and procedure described during interview/walkthrough.
 - ◆ Assessed the current processes and controls and determined any inefficiency in the process and any control deficiencies/gaps.
 - ◆ Performed tests of effectiveness of key control(s).

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- Held a pre-exit conference on November 29, 2012, to discuss draft findings.
- Planning Department, Public Works Permitting Process and Special Master Process
 - Obtained Policies and Procedures
 - Reviewed Policies and Procedures
 - Documented significant controls over each process.
 - Interviewed key personnel who performed daily tasks for each process
 - Performed walkthroughs of each process
 - Created a high level process flow
 - Determined whether differences exist between documented policy/procedure and procedure described during interview/walkthrough.
 - Assessed the current processes and controls and determined any inefficiency in the process and any control deficiencies/gaps.
 - Performed tests of effectiveness of key control(s).
- Held an exit conference on February 12, 2013, to discuss observations noted.

Risk Assessment

As part of our procedures, we conducted a risk assessment for each process in the scope of our performance audit. As part of this risk assessment, we analyzed the risks, internal controls and gaps that existed in each process.

Each risk identified was analyzed to assess its likelihood of occurrence and potential exposure to the City to determine the significance of the risk. The significance of each risk was then ranked from Low to High. Next, we assessed the controls in place to mitigate these risks. If the City had a control or controls in place to mitigate the risk, we assessed whether the control or controls adequately mitigated the risk to a low level of significance. If the risk was initially determined to be of low significance or the City had controls in place to mitigate that risk to a low level of significance, the resulting gaps did not result in an observation in the **Results in Detail** section of this report. However, these items are still reported to City management in the **Other Observations** section of this report. If a risk had a moderate or significance and there were not controls in place or the controls in place did not mitigate the risk to a low level, this resulting in a process gap. Process gaps including recommendations are included by process area as observations in the **Results in Detail** section of this report.

Information System Assessment

As part of our performance audit, we conducted an assessment of the major information systems related to the processes in the scope of our audit. Based on our assessment, we determined that the PermitsPlus system was a major system used in the processes covered under our audit.

To conduct our assessment, we reviewed the Entity Level IT Controls, Access Controls, Change Management Controls and Operations and Backups for the PermitsPlus system. We understand that the City is currently going through a system implementation to replace the PermitsPlus system. However, we felt that this assessment and our recommendations would be beneficial to the City during the implementation process. Based on our procedures, we developed some recommendations for improvement. The recommendations are presented in the **Other Observations** Section of this report.

DRAFT

RESULTS IN DETAIL

This section of the report provides observations and recommendations that resulted from gaps identified in each process included in the scope of our performance audit. As discussed in the *Risk Assessment* sub-section of this report, a gap is identified as a risk with moderate or high significance that is mitigated by internal controls of the City. The observations in this section of the report are provided by Department and then by process and include a unique numbering system for each process to help the reader distinguish and reference the observations.

Code Compliance Department

Complaint Process

CC - 01 Complaint Intake

The City receives complaints from residents in reference to noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance.

The City receives complaints from residents via email, phone calls, through the web based complaint portal (WebQA - WebQA is a web based system that residents use to submit their complaints to the City of Miami Beach) and in person.

The City has controls over tracking and documenting complaints received both in person and via WebQA. However, the City's controls over complaints received via email and telephone can be strengthened.

Specifically, the city takes complaints via email; however there is no centralized email address for complaints. Therefore, emailed complaints can be taken from various employees throughout the City.

Additionally, the City has a hotline number for taking complaints via phone. However, City employees will take complaints over the phone even when the hotline is not used, which is not necessarily a bad process from customer services standpoint, but could result in the complaint not being forwarded to the proper channels if that person is not properly trained.

There is no City policy that restricts staff from receiving complaints via phone and email.

Not all complaints are forwarded to clerical to be entered into the PermitsPlus system. Complaints may lose their independence if another employee addresses the complaint first. In other words, the complaint could be taken by an employee that is entirely independent of the subject matter of the complaint.

Recommendation:

Complaints should be received through regulated centralized channels in order to better address each complaint. The City should enforce a policy that requires employees, who receive phone call and email complaints, to direct the complainant to the centralized hotline or to WebQA.

Management's Response:

Management agrees that receiving Code complaints via regulated centralized channels is a better system to control, manage, and properly assign the inbound calls for service.

However, management does not believe that the best practice would be to require employees who receive phone call and electronic mail (e-mail) complaints to direct the complainant to the centralized hotline or WebQA as this would negatively impact customer service levels. The City prides itself in its customer accessibility to government services and makes available different methods by which to register a complaint.

Rather than require complainants to call yet another number that may not even be attended, a viable alternative may be to have the City employee receive the complaint from the constituent and in turn have that City employee enter the complaint in a centralized system that elicits basic information. Once implemented, Accela Automation will have the ability to serve as a central repository of complaint, and the public will continue to have the ability to make complaints via WebQA or another system compatible with Accela.

CC - 02 Tracking Complaints

Best practices dictate that complaints should be received by an independent individual, adequately documented and tracked in a system, assigned for follow-up and appropriately resolved. Currently, the City uses PermitsPlus to document, track assign and resolve complaints.

Inputting complaints into PermitsPlus is a manual and labor intensive process regardless of the method in which the complaint was received. Specifically, complaints can't automatically be uploaded into the PermitsPlus system; City Clerks have to manually enter a complaint in the system.

Furthermore, there is no reconciliation process in place to verify all complaints are entered into PermitsPlus. Specifically, the City does not tie the physical complaint forms, the WebQA system or the emails back to the complaints entered into PermitsPlus

Not having a reconciliation process over this manual process increases the likelihood that complaints received may not be entered into the PermitsPlus system and thus not properly tracked and resolved.

Recommendation:

The City should consider implementing a system that would allow complaints to be automatically uploaded from WebQA. Additionally, the City should implement a reconciliation process to reconcile the complaints entered into PermitsPlus back to the physical forms, hotline logs and emails.

Management's Response:

Management concurs that best practices dictate that complaints should be received by an independent individual, adequately documented and tracked in a system, assigned for follow-up and appropriately resolved. That description, in itself, is that of a dispatcher with a system database similar to computer aided dispatch (CAD) that tracks every call for service, however, there are significant cost considerations to such a plan.

A reconciliation process to reconcile the complaints entered into PermitsPlus back to the physical forms, hotline logs and e-mails has already been implemented and electronic files which include photos, e-mails, and other documents relating to the case are being uploaded and attached to the main case. This process will likewise be available in Accela.

Code Inspection Process

CI – 01 Job Responsibilities

The Code Compliance Officers did not provide documented policies or procedures for their job responsibilities by job classification. We understand that City ordinances provide a general overview of department's responsibilities. However, the ordinances did not provide detailed procedures by position for the day to day operations of the department. Based on inquires with the Code Compliance department, code officers address complaints, patrol for noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance daily, issue violations and complete paperwork.

Based on our interviews, the code department supervisors do not have a standard documented process for reviewing work completed by the officers. Each supervisor has the discretion to determine when and how they monitor their officers and their productivity.

The absence of a formal documented standard that measures each officer's productivity makes it difficult for the supervisors to ensure that inspections are done effectively, the zones have been completely covered, there is no lag in follow-up on compliance, and that all cases are closed in a timely manner.

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Not having a standard documented process in place for supervisors to conduct periodic reviews increases the likelihood that violations could go unnoticed and that officer coverage is not adequate for a specific zone of the City.

Recommendation:

The city should implement a policy that requires Code Compliance Supervisors to perform periodic, but at a minimum monthly, productivity reviews. The supervisors should review the Officer Daily logs to verify the officers spent the required time patrolling for sanitation, the time spent in each location of each zone, the complaints that are recorded for each zone and the violations written in each zone by their officers. These reviews should be documented and filed so that they are readily available for review by auditors or other interested parties.

Management's Response:

Management agrees that Code Compliance Supervisors do not have a standard process in place for periodic reviews of subordinate productivity. While some of these processes are found in written directives and emphasized at weekly supervisor staff meetings, the Division will continue to standardize procedures and directives in Standard Operating Procedures format so that the foundation of the duties of a supervisor are found in one general policy.

Supervisors are also required to verify their officers' time spent in each location of each zone, sanitation enforcement, and review of the caseload assigned to their squad members. Random AVL (GPS) reviews of subordinates' daily travels in their City vehicles are compared to assigned cases and monitored for time spent on calls and patrol locations. Documentation is on file and evidenced by Code officers that have received discipline based on their supervisor's reviews/random audits.

Finally, productivity reviews for each squad are conducted at supervisor staff meetings. While not all supervisor review practices are mandated by policy, management believes that allowing for some discretion within a broader sense of parameters for supervisors to determine when and how they oversee subordinates contributes to the overall development of management styles and individual growth; however, a Standard Operating Procedure should serve to provide some guidelines for subordinate workload assessments. Documentation is on file and available for review.

Code Inspection and Code Compliance Processes (The following observations apply to both the complaint and inspection processes)

CD – 01 Non-Compliance Identification

Code officers should examine for issues of non-compliance with the code regulations on noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance during an inspection in addition to the original compliance issue.

During our walkthrough with a code compliance officer, we observed that during an inspection the code officer reviewed the entire area for potential violations when addressing a complaint. Specifically, we noted that the officer examined the property for violations outside of what was specified in the complaint. However there is no tool, such as an inspection checklist, provided for officers to refer to and sign to document that all potential compliance issues were reviewed.

Without a reference guide and documentation, it is possible that there may be areas of non-compliance that are unnoticed during an inspection.

The code officers rely on training to identify issues of non-compliance in the field, there is no reference material used as a guide.

Recommendation:

The city should provide a tool such as a checklist for officers to utilize to review for potential code non-compliance while conducting an inspection. The city can provide a form for officers to complete at every inspection that identifies the compliance areas to observe, e.g. noise, sanitation, zoning violations, graffiti, handbills on cars, peddling, and property maintenance. This form should also require the officer to initial that such issue has been reviewed and resident or business is in compliance.

Management's Response:

Management agrees that a tool such as a checklist for officers to utilize to review for code violations while they're on site conducting inspections would be beneficial. Those lists (for the more common violations) are in the process of being created and will be made available for integration in Accela by July 2013.

CD – 02 Supporting Documentation

When addressing a complaint or completing an inspection, the officer should document the details of the case including:

- The zone,
- what complaint is being addressed or issue being inspected,
- the contact information of the violator in question,

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- supporting evidence identifying there is an issue of non-compliance and the violation information or that there is no valid ground for the complaint.

This information should be documented at the inspection site for each case in the PermitsPlus system. The PermitsPlus system does not allow for officers to upload pictures onsite; therefore, the officer is required to go back to the office to upload pictures into the PermitsPlus system. The officers are assigned laptops and air cards for internet while they are in the field.

Not having the ability to upload pictures from the inspection site increases the likelihood that case files in PermitsPlus may remain incomplete. Without supporting evidence documented, there may be inadequate support if the violator decided to appeal. This may expose the City to an increased amount of lost cases and revenue.

Recommendation:

Crowe recommends that the City implement a procedure or control within the new case management system that they are seeking to utilize that allows pictures to be attached to a case onsite. The new system should have the capability to upload files remotely.

Management's Response:

Management agrees that the City should implement a procedure or control within the new case management system (Accela) that allows pictures to be attached to a case onsite and have files uploaded remotely. This capability has been configured in Accela Automation.

CD – 03 Courtesy Notices and Violations

There are instances of non-compliance in which the officer may issue a courtesy notice. The criteria to determine which non-compliance instances can result in a courtesy notice and for what reason is not clearly defined.

Code Compliance has no official written policy for what results in a violation or a courtesy notice. The officers use discretion in determining when they will issue a violation versus a courtesy notice when addressing a complaint or performing an inspection.

As a result, courtesy notices may be given instead of a violation. If the code officers are not consistently assigning violations, this may result in a loss of revenue for the City. Without a clear definition of what constitutes a fine and when a courtesy notice can be issued the code officers use their judgment to decide which could result in inconsistent treatment.

Recommendation:

The city should develop a policy for noncompliance that strictly defines when a courtesy notice can be given. The city should require the officers to document the reason and rationale when they issue courtesy notices and the supervisors to review them daily.

Management's Response:

Management agrees with the recommendation that general guidelines for when warnings may be given are appropriate and that supervisory review of the rationales would be ideal. Some of our City ordinances already have controlling language with respect to when a courtesy notice or oral warning can be issued by a Code Compliance Officer versus a Notice of Violation. Management will increase the level of training and monitoring relating to the proper exercise of discretion. That training will include providing strong examples of when written warnings may be appropriate. Any exercise of this discretion must be reported to supervisors on the same day utilized for the purpose of determining whether a warning was appropriate. Ultimately, some discretion and judgment must be left to the Code Compliance Officer.

CD – 04 Linking Cases

When a violation is recorded and a case (CE) is created in PermitsPlus, the officer has to manually link the corresponding complaint information (XC) that was originally entered into PermitsPlus and that initiated the case.

During our interviews, we learned that the PermitsPlus system does not allow for the XC to be automatically linked to the corresponding CE. The officer or clerk that is submitting the information has to write down the XC number, and exit the screen where the XC information is held before returning to the screen with the CE that they created and inputting the corresponding XC number.

As a result, complaint files (XC) may be omitted or incorrectly attached to the wrong case due to the manually process of linking the complaints to the cases. Supporting documentation may also be omitted or attached to the wrong case file.

The PermitsPlus system does not have the ability to create a case file from the complaint file therefore automatically linking the two.

Recommendation:

Crowe recommends that the City implement a procedure or automated control within the new case management system that they are seeking to utilize that allows the case files to be created from the complaint files. The new system should have the capability to automatically link the two.

The City should also implement a procedure to review and document a daily reconciliation of the XC and the corresponding CE to confirm the information has been inputted accurately.

Management's Response:

Management agrees with the recommendation that the City should develop a procedure or automated control within the new case management system (Accela) that allows the case files to be created from the complaint files and have the capability to automatically link the two. This capability has been configured in Accela. Additionally, the ability to "audit" the linked files to determine accurate reporting and uploading of information will be included and monitored via reports

CD – 05 Complaint follow-up

When a violation is issued the violator is allowed time to achieve compliance. The amount of time the violator has to achieve compliance is triggered when the violator receives the notice of violation and is determined by the type of violation. When the time period to correct the non-compliance expires or when the violator notifies the City, the Code Compliance Officer will return to site of noncompliance to ensure compliance was met.

Per the Code Compliance Director, officers should review open cases on a weekly basis. However, during our documentation of the Code Compliance inspection process, we noted there was no documentation of these reviews. Furthermore, an inspection report we reviewed had cases that had been open for almost a year. There is no written policy or procedure requiring officers to do a full review, address and reconcile open cases to comply-by dates. The director does a high level review once a month; however, open cases still could go unnoticed.

With no policy mandating that officers perform and document a weekly review, there may be cases that are not revisited for compliance review. This may result in a lack of compliance enforcement and increased exposure to violations.

The code officers and code supervisors have no set procedures for the frequency and consistency they review comply by dates to ensure all cases have been revisited for compliance. Due to a deficiency in control design, there are no requirements to perform a reconciliation of compliance cases.

Recommendation:

The city should develop a procedure that requires code officers to collect and review comply-by dates weekly and a policy that mandates a secondary review by supervisors.

Management's Response:

Management agrees with the recommendation that the City should develop a procedure that requires Code Officers to collect and review comply-by dates weekly and a policy that mandates a secondary review by supervisors. The new case management system, Accela, will automate the process for re-inspections for compliance for each officer daily by zone. These re-inspections are triggered by the time for compliance entry of the original case file—much like an automated electronic tickler.

Code Violation Process

CV – 01 Noise Violations

Noise violations are issued if there is a complaint or a patrolling officers notices excessive, unusual and unnecessary per a reasonable persons standards if plainly audible at 100 feet between the hours of 11pm and 7 am.

During our interviews we noted that the code department considers noise violations one of the more important violations since the majority of violations they receive are due to noise violations.

The determination of a noise violation may be vague and require the officers to use their judgment on what is considered unusual or unnecessary.

Recommendation:

The city should consider revising the ordinance to more objectively determine when a noise violation has occurred. Specifically, the City should consider revising their noise violation policy to include a decibel threshold that when exceeded would trigger a violation. These measurements should be completed through the use of a mobile noise testing device.

Management's Response:

Management is open to looking at other more objective criteria to determine when a noise violation has occurred. The Noise ordinance, as adopted, has been upheld as constitutional in the 11th Judicial Circuit sitting in an appellate capacity. Other methods (such as noise/decibel meters) have proven to be difficult or impossible to sustain in other jurisdictions. Code Compliance Officers are required to exercise their judgment in evaluating the validity of a noise violation.

Fire Prevention Department

Fire Permitting Process

FP – 01 Construction Permits

The City has limited procedures to ensure that the proper permits are obtained for all construction projects taking place within the City. Specifically, there are no formal procedures for identifying construction occurring within the City and verifying that proper permits have been obtained.

Construction permits are required to be obtained for all construction taking place within the City. Permits must be obtained before construction begins. The process is initiated by the customer submitting his or her construction plans to the Building Department. Plans are then reviewed by the Building Department and other City departments as applicable depending on the type of construction project.

For that reason, construction may begin without the proper permit(s) being obtained. In addition, construction may begin without reviewers' issues being satisfactorily resolved and consequently without the proper permit(s) being obtained.

Recommendation:

The City should implement procedures to help ensure that permits are obtained for construction projects within the City. Specifically, the City should consider implementing a City-wide policy and procedure that informs City personnel the proper protocol to report potential violations (e.g. construction projects that do not have a clearly visible permit). In addition, the City should consider utilizing current inspectors that are already assigned to perform duties throughout the City to look for potential violations. In other words, officers already in the field could be doing this as part of their normal procedures.

Management's Response:

Management feels this is a plausible recommendation. We currently have Web Q &A and a mobile app "Report it" where City employees and others can report suspected unpermitted activities. Currently, the Fire Prevention Division as well as the Building Department- Violations Division and Code Enforcement Division already cite business owners and residents for work taking place without a permit. This process is complaint driven generated by residents, business competitors, guests, tourists, and employees. In addition, when the fire inspectors conduct their annual fire inspections, they do cite violators when they notice work taking place without a permit.

Currently, there is an informal procedure where each inspection discipline advises the other if there is unpermitted work noticed during a scheduled inspection, for example, when the fire inspector does the inspection and he/she notices that something could be a code violation, it is reported to the proper discipline. This may or may not be a code

violation after the certified inspector checks it out. Management will review the current informal process and work toward implementing a formal procedure for reporting unpermitted activities.

FP – 02 Workflow Requirements

Workflows created in PermitsPlus should reflect all divisions/departments that are required to review project plans. The Workflows are created by building Department clerks. The specific workflow depends on the type of project. These plans should be reviewed by someone other than the person who performs the original review.

Workflows establish the departments/divisions that are required to review plan(s). A list maintained by Building Department clerks sets forth the departments/divisions that are required to review plans(s) for each type of project. Building Department plan reviewers review workflows to determine whether all departments/divisions are properly included as reviewers in accordance with established criteria; however, some projects do not require plan review by the Building Department, which may result in workflow omissions not being detected and there is no second-level review of plans.

Therefore, workflows may omit departments/divisions that are required to approve plan(s) and plan reviewers may approve plan(s) that do not meet established guidelines.

Projects that do not require review by the Building Department are not subject to review to ensure the accuracy of workflows created by Building Department clerks. Current City practices do not require second-level reviews of plans.

Recommendation:

We recommend that the City establish a policy that necessitates that all workflows require approval by the Building Department to ensure that plans are routed to the appropriate departments/divisions for review. We recommend that the City also require that all plans be reviewed by someone other than the person who performs the original review.

Management's Response:

Management feels this is a plausible recommendation. Currently, the PermitPlus system has workflows automated to include reviews by the appropriate departments/ divisions based on the type of permit application submitted. All the appropriate departments/ divisions must review the plans before the workflow is completed. The workflow in Accela Automation will be the same type of workflow that we currently have now in PermitPlus.

In order to implement this recommendation as stated, we would have to hire three additional fire plans examiners to provide sufficient personnel to allow a secondary

review by someone other than the initial reviewer. This process may create a delay in turnaround time.

Fire Inspection Process

FI – 01 Inspection Assignments

Inspector assignments should ensure regular rotation of inspectors and inspection teams. Currently, the firefighters sign up in the Telestaff system for overtime and the Fire Marshal makes assignments. If no firefighters sign up, the Fire Marshal has to draft firefighters to perform inspections or cancel the inspection for the night.

We noted the following items related to the method used by the City to assign night inspection duties:

- Only a small number of inspectors perform night inspections because night inspections are performed on a voluntary basis.
- The assignment methodology does not ensure regular rotation of inspection teams.
- There are no safeguards in place to prevent overrides of system assignments. Fire Marshals and others within the Fire Prevention Division have the ability to override system assignments without requiring formal approval.

Having the same inspector or team of inspectors repeatedly perform night inspections poses a familiarity threat to the City. In addition, system overrides may result in inspector assignments out of the order of priority determined by the system. Such changes may be made without valid underlying reasons.

Firefighters perform night inspections on a voluntary basis. The City's scheduling system application (Telestaff) prioritizes inspectors based on their overtime hours for a trailing three-year period. Priority is given to inspectors with the least number of overtime hours. The City's current practices do not require review and approval by someone other than the person initiating a change in assignments.

Recommendation:

We recommend that the City consider revising its current procedures to increase its population of inspectors (i.e. increase the total pool of inspectors that qualify for inspections). In addition, changes to inspection assignments should be documented and approved by someone other than the person initiating the change.

Management's Response:

Management agrees with the recommendation to increase its population of inspectors. Currently, the firefighters who are certified as inspectors sign up for the lead inspector

slot. Any firefighter can sign up for the second inspector slot even if not certified as an inspector. The Fire Administration is proposing a different method of performing the inspections that will increase the number of firefighters participating in the program.

The Captain of Fire Prevention Division and the Chiefs are the only people authorized in the Telestaff software to make assignments for night inspections and can modify the assignments after a cancellation. Although the Captain may cancel an assignment he cannot delete or remove an assignment and all changes will be recorded in Telestaff in an audit trail. Other staff in Fire Prevention cannot make any changes to the assignments as indicated above.

FI – 02 Inspection Documentation

Documentation of the results of inspections should indicate the individuals who performed the inspections and those who reviewed inspection results.

The following items were noted related to night inspections:

- Inspectors do not sign off on inspection forms indicating that they performed the inspections.
- There is no documented review of the completed inspection form by the Fire Marshal.
- There is no documented review of the inspection summary report by the Fire Marshal.
- During our observation of a night inspection, we noted that certain venues were inspected by only one member of the inspection team.

Inspection forms do not indicate who performed inspections and who reviewed inspection results. In addition, having one inspection team member perform inspections presents opportunities for irregularities that could be avoided by having both members of the inspection team perform inspections. Current procedures do not require sign-offs by inspectors and reviewers.

Recommendation:

We recommend that the City enforce the requirement that inspectors perform inspections in teams. This should be documented by requiring that each inspector sign off on the inspection form next to each location inspected. We further recommend that the Fire Marshal document review of completed inspection forms and inspection summary results.

Management's Response:

Management agrees with the recommendation that inspectors perform inspections in teams and that the Fire Marshal document review of completed inspection forms and inspection summary results. The inspection form has been changed by adding a signature section at the end that includes the firefighters signature and the fire marshal's review signature. The firefighters will sign at the end of the form instead of each line for efficiency and certification statement. The Fire Marshal will also sign off the summary report review.

The current policy is that both firefighters must be together when performing night inspections. If one of the firefighters ventures out on his/her own, then the individual will receive disciplinary action. A reminder email will be sent to all lead inspectors to follow this directive.

FI – 03 Inspection Venues

Internal control should ensure that all venues are subject to inspections and that venue information is updated timely and accurately.

There is no process in place to ensure that the master list of venues reflects all information relevant to performing inspections. On the night of our observation, we noted that the inspection form contained outdated venue information. Some venues had closed and relocated, but the inspection form did not reflect those changes. In addition, one venue was named incorrectly on the inspection form.

Inspections may exclude venues that should be subject to inspections.

Recommendation:

We recommend that the City implement controls to ensure that all venues are included in the population from which venues are selected for inspection and that venue information is verified for completeness and accuracy.

Management's Response:

Management agrees with the recommendation that all venues should be included in the population from which the venues are selected for inspection and that venue information is verified for completeness and accuracy.

FI – 04 Inspection Schedule

Inspections should be performed in a systematic and logical order that contemplates the nature and level of risk involved.

Inspection shifts begin at 10 p.m. and end at 6 a.m. During those shifts, inspections are not performed in any particular order. On the night of our observation, we noted that venues were inspected at times when violations were not most likely to occur. For example, some restaurants were inspected past 2 a.m., which was several hours later than their advertised closing times.

Venues may not be inspected at their peak times when violations are more likely to occur. For example, nightclub violations are more likely to occur late at night or early in the morning, whereas restaurant violations are more likely to occur earlier.

This is a result of the lack of controls over the determination of the inspections schedule.

Recommendation:

We recommend that the City establish a systematic and logical approach to inspecting venues. The revised approach should take into account the timing of inspections and how they relate to when violations are most likely to occur. Inspection shifts should be adjusted accordingly.

Management's Response:

Management agrees with the recommendation that the City should establish a systematic and logical approach to inspecting venues.

The list of locations selected for inspection is generated by a random number selection and the Night Inspection Coordinator sorts the group in alphabetic order of Street. The policy is that the restaurants are inspected between 10pm to 11pm since the nightclubs are not opened yet. The Fire Marshal has added the word "restaurant" to the names of the establishment to make it easier on the inspector to identify those locations to visit earlier in the night. The night inspectors can select the restaurants from the group to inspect between 10pm – 11pm and then concentrate on the nightclubs after 11pm or midnight. During special events weekends, the shift is adjusted as necessary; starting earlier at 9pm or ending later at 5am, or both.

Parking Enforcement Department

Parking Ticketing and Tow Process

PT – 01 Complaints Dispatching

All parking complaints are received and fielded by the dispatcher. The dispatcher should send an officer to address the issues promptly.

Parking Officers are dispatched to complaint issues based on their shift and zone. The dispatcher uses the zone assignment sheet they receive at the beginning of the shift in order to determine which officer to send to the incident site. Officers might not get to site in time and violator may be gone.

If officers are attending to another complaint or on the opposite side of the zone may not get to the complaint site immediately resulting in a delay of action and resident dissatisfaction.

Officers are sent to address incidents based on which zone they are assigned; however, only in some instances will the dispatcher pull an officer from another zone.

Recommendation:

The City should implement a procedure to mandate the first available officer in the closest proximity is dispatched to complaint sites.

Management's Response:

Management agrees with the recommendation. We have created procedures where the Parking officer shall be dispatched to complaint issues based on their availability and proximity to the complaint site, the dispatcher shall send the first available officer in the closest proximity to the complaint side in question and an officer shall be at the complaint site within 30 minutes of the receipt of the complaint. The attached written directive (see SOP No. 2013-013) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 02 Identifying Parking Permits

The enforcement officers are to verify vehicles have the proper parking tags for the area they are parked.

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When an officers reports to a complaint site, he/she to visually survey areas of interest in order to identify people who have parked in permitted areas without the proper parking permits.

Vehicles without proper parking permits may not be identified and appropriate action not taken as a result.

The enforcement officers address complaints individually, even in instances of surveying communities for proper parking permits.

Recommendation:

The city should implement a policy that requires officers to team up when addressing complaints that require officers to canvas large areas.

Management's Response:

Management agrees with the recommendation. We have created procedures where larger areas shall be canvassed by multiple officers made up of teams. These teams shall be assigned contingent upon availability and proximity to the complaint site. The attached written directive (see SOP No. 2013-013) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 03 Citation Supporting Documentation

The enforcement officers are to accurately document all information pertaining to the citation. Supporting documentation and violation information should be recorded for all areas of noncompliance.

It is a manual process for the officers to document the vehicle information during an instance of noncompliance. There are no pictures taken to verify and reconcile in order to ensure the information is accurate. The officers take pictures of the vehicles committing a violation that requires a tow but not for citations.

Vehicle and violation information may not be entered correctly. Violators may refuse to pay citations with incorrect information or appeal claiming the violation doesn't belong to them. Officers may not have supporting evidence for a citation in case a violator decides to appeal resulting in loss of revenue.

There is no policy that requires officers to gather supporting information for the citations given.

Recommendation:

The City should implement a policy that requires supporting documentation taken for all instances of noncompliance.

Management's Response:

Management agrees with the recommendation. We have created procedures where officers are to accurately document all information pertaining to the citation or enforcement action, supporting documentation and violation information should be recorded for all areas of noncompliance and officers are to take photographs with their Autocite and city issued camera for all areas of noncompliance. The attached written directive (see SOP No. 2013-015) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 04 Confiscated Tags

Parking should not release tags to violators who haven't paid the appropriate fine.

The confiscated tags are maintained in the main office until violators provide receipt of fine payment. Receipt verification is not documented on the tag logs.

Without proper documentation of receipt it is possible tags may be returned to violators who haven't paid.

There is no policy that requires officers to document the receipt and fine amount paid prior to returning confiscated tags.

Recommendation:

The city should enforce a policy that requires employees, who are the tag custodians, to document the receipt, fine amount and signature of both the custodian and recipient in order to provide accountability.

Management's Response:

Management agrees with the recommendation. We have created procedures where confiscated tags shall be maintained in the main office until such time that violators provide receipt of fine payment, receipt verification shall be documented on tag logs, tag logs shall document the receipt, fine amount, and signature of both the custodian and recipient. The attached written directive (see SOP No. 2013-016) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

PT – 05 Officer Productivity

Parking Supervisors should monitor the productivity of the officers and address issues of low performance.

Enforcement is not allowed to set a quota for officers to target their enforcement by. The Parking supervisors measure productivity by the amount of citations given in comparison to other officers who work the same shift and zone. However, since supervisors cannot say there is a certain amount of citations that should be written, the supervisors cannot effectively address issues of low performance.

Consequently, officers are not being held accountable for their productivity which may result in an increase of non-compliance issues not being addressed.

The supervisors do not have an effective way of measuring productivity and therefore cannot enforce what is believed to be low productivity.

Recommendation:

The city should implement a procedure that allows productivity to be measured based on all the responsibilities of the Parking officers. Supervisors can review the time spent in the field by monitoring the officer's daily activity reports. The actual location of the officer can be determined by reviewing the GPS located in every vehicle and the amount of citations given can be retrieved from AutoCite. These activities can be reconciled with amount of time spent in each location based upon the duty the officer was performing as written in the activity report.

Management's Response:

Management agrees with the recommendation. We have created procedures where supervisors shall monitor officer productivity by monitoring and addressing officer time management. Supervisors shall monitor time spent in the field by officers by monitoring the officer's daily activity report; AVL/GPS reports; and Autocite Productivity Log. Officer activity shall be reconciled with the amount of time spent in each location based upon the duty the officer was performing as described in the daily activity report and CAD report. The attached written directive (see see SOP No. 2013-017) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

Parking Valet Process

PV – 01 Clearing Pending Appeals

Valet Operators have a 10-day period in which they may refute a fine and take action in court. When a court case is opened, it is to be approved by the City Clerk. The city clerk verifies the accuracy and validity of actions and forwards document to Special Master. For a valet operator to apply for meter rentals or reserve an area for ramping, they cannot have any cases in outstanding status

Currently, there are no controls to verify that administration frequently reviews outstanding cases in order to update those that have been cleared.

With no schedule of when to update the valet appeal cases, approved valet operator may be falsely refused services. The administration refers to the special master section of the city clerk's website when an operator is in question.

The outstanding statuses may not be updated in a timely manner due to a deficiency in controls over the review process.

Recommendation:

The city should implement a policy that requires administration to have a set schedule to update the status of the cases.

Management's Response:

Management agrees with the recommendation. We have created procedures where the status/synopsis for each respective case is reviewed on a monthly basis after each hearing through the City Clerk's website under Special Master Agenda. In addition, the Space Rental Liaison will be utilizing the calendar in the Accela Program for tracking purposes. The attached written directive (see SOP No. 2013-A) which includes these procedures has been issued and acknowledged by those employees responsible for its implementation and compliance.

Planning Department

Planning Concurrency and Impact Fees

PCI – 01 Fee Calculations

The City utilizes Microsoft Excel (Excel) spreadsheets to calculate concurrency and impact fees. Due to the inherent risks of using Excel, fee calculations may be inaccurate due to various reasons; accidental misstatement of numbers, incorrect information supplied, or incorrect calculation formulas.

Fees should be determined in a timely manner and on a fair and consistent basis that allows payment to be completed. Fees may be determined at a level either too high or too low.

In addition, there is no documented second-level review of concurrency and impact fee calculations.

Recommendation:

The City should implement a process to have a second review of the Excel calculation formulas and inputted values to verify accuracy.

Management's Response:

Management agrees with the recommendation to have a second reviewer of calculated formulas and imputed values to verify accuracy. The Planning Department will develop a methodology to have a second reviewer who signs off on the calculated formulas and values, while pursuing integration of this function with the new Accela system to provide greater accuracy and transparency.

PCI – 02 Cash Receipts

During our procedures, we noted that Manual cash receipts (MCRs) are filled out and completed, then given to the cashier, by the payee, to handle payment. MCRs are being filled out and handed over without any form of review for accuracy.

Cash receipts should be completed in a timely manner with accuracy. In addition, Fees should only be signed off in PermitsPlus when proper proof of payment is received and approved.

Also, there is a risk that the MCRs may be manipulated prior to being processed by the cashier. Currently, there is no second-level review of the accuracy of MCRs. Further, there is no check to determine that an MCR is not manipulated by payee prior to being processed by the cashier.

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Counter Planner may sign off in PermitsPlus without receiving proof of payment from customer. If the Counter Planner were to mistakenly sign off on a payment that was not properly approved and receiving, revenues could be misstated. There is no formal system or control to ensure that proof of payment is verified prior to dismissal of fee in PermitsPlus.

Recommendation:

A second-level of review of completed MCRs will reduce the risk of inaccuracies. Further, review by the cashier for accuracy, or an increase of automation in the cashier process, could reduce the risk of payee manipulation to the MCR. A check system could be implemented that creates a registry and compares payments accounted for at the cashier with payments received and signed off on in PermitsPlus.

Management's Response:

Management agrees with the recommendation. With the new Accela system, where MCR's will no longer be used, Planning will assess any fees, such as for concurrency, as part of the Building Permit Process. The appropriate staff members will be trained on generating invoices through the Eden system, for cases not involving Accela Automation. This will mitigate the risk associated with the use of MCRs. We will sign off on plans as long as all applicable Planning Fees have been assessed in Accela. A person would not be able to get their Building Permit issued until all applicable fees, including from Building and Planning, have been paid.

PCI – 03 Concurrency Fee Policies and Procedures

There is no comprehensive document setting forth the policies and procedures for assessing concurrency fees. Policies and procedures currently being followed are contained in three separate documents within the Miami Beach Code, a Commission letter, and the comprehensive plan. Because policies being followed are from three separate documents not specifically designed for concurrency fees, certain policies and procedures may not be followed in an appropriate manner.

Recommendation:

The three separate documents used to guide concurrency policies and procedures should be reviewed and combined into a comprehensive document.

Management's Response:

Management agrees with the recommendation. While it is not possible to replace the City Code and the Comprehensive Plan with an all-inclusive legal document, a policy manual could be created that combines the information in these documents for ease of use.

Permitting

PP – 01 Permit File Review

We selected 60 permit files to determine if the application file contained the supporting documentation required by the application for the specific permit requested and that fees assessed were accurate. During our review, we identified the following:

- Four permit applications were not signed by the reviewer;
- Two permit files were missing the application;
- One permit application was not signed by the applicant;
- Two permit applications did not have sufficient supporting documentation within the file from which Crowe could determine the accuracy of the fee that was assessed;
- Five permits were missing supporting documentation;
- Two permits did not have the Manual Cash Receipt (MCR) documented;
- Eight permits did not have the housing type documented;
- Eight permit applications did not have the project type identified; ;
- One permit applicant was overcharged by \$25 per review of the MCR and discussion with the plan reviewer;
- One permit did not have enough information to confirm the appropriate supporting documentation was supplied;
- Two permits did not have the corresponding building number; and
- Three permits did not have the fee charged documented.

In addition, we selected four conditional use permits and noted that three of the four permits were missing the conditional use application documentation required by the Planning Department. One application was also missing the proof of payment and another did not contain evidence of staff review and approval.

Recommendation:

We recommend that the City require that a quality control review be conducted of permit applications, including conditional use applications, to determine the accuracy and completeness of file documentation and the initial planning reviewer's determination to grant or not to grant a permit.

Management's Response:

Management agrees with the recommendation. With the new Accela system, these Administrative Design Review approvals and Land Use Board applications will be included in the automated permitting process and should standardize record keeping and application accuracy.

Planning and Public Works Permitting

The following recommendations relate to both the Planning and Public Works Department Permitting Process.

PWP – 01 Construction Permits

Chapter 14 of the City Code requires that permits be obtained by individuals or entities desiring to conduct a construction project in the City's. During our procedures, we noted that the City does not have a process to determine if construction projects in progress obtained the required permits prior to beginning work. One construction project was identified as having been started, but un-permitted, while shadowing a code enforcement officer. The project was reported, but does not appear to be a component of the written procedures or job requirement. Failure to monitor construction projects that are ongoing but un-permitted reduces the revenues that may be earned by the City and also may subject citizens to risk if public safety issues exist and go unresolved.

Recommendation:

The City should implement procedures to help ensure that permits are obtained for all construction projects within the City. Specifically, the City should consider implementing a City-wide policy and procedure that informs City personnel the proper protocol to report potential violations (e.g. construction projects that do not have a clearly visible permit). In addition, the City should consider utilizing current inspectors that are already assigned to perform duties throughout the City to look for potential violations. In other words, officers already in the field could be doing this as part of their normal procedures.

Management's Response:

Please see management's response to recommendation FP-01

PWP – 02 Permit Workflows

The Building Department establishes workflows within PermitsPlus that specify the departments and divisions that are required to review project plans. Within its current configuration, a planning or public works reviewer may issue a permit prior to the completion of each department/division's documented approval. Specifically, it was noted that the system control could be overridden so that a permit could be issued without all of the necessary sign-offs. We did not identify an instance where the control was bypassed; however, there is not a process in place to help ensure that the procedure is executed as designed.

Recommendation:

We recommend that the City establish a policy that necessitates that all workflows require approval by the Building Department to ensure that plans are routed to the appropriate departments/divisions for review. We recommend that the City also require that all plans be reviewed by someone other than the person who performs the original review.

Management's Response:

Please see management's response to recommendation FP-02

Public Work Department

Public Works Permitting

PW – 01 Public Works Plan Review

We evaluated 35 Public Works permit files to determine if the applicant file was complete, the fee assessed was accurate, and the staff approvals were documented appropriately. During our review, we noted the following:

- 10 permit applications were not signed by the reviewer;
- Three applications were missing supporting documentation that confirmed the payments for the permits were received from applicants; and
- Two files were missing the permit application.

Current procedures do not require a review of staff permit approvals and applicant files by an individual other than the initial plan reviewer. In the absence of a review or other control mechanism, permits may be issued without the required payments being received by the City, appropriate documentation supporting the granting of a proper permit may not be obtained or retained, or permits issued erroneously may be undetected.

Recommendation:

We recommend that the City conduct a review of cash receipt information to determine if payment was received for applications 120722, 120720, and 120716 prior to issuance of the permit. We further recommend that the City incorporate a periodic monitoring process to determine if adequate supporting documentation, including payment support, was received prior to issuing permits as required by City procedures.

Management's Response:

Management agrees with the recommendation. It was noted that three permit applications did not have supporting documentation that confirmed payment was received prior to permit issuance. The documentation for two of the applications were subsequently located and the other one was for a special event permit for which there is no fee charged. We will also implement a quality control plan to review a sample of permit applications on a routine basis to verify that proper procedures were followed when reviewing applications and issuing permits.

Special Master

SM – 01 Lien Process

During our procedures, we conducted interviews with two special master clerks during which we reviewed a series of 20-day notices (*Notice of Entry of Order Imposing Fines and Intent to Impose Lien / Procedures for Requesting Special Master Hearing on Fines and Lien*). Through this process, we noted that not all liens were being filed with the county at the conclusion of the 20th day referenced on the 20-day notices as required by Section 30-70 of the City Code. Failure to file the required liens and execute the code enforcement process in its entirety may subject the City to additional financial risk. Per inquiry with the clerks, there were insufficient resources to monitor and file all liens timely.

Recommendation:

We recommend that the City implement a procedure to monitor the aging of outstanding notices and orders and to follow-up on those that remain unfiled or unresolved at the conclusion of the 20th day following issuance of the order.

Management's Response:

Management agrees with the recommendation. The following procedures have been implemented to monitor the aging of the outstanding notices and orders and to follow-up on those that remain unfiled or unresolved at the conclusion of the 20th day following issuance of the order:

- 1. The Special Master Office will supplement the paper tickler system currently in use, with an electronic tickler, which reminds the Special Master Clerks of the Twenty Day Notice deadline.*
- 2. The paper and electronic ticklers will be entered by different individuals to ensure accuracy.*

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3. *Due to staffing shortages in the Special Master Office, the Office of the City Clerk will lend personnel to assist with coverage, to allow the Special Master Clerks uninterrupted time to complete this task.*
4. *Upon implementation of the Accela Automation project, the tracking of the Twenty Day Notice deadline will occur automatically through Accela*

Please note that the Special Master Office follows the Florida Rules of Civil Procedure, Rule 1.090 when computing time. Said rule reads, in pertinent part:

In computing any period prescribed or allowed by an order, the day of the act, event, or default from which the designated period begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day that is neither a Saturday, Sunday, or legal holiday.

When a party has the right or is required to do some act or take some proceeding within a prescribed period after the service of a notice or other paper upon that party and the notice or paper is served upon that party by mail, 5 days shall be added to the prescribed period.

Not following this computation of time rule, would create needless filing of liens, which is time consuming, costly and inconvenient to the property owners.

SM – 02 Incomplete Updates to Permits Plus

The special master clerks are responsible for updating PermitsPlus, which uploads data to the public-facing website, based on the outcome of various hearings presided over by the Special Master. During our procedures, we reviewed the hearings that occurred on December 6, 2012, and compared the agenda notes from those hearings as maintained by the clerks to the information appearing on the public-facing website. The website did not contain information or conclusions reached as a result of the hearings due to various data points not having been inserted into PermitsPlus. In these instances, the attorneys were tasked with writing the orders so updates were not made by the clerks. As a result, internal City staff who utilize PermitsPlus for management purposes and citizens of Miami Beach relying upon the data on the Special Master's website may be either misled or utilizing incomplete information.

Recommendation:

We recommend the special master clerks document case information in PermitsPlus for each case, including those for which the clerks are not responsible for drafting the legal orders.

Management's Response:

Management agrees with the recommendation. The following procedures have been implemented to ensure that Special Master Clerks fully Document case Information on PermitsPlus for each case, including those for which the Clerks are not responsible for drafting the orders:

- 1. The Special Master Clerk will enter full detail of orders, rulings or findings rendered by the Special Master within 24 hours of an occurrence.*
- 2. When an order is to be drafted by the Special Master or the Legal Department, rather than by the Special Master Clerk, the Clerk shall also note this on PermitsPlus (or Accela upon its implementation). Said notation shall include the name of the individual who is drafting the order and the date the assignment was undertaken. Upon return of such orders to the Special Master Clerk, the system will be updated with the additional information.*

SM – 03 Case Payments

When an order is made to pay fees for a special master case, the violator is directed to pay the fee in the office in which the case originated (e.g. Fire, Parking, Code Compliance, or Building). Customers often report to several locations before reaching the appropriate counter to pay their fees. There is not a standard policy requiring cash collections for the Special Master Office to be received and processed centrally which creates confusion for staff and customers. In addition, in the absence of a streamlined procedure monitoring actual and expected cash receipts and deposits, there is a risk that cash payments may go unrecorded.

Recommendation:

We recommend the City implement a procedure that requires customers to pay fees at a central location. In the interim, we recommend that the City complete and document reconciliations of daily cash receipts to the cash deposits to reduce the risk of theft.

Management's Response:

Management agrees with the recommendation. The City shall implement a procedure that requires customers to pay all fees, including appeal fees at a central cashier location.

SM – 04 Hearing Process

We selected 13 case files for testing to determine if the file documentation was complete. We identified one file that was missing a copy of the appeal request. The City's staff could not identify why the documentation was missing.

Recommendation:

We recommend that the City continue to search for the initial appeal request. We also recommend that City implement a process of quality control over case files. This system could include a checklist of all required documents for a case file that is completed and attached to the front of each file and/or a supervisor review of each case file to ensure the proper documentation is included in each file.

Management's Response:

Management agrees with the recommendation. A checklist will be created to verify that all documents that should be included in an appeal file are included therein. Periodically, files will be selected at random by the City Clerk to ensure compliance with this requirement.

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OTHER OBSERVATIONS

This section contains other observations that were noted during our procedures that we believe merit the attention of City management.

Code Compliance Inspections and Violations

During our procedures, we noted that there is a risk that not all addresses for individuals are updated in the City's Code Compliance database. This could result in inspectors having incorrect information

Management's Response:

Management has noted this observation. With the implementation of the Accela Automation the application will be using the City's GIS System for addresses. This System is updated weekly with new information from Miami Dade County.

Information System Assessment of the PermitsPlus System

Based on our assessment of the PermitsPlus system, we developed several observations. These observations are detailed below.

- **Segregation of Duties** – During our review of user access on the PermitsPlus application, we noted that the four users who have administrator access rights, also have access to the development environment (Composer) and the production environment (Live Composer). This combination of access gives these users the ability to bypass the established change management process and promote or make changes to scripts directly in the production environment. In addition, we noted that management has not implemented monitoring controls in the production environment to detect unauthorized activity.

Management's Response:

Management has noted this observation. Segregation of Duties will be incorporated into the role based security of the replacement software for Permits Plus which is in the testing phase and shall become operational in the spring.

- **Access to Development** – During our review we noted five users with access to the development environment where this access is not required for the performance of job responsibilities.

Management's Response:

Management has noted this observation. Access to Development will be restricted to IT staff which will be incorporated into role based security with the replacement software for Permits Plus which is in the testing phase and shall become operational in the spring.

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- **User Administration** – Defining user access on PermitsPlus application is an important process in maintaining the integrity of the application as it provides management the opportunity to enforce appropriate segregation of duties and restrict access to sensitive functions to authorized personnel. Management's current procedures for granting users access to financially significant applications are informal (email) and do not provide a means to record and maintain the level of access granted to the user or document management's approval of the access granted for the duration of a user's employment.

Management's Response:

Management has noted this observation. Currently, IT is in the development stage of an User Administration Application in order to grant access to network and city applications.

- **User Access Review** – Management performs a review of user access on the PermitsPlus application annually. This review ensures that each user requires access to the application; however, this review does not validate that each user's access within the application is commensurate with employee job responsibilities.

Management's Response:

Management has noted this observation. Departmental yearly Security review will be incorporated once the replacement software for Permits Plus becomes operational in the spring.

- **Application Password Parameters** – Passwords represent the keys to an organization's information system resources. Password strength or complexity and the frequency of change are the two main factors that make unauthorized access via password cracking unfeasible or difficult. During our review, we noted that the PermitsPlus application does not have the functionality to enforce strong passwords.

Management's Response:

Management has noted this observation. The replacement software for Permits Plus is integrated with Active Directory which has complex password parameters.

- **Security Logs/Monitoring** – The PermitsPlus application does not currently have the ability to report security related events (lock outs, security violations) or record changes to critical fields (audit logs) in order to detect suspicious or unauthorized activity.

Management's Response:

Management has noted this observation. The replacement software for Permits Plus will have audit capabilities and logs.



	STANDARD OPERATING PROCEDURE	SOP NO. 2013-013
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT COMPLAINT DISPATCHING PROCEDURES	

PURPOSE: To establish Parking Enforcement procedures and guidelines for dispatching complaints.

POLICY: It is the policy of the Department to receive, investigate, process, and take appropriate corrective and/or enforcement actions with regard to parking enforcement complaints. Complaints related to Code Enforcement are processed by Parking Dispatch; however, investigations and enforcement actions are the responsibility of the Code Enforcement Division.

PROCEDURES:

- I. COMPLAINTS DISPATCHING
 - a. All parking complaints are received and fielded by the dispatcher.
 - b. The dispatcher shall send an officer to address issues promptly.
 - c. Parking officer shall be dispatched to complaint issues based on their availability and proximity to the complaint site.
 - d. The dispatcher shall send the first available officer in the closest proximity to the complaint side in question.
 - e. An officer shall be at the complaint site within 30 minutes of the receipt of the complaint.
 - f. Larger areas shall be canvassed by multiple officers made up of teams. These teams shall be assigned contingent upon availability and proximity to the complaint site.

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-015
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT – CITATION SUPPORTING DOCUMENTATION	

PURPOSE: To establish Parking Enforcement procedures and guidelines for supporting documentation for citations.

POLICY: It is the policy of the Department to provide supporting documentation for citations and/or other enforcement action taken in the case of administrative appeals and/or court proceeding.

PROCEDURES:

I. CITATION SUPPORTING DOCUMENTATION

- a. Officers are to accurately document all information pertaining to the citation or enforcement action. Supporting documentation and violation information should be recorded for all areas of noncompliance.
- b. Officers shall document the reason for their rejection of an LPR (License Plate Recognition) alert. Supervisors shall review all misread license plates and produce a report to reconcile with the County's Parking Violation Bureau reports.
- b. Officers are to take photographs with their Autocite and city issued camera for all areas of noncompliance.
- c. Officers shall gather any other documentation to support their enforcement action.

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-016
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT – CONFISCATED LICENSE PLATES (TAGS)	

PURPOSE: To establish Parking Enforcement procedures and guidelines for confiscating license plates.

POLICY: It is the policy of the Department to aggressively pursue parking citation collection efforts.

PROCEDURES:

- I. **CONFISCATED LICENSE PLATES (TAGS)**
 - a. Officers shall not release tags to violators who have not paid the appropriate fine.
 - b. Confiscated tags shall be maintained in the main office until such time that violators provide receipt of fine payment. Receipt verification shall be documented on tag logs.
 - c. Tag logs shall document the receipt, fine amount, and signature of both the custodian and recipient.

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO. 2013-017
	<u>PARKING ENFORCEMENT</u>	
	PARKING ENFORCEMENT – OFFICER PRODUCTIVITY	

PURPOSE: To establish Parking Enforcement procedures and guidelines for officer productivity.

POLICY: It is the policy of the Department to promote employee productivity.

PROCEDURES:

I. OFFICER PRODUCTIVITY

- a. Supervisors shall monitor officer productivity and address issues of low productivity.
- b. There are no quotas permitted.
- c. Supervisors shall monitor officer productivity by monitoring and addressing officer time management. Supervisors shall monitor time spent in the field by officers by monitoring the officer's daily activity report; AVL/GPS reports; and Autocite Productivity Log. Officer activity shall be reconciled with the amount of time spent in each location based upon the duty the officer was performing as described in the daily activity report and CAD report.

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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	STANDARD OPERATING PROCEDURE	SOP NO.2013-A
	<u>PARKING ADMINISTRATION</u>	
	PENDING VALET FINE(S) APPEALS PROCESS	

PURPOSE: To establish criteria for the tracking Special Master hearings in the Accela Program.

SCOPE: This SOP applies to all Space Rental Liaison employees and supporting staff.

POLICY/PROCEDURES:

The following shall serve as the policy for scheduling updates to the status of Valet Parking Violations/Cases:

- City Clerk's office provides the Space Rental Liaison with the Special Master hearing dates.
- The status/synopsis for each respective case is reviewed on a monthly basis after each hearing through the City Clerk's website under Special Master Agenda.
- The Space Rental Liaison will be utilizing the calendar in the Accela Program for tracking purposes.
- The Space Rental Liaison requests confirmation of the aforementioned information via email to the City Clerk's Department.
- Upon receipt of the aforementioned, the Space Rental Liaison proceeds updating the status in the Valet Parking Citation Application by clicking "dismiss and/or pending to be paid".

Prepared by:

Saul Frances, Parking Director

Reviewed by:

Patricia D. Walker, Chief Financial Officer

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Discussion Item

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee Members

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2013

SUBJECT: **Update on Municipal Marketing Partnership for Sunscreen Licensing**



The Finance and Citywide Project Committee (FCWPC) previously discussed a proposed Sunscreen Licensing agreement with Energizer. During discussions, the FCWPC expressed concerns pertaining to the possible impacts on the Boucher Brothers, quality control and requested revenue projections and pro forma for the development of the proposed new sunscreen brand. While The Superlative Group (TSG) was working with Energizer to respond to the items requested by the FCWPC, Energizer requested the City consider a sponsorship agreement before entering into a licensing agreement.

Recently, the City was directly approached by Rayito De Sol regarding their interest in an exclusive licensing partnership and development of Miami Beach Sunscreen. The Administration has had several discussions with BLIII Holding who acquired the North America rights to *Rayito de Sol* and *Tortulan* brands.

The following provides a description of each proposal.

Energizer Sponsorship Agreement ("Official Miami Beach Sunscreen")

Attached is a detailed Term Sheet for your review and consideration and the following is a summary of the terms:

Proposed Terms:

Terms have been proposed by TSG as a result of their negotiations with Energizer (Banana Boat / Hawaiian Tropic) and a summary of these terms delineate the responsibilities of each party during the term of the Agreement.

Estimated total value:

The estimated total value of the proposed Exclusive Sunscreen Partnership with Energizer over the term of the agreement is, at a minimum, \$ 1,500,000, inclusive of an annual sponsorship fee (\$150,000), marketing program to promote product and the City of Miami Beach brand, and potential contribution of apparel to Ocean Rescue. There have been no other offers from competing brands to the City at this time.

The following chart provides a breakdown of the value of the proposed partnership between the City of Miami Beach and Energizer (cash and non-cash):

	1st Year		Over 10-Year Term
Annual Guaranteed Minimum	\$ 150,000		\$ 1,500,000
TSG Annual Commission (12%) plus Cost Avoidance Commission (10%)	\$ (26,050)	Commission	\$ (260,500)
Subtotal - Annual Revenue to City	\$ 123,950		\$ 1,239,500
4 Golf Rounds Annually	\$ (1,600)	Value of golf rounds	\$ (16,000)
5 Special Event Permits Annually	\$ (2,500)	Capped at a total value of \$,2500	\$ (25,000)
Advertising (5th & Alton Signs) Annually	\$ (4,200)	Value of ads sold by CMB	\$ (42,000)
Net Minimum Annual Revenue to CMB	\$ 115,650		\$ 1,156,500

Potential Additional Benefits to CMB

Boucher Bros. Annual Towel Replacement	\$ 8,000	Boucher is required to purchase new towels annually	\$ 80,000
Pool/Tennis Umbrella Replacement	\$ 30,000	Umbrellas are not replaces annually	\$ 60,000
Staff Towel Annual Replacement	\$ 2,500	10% Commission to be paid to TSG on budgeted cost avoidance measures, potential for add'l \$4,250 in Commission. (Paddleboards would not be replaces annually.)	\$ 25,000
Paddleboard Replacement	\$ 20,000		\$ 40,000
Ocean Rescue Annual Uniform Replacement	\$ 20,000		\$ 200,000
	\$ 80,500		\$ 405,000

Potential Additional Annual Benefits to Energizer

Logo Placement Ocean Rescue Vehicles	\$ 520,000	Value of impressions	\$ 5,200,000
Annual Sampling Permits Value	\$ 40,000	Energizer does not currently sample product in CMB, no loss of revenue.	\$ 400,000

Pursuant to the terms of the City's Agreement with TSG, TSG is entitled to 15% commission on gross revenue between \$0 - \$250,000, and 12% commission on gross revenue generated between \$250,001 - \$500,000 for the City by TSG. The potential revenue generated from this proposed agreement combined with the gross revenue from the Coca-Cola agreement, entitles TSG to 12% commission. TSG is also entitled to 10% commission on budgeted cost avoidance measures as further defined in the agreement, which could be up to an additional \$8,050 for TSG annually.

Rayito De Sol Sunscreen Product Development and Proposed Licensing Partnership

Rayito De Sol was established over 70 years ago in Argentina as a family run business. Today Rayito De Sol is the #1 suncare brand in Argentina and is the #1 selling bronzing sunscreen in Brasil. It has been available in over 10 other countries including Mexico, Venezuela, Ecuador and Paraguay and recently expanded to offer its sunscreen, bronzer, and instant color collections in the United States. Rayito De Sol products are currently available at ULTA, Kerr Drug, Del Haize, H-E-B and Airport Newslink as well as their online store.

BLIII Holdings is locally owned and locally operated by the Leon family, a fourth generation Cuban American entrepreneurial family with experience in diverse industries. BLIII entered into the sun care and skin care industries in 2011 by acquiring the North America rights to *Rayito de Sol* and *Tortulan* brands, top-selling Latin American brands with over seventy years of history and heritage.

BLIII proposes the creation of an entirely new Brand and line of suncare products that leverage key elements of Miami Beach. BLIII, in partnership with the City of Miami Beach, would utilize its network of domestic and international development and sales experts to bring the Miami Beach Brand to the global consumer with unique, high quality products that represent Miami Beach. Products would be manufactured in Florida at state of the art facilities.

Rayito De Sol has begun doing research on product development including pricing, packaging, consumer focus groups, logo development, quality control, and distribution. During their research they have also been able to put together sales forecasts, estimated costs, and their plans for successful market penetration.

Based on an initial USA market launch and reaching an achievable market share within three to five years, BLIII proposes a partnership agreement whereby net profits would be shared between the City of Miami Beach and BLIII Holdings. BLIII estimates this distribution could be valued in excess of \$1 million USD annually by years three to five of the venture. BLIII is also open to negotiating a guaranteed minimum payment for a period of the agreement. BLIII is currently prepared to commit to a ten year contract, with renewal options.

BLIII believes that together with the City, they can position the Miami Beach Brand as a leader in destination branding and products and help connect consumers all over the world to the City of Miami Beach. After overwhelmingly positive feedback from their consumer focus groups and research reports, Rayito De Sol has stated that they are very interested in moving forward with a contract for an exclusive sunscreen licensing agreement with the City.

CONCLUSION:

Both Energizer and Rayito De Sol are excellent, well-established companies that would be excellent partners for the City. However, the licensing proposal from BLIII Holdings offers the City the potential to achieve higher net proceeds than the Energizer proposal. Additionally, BLIII Holdings is interested in developing a Miami Beach branded suncare line with broad distribution. This, in itself, has a tremendous value toward building the City's brand and increase awareness of the destination.

The Administration is seeking direction from the FCWPC before proceeding with further negotiations. Once the FCWPC gives direction, the City will proceed to finalize negotiations with the preferred company and will work with the Boucher Brothers to address their needs.


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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2013

SUBJECT: **DISCUSSION REGARDING RENEWAL OF THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MIAMI BEACH AND THE SUPERLATIVE GROUP FOR PROFESSIONAL SERVICES IN CORPORATE SPONSORSHIP MARKETING PURSUANT TO REQUEST FOR PROPOSALS NO. 06-04/05.**

BACKGROUND:

On March 22, 2007, the City entered into an agreement with The Superlative Group (TSG), for Municipal Marketing Service. The agreement was divided into two phases (as described in the RFP).

1. Phase I: Conducting an inventory of existing and prospective tangible and non-tangible marketing assets; 2) Developing a comprehensive sponsorship policy; and 3) Developing a strategic plan for marketing assets.
2. Phase II: At its sole discretion, the City could elect to
 - Terminate the corporate sponsorship program; or
 - Continue the program with the marketing of inventoried and valued assets with the vendor that performed work outlined in Phase I, paying earned commissions to the vendor through that process; or
 - Continue the program through issuance of an the new vendor through that process.

Phase I of the program was for an amount of \$39,000 (plus expenses) to provide the three deliverables in Phase I.

This Phase II work would consist of marketing the City's assets, to include developing sample rights packages for the marketplace; assisting in the evaluation and development of sponsorship RFP's; preparing reports and presentations on the City's municipal marketing program, as directed by the City; assisting in contract negotiations; and providing advice in implementing/managing sponsorships. The decision to enter into Phase II work, or to proceed to implement the sponsorship program, and with which consultant, is solely that of the City Commission.

In consultation with the City's Development Coordinator, The Superlative Group developed a strategy for the compilation of the information for an Asset Inventory and Valuation Report. This process entailed interviewing City Departments, and conducting site visits to assess potential sponsorship opportunities within the City. Subsequently, The Superlative Group was to complete the second and third deliverables, the Strategic Plan and the Policy Document. The Asset Inventory and Valuation Report was completed in late 2007 and required revisions and updates. In early 2008, it was concluded a presentation was made to the City Commission. The Asset Inventory and Valuation Report were both subsequently adopted by the City Commission and TSG was contracted for Phase II.

TSG then identified priorities for their efforts, while other activities were identified to be pursued internally with the City's Development Coordinator. The City's Development Coordinator serves as the contract support staff for TSG.

Efforts have focused on identifying potential municipal marketing partners and opportunities for partnership, and reaching out to these potential partners to gauge interest. The current economic conditions have impacted the marketing budgets for many large corporations with histories of engaging in these types of partnerships; municipal marketing efforts are funded principally from marketing budgets, as they serve the primary purpose of promoting the corporation's brand and/or product. Not surprisingly, corporate marketing budgets have been impacted and are often the first affected when cost-cutting measures are initiated. While we continued to pursue various efforts in municipal marketing, as you know, we made considerable progress in the area of an Exclusive/Official citywide beverage partner, resulting in the ten-year exclusive, non-alcoholic beverage sponsorship with Coca-Cola Refreshments.

Previously, TSG initiated discussions with Carnival Corp who was interested in collaborating with the City on South Pointe Park. The Finance and Citywide Projects Committee (FCWPC) discussed the concept, recommended against pursuing naming rights for public parks, and requested the administration pursue development of a park foundation.

Most recently, TSG proposed a partnership with Utility Service Partners, Inc. who has a utility service line warranty program. Our Public Works Department is currently reviewing the details of this proposed partnership. In addition, TSG is currently assisting the City in negotiations with Energizer relating to a possible sunscreen sponsorship agreement.

TERM AND COMMISSION STRUCTURE

The current Agreement has an initial term of three (3) years, which expired on February 1, 2013. The Agreement includes two (2) additional one (1) year renewal terms, upon the same terms and conditions at the City Manager's sole option and discretion.

The Agreement entitles the Consultant to receive a commission based upon a percentage of total gross revenues to the City generated by Sponsorship Agreements obtained by Consultant. The commission structure is as follows:

- (i) 15% commission on \$0 – 250,000 in Gross Revenue to City;
- (ii) 12% commission on \$250,001 – 500,000 in Gross Revenue to City;
- (iii) 10% commission on \$500,001 – 1,000,000 in Gross Revenue to City;
- (iv) 6% commission on \$1,000,000+ in Gross Revenue to City;
- (v) 7% commission on renewals (percentage of Gross Revenue for first renewal only);

or

- (vi) 45% commission on licensing agreements (to include monitoring); and
- (vii) 10% commission on budgeted cost avoidance measures, as defined in Section 3.1.6.

At the FCWPC meeting on February 20, 2013, the Committee requested a renegotiation of the terms of the Agreement directly related to commission on licensing agreements. In response, TSG has proposed a discounted licensing commission of 30%.

During this time the City was directly approached by BLIII Holding (Rayito de Sol) regarding their interest in an exclusive licensing partnership and development of Miami Beach Sunscreen. TSG has invested time in negotiating with Energizer for a sunscreen sponsorship and remains committed to representing the City in any negotiations regarding sunscreen licensing or sponsorship. However, the City's agreement with TSG states that "Sponsorship Agreements shall not include contracts where the sponsor; person or entity requesting the naming right(s); and/or license initiatives the contact directly with the City, and there has been no previous contact between Consultant and that

sponsor (or person/entity requesting the naming right(s) and/or license) on behalf of the City." As such, TSG has proposed an alternatives in an effort for the City to engage TSG in negotiations with BLIII Holdings (Rayito de Sol).

- A. All guaranteed fees associated with a licensing agreement will be treated as sponsorship revenue, and commissions will be paid based on the agreed sponsorship commission schedule.
- B. A further discounted commission on licensing revenue of 25% will be accepted on all additional licensing revenue received beyond the guaranteed fees.

The Administration would not agree to such a high commission fee for TSG since BLIII Holdings approached the City directly and not through TSG.

In an effort to come to an agreement on the prospective BLIII Holdings sponsorship, TSG proposed to further reduce its commission rate and limit the commission term to the terms outlined below.

- A. 10% commission on all revenues for a set term of eight (8) years for Rayito de Sol.
- B. Should the relationship extend beyond eight (8) years, TSG will not be entitled to any commission from the agreement with Rayito de Sol.
- C. TSG will agree to 25% commission on all future licensing revenue (reduced from 45%) received beyond any guaranteed fees, which will be subject to the current tiered sponsorship commission scale in the existing agreement.
- D. In support of the agreement, TSG will carry out all obligated duties including taking the lead through negotiations, leveraging all parties to ensure the most advantageous agreement for the City and auditing that agreement each year to ensure the City is receiving all entitled benefits from the licensing agreement.
- E. The City and TSG will negotiate amended language to the clause allowing the City to negotiate separate arrangements with other entities that come forward with proposed partnership arrangements.

CONCLUSION:

While the Administration recommends the proposed 25% licensing fee for the renewal term with TSG, the Administration believes the revised proposal for Rayito de Sol negotiations, although better, is not in the City's best interest and recommends no more than a 5% commission to TSG for three (3) years. TSG would not be entitled to any commission associated with any agreement reached by the City with BLIII Holdings beyond 3 years. In return, TSG will carry out all obligated duties including taking the lead through negotiations and auditing the agreement each year for the first three (3) years of the agreement. The City would assume auditing responsibilities beyond the third (3rd) year.



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WHAT IS PACE?



NEW SPIN ON THE ASSESSMENT POWERS OF THE CITY

ENERGY EFFICIENCY AND HURRICANE PROTECTION =
COMPELLING STATE INTEREST

MUNICIPALITIES CAN FINANCE RETROFITS

REPAID BY THE PROPERTY OWNER THROUGH NON-AD
VALOREM ASSESSMENT ON PROPERTY TAX BILL

ELIGIBLE IMPROVEMENTS



ENERGY EFFICIENCY



RENEWABLE ENERGY



HURRICANE PROTECTION



WATER CONSERVATION



ELIGIBLE IMPROVEMENTS



- Air sealing and ventilation
- Air filtration
- Building envelope
- Bathroom, ceiling, attic, and whole-house fans
- Insulation
- Defect correction
- Attic, floor, walls, roof, ducts
- Weather stripping
- Sealing
- Geothermal exchange heat pumps
- HVAC systems
- Evaporative coolers
- Natural gas storage water heater
- Tankless water heater
- Solar water heater system
- Reflective insulation or radiant barriers
- Cool roof
- Windows and glass doors
- Window filming
- Skylights
- Solar tubes
- Additional building openings for natural light
- Solar thermal hot-water systems
- Solar thermal systems for pool heating
- Emerging technologies
- Lighting (fixture retrofits only)
- Pool equipment
- Occupancy-sensor lighting fixtures
- SMART parking-lot bi-level fixture
- SMART parking-garage bi-level fixtures
- SMART pathway lighting
- SMART wall-pack fixtures
- Task ambient office lighting
- Classroom lighting
- Refrigerator case LED lighting
- Wireless daylight-lighting controls
- Duct leakage and sealing
- Kitchen exhaust variable air-volume controls
- Wireless HVAC controls & fault detection
- Faucet aerators
- Core-plumbing system
- Gray-water system
- Irrigation-control system
- Irrigation system
- Rainwater cistern
- Demand initiated hot-water system
- Low-flow showerhead
- High-efficiency toilets
- Deionization
- Filter upgrades
- Roof deck & foundation strength improvements
- Wind-resistant shingles or other roofing
- Secondary water barrier
- Gable-end bracing
- Roof-to-wall connection reinforcement
- Storm shutters
- Perimeter-opening protections
- Raising building elevations

WHAT IS PACE?



100% FINANCING

- No out of pocket expense to property owner
- Removes single largest obstacle to implement these projects

VOLUNTARY

- Simply an option for those who want it
- All traditional forms of financing are still available

INDIVIDUAL

- Zero affect on neighbors
- Only those who choose to participate pay the assessment

NON CREDIT BASED

- Eligibility based on property values and owner equity
- Allows many to participate that would not be eligible for traditional financing

ELIGIBILITY



TYPES OF PROPERTIES

INDUSTRIAL

COMMERCIAL

MULTI-FAMILY RESIDENTIAL

SINGLE-FAMILY RESIDENTIAL

OWNER ELIGIBILITY

CURRENT ON PROPERTY TAXES

CURRENT ON LOAN/MORTGAGE

NO BANKRUPTCY – 3 YEARS

AT LEAST 15% EQUITY IN PROPERTY

BENEFITS TO PROPERTY OWNERS



ELIMINATE UP-FRONT EXPENSE

NOT CREDIT BASED

LONG PAYBACK PERIODS

PAYMENTS STAY WITH PROPERTY

DESIGNED TO BE SIMPLE

POTENTIAL FOR REAL SAVINGS

WHAT IS CLEAN ENERGY GREEN CORRIDOR



7 MUNICIPALITIES HAVE JOINED FORCES TO OFFER PROGRAM

- Coral Gables, Miami, Miami Shores, South Miami, Palmetto Bay, Pinecrest, & Cutler Bay

BENEFITS OF JOINING A PACE DISTRICT

- Take advantage of economies of scale
- No risk to the individual municipalities
 - District is a separate legal entity

SELECTED YGRENE ENERGY FUND AS THE ADMINISTRATOR

- Fully funded, turn-key solution
- Handles all education, marketing, training, community outreach, administration, reporting, and financing
- Operated at zero cost to the district and zero cost to the members

ONLY ZERO RISK & ZERO COST SOLUTION TO UNLEASH THE POTENTIAL OF THE PACE PROGRAM

WHAT IS CLEAN ENERGY COASTAL CORRIDOR



NEW PACE DISTRICT NOW ESTABLISHED FOR NE MIAMI-DADE

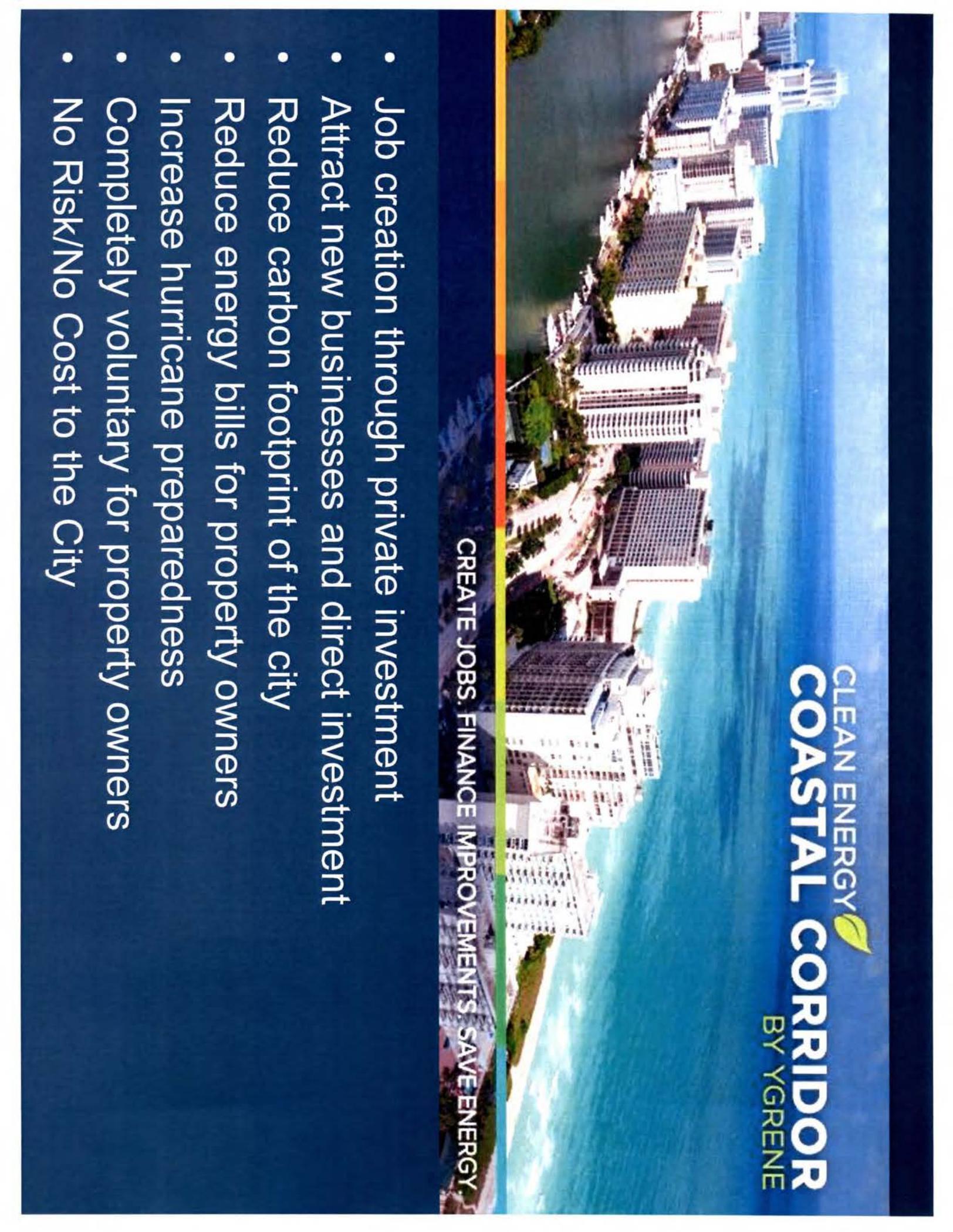
OPPORTUNITY AVAILABLE TO MIAMI BEACH TO BE A FOUNDING MEMBER

CLEAN ENERGY 
COASTAL CORRIDOR

BY YGRENE



CREATE JOBS. FINANCE IMPROVEMENTS. SAVE ENERGY.



CLEAN ENERGY 
COASTAL CORRIDOR
BY YGRENE

CREATE JOBS. FINANCE IMPROVEMENTS. SAVE ENERGY

- Job creation through private investment
- Attract new businesses and direct investment
- Reduce carbon footprint of the city
- Reduce energy bills for property owners
- Increase hurricane preparedness
- Completely voluntary for property owners
- No Risk/No Cost to the City

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager 

DATE: May 13, 2013

SUBJECT: Discussion Regarding the Budget Advisory Committee's Proposed Policies and Guidelines for the City's Pension Plans

The Government Finance Officers Association (GFOA) recommends that state and local governments have a policy statement that will guide their on-going plan design decisions. This policy should encourage governments to provide sustainable and properly funded retirement plans, which will attract employees in a competitive labor market, facilitate effective management of the workforce and fulfill retirement needs.

In early 2011, the Mayor approached the City's Budget Advisory Committee (BAC) regarding undertaking a study of pension reform for each of the pension plans in an effort to identify options available to ensure the long-term sustainability of the Plans, particularly the Police and Fire Pension system which represents the fastest growing costs to the City budget within recent years. As part of this effort the BAC developed a set of guidelines and policies for the future.

BACKGROUND

The City currently has two (2) pension plans, which include the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach and the Miami Beach Employees' Retirement Plan (MBERP). During the previous collective bargaining process for the City's five (5) collective bargaining units, issues were raised concerning the long-term fiscal health of the City's two (2) pension plans in terms of the growing unfunded liability, the funding ratio percentages of each plan and the growing costs of the plans as they relate to percentage of payroll. As a result, the City and the Unions negotiated several changes that were implemented for each of the pension plans for both, current and future employees in November 2011. In particular, the General Employees' pension plan (MBERP) was amended to include significant pension reform initiatives that will significantly reduce the City's pension contributions in the short-term, mid-term and long-term. Although the changes made to both plans will yield both short-term and long-term savings, these changes fail to fully address the increasing costs derived from the benefits that are currently provided to the pension plan members, particularly in the Fire and Police Pension Plan, which represents the fastest growing costs to the City's budget in recent years.

Over the past year, the BAC held twenty meetings to accomplish their objective by developing an approach that included the following components:

- Develop an understanding of the City's current pension plans benefits and costs for the Fire and Police Pension Plan and the Miami Beach Employees'

Retirement Plan (for General employees) from the perspective of legal counsel, the City's actuary, the City Manager and the pension plan administrator for each of the City's pension plans (the Fire and Police Pension Plan and the Miami Beach Employees' Retirement Plan - MBERP).

- Solicit input from the City's collective bargaining groups and employees.
- Survey comparative jurisdictions in the region regarding pension plan costs and benefits.
- Develop draft policies and guidelines to guide management of the City's pension plans into the future, (a copy of which is attached for your review).
- Identify and review options of potential changes to the Fire and Police Pension Plan based on 6 major categories, namely:
 - Florida Retirement System (FRS)
 - Defined Benefit similar to FRS, including a Social Security equivalent
 - Hybrid Plans with both, a defined benefit and a defined contribution component
 - Changes to the existing plan with a combination of past service benefits and benefits earned prospectively
 - Freezing the existing plan and defining new benefits based on Florida Statute Chapter 175 and 185 minimum benefits to continue receiving premium taxes
 - Changes to the existing plan to reflect the savings associated with plan changes included in the 2010 collective bargaining agreements with the International Federation of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP) that have not yet been implemented by the Fire and Police Pension Board
- Evaluate the cost impacts of potential options
- Develop Recommendations

On April 17, 2012, by a majority vote of 7-2, the BAC approved a motion for the Committees' final recommendation on pension reform for the Fire and Police Pension Plan which are currently being discussed through the bargaining process. In addition, the BAC recommended a set of policies and guidelines. The GFOA best practices for developing policies for retirement plans state the following:

- Purpose of the retirement plan (e.g., level of replacement income and purchasing power retention);
- Ability of public retirees to contribute to the economic viability of their community and not become a financial liability to the community in which they live due to inadequate retirement income;
- Organization's philosophy regarding employer and employee responsibilities in preparing for retirement;
- Availability of Social Security, retiree medical benefits, disability and survivor benefits and supplemental (e.g. 457) savings plans;
- Costs, including the employer's ability to sustain payments and perhaps increase benefits over time and cost predictability;
- Labor market considerations such as competitive environment, workforce mobility, length of employee service and recruitment and retention of employees;
- Investment risk and control, including how investment risk is allocated between employer and employee;
- Portability of benefits;
- A plan design that can be communicated to and understood by plan participants;
- Employee educational efforts; and
- Advantages of the different types of plans (e.g., defined benefit, defined contribution and hybrid).

CITY OF MIAMI BEACH RECOMMENDED POLICIES AND GUIDELINES

As part of the evaluation for Pension Reform in the City of Miami Beach, the Budget Advisory Committee (BAC) is recommending policies for long term pension reform. The BAC is also recommending guidelines for the City to adopt which establish thresholds which if surpassed will require the City to take prompt and appropriate measures to meet the guideline criteria.

The policies and guidelines address four perspectives: (1) Affordability and Sustainability, (2) Appropriate Benefits to Provide to Employees, (3) Recruitment and Retention, and (4) Management of Risk/Risk Sharing (detailed Proposed Guidelines and Policy Statements are provided in "Attachment 1").

These policies and guidelines were adopted unanimously by the BAC. The Supporting Rational and Data for the Proposed Guidelines and Policy Statements are provided in "Attachment 2". The BAC's Proposed Guidelines and Policy Statements were previously considered by the Finance and Citywide Projects Committee on February 20, 2013, at which time the Committee recommended that Commissioner Weithorn review the Proposed Guidelines and Policy Statements with the BAC and bring back to the Finance and Citywide Projects Committee for further discussion. Commissioner Weithorn reviewed the Proposed Guidelines and Policy Statements with the BAC at the April 9, 2013, BAC meeting.

CURRENT STATUS OF CITY'S PENSION PLANS

The actuary for the City Pension Fund for Firefighters and Police Officers in the City of Miami Beach Fire and Police Pension Plan presented a draft Actuarial Valuation Report during the February 21, 2013, Fire and Police Pension Board meeting. This report will be made available once approved by the Fire and Police Pension Board. Based on the draft Valuation, the preliminary estimate for the City's Annual Required Contribution (ARC) towards the Fire and Police Pension Plan, which is payable on October 1, 2013, is \$41.5 million, an increase of approximately \$2.1 million from the current fiscal year. This represents 89.6% of pensionable payroll for Fire and Police. The unfunded liability is estimated at \$382 million, representing a percent funded of 59 percent. If no changes are made and all assumptions are met, the City's actuary estimates that this will decrease to 80 percent of pensionable payroll by 2022, and 35 percent of payroll by 2041.

The Actuarial Valuation Report for the Miami Beach Employees' Retirement Plan was adopted during the March 12, 2013, Pension Board meeting. Based on the results of the Valuation, the City's Annual Required Contribution (ARC) towards the Miami Beach Employees' Retirement Plan payable October 1, 2013, is \$26.2 million, an increase of \$4 million. "Attachment 3" provides a summary of valuation data for both of the City's pension plans for the past five years. "Attachment 4" provides a summary of the recent changes that were made to the City's two pension plans for new employees hired after November 2010, as well as the correlating fiscal impacts. This represents 40.3% of payroll. The unfunded liability is \$216 million, with a percent funded of 66 percent. If no changes are made and all assumptions are met, the Plan's actuary estimates that the Plan will be at 31 percent of payroll in 2022.

"Attachment 3" provides a summary of valuation data for both of the City's pension plans

for the past five years. "Attachment 4" provides a summary of the recent changes that were made to the City's two pension plans for new employees hired after November 2010.



JLM/KGB/CMG

Attachments

ATTACHMENT 1

6. RECOMMENDED POLICIES AND GUIDELINES

The Government Finance Officers Association (GFOA) recommends that state and local governments have a policy statement that will guide their on-going plan design decisions. This policy should encourage governments to provide sustainable and properly funded retirement plans, which will attract employees in a competitive labor market, facilitate effective management of the workforce and fulfill retirement needs.

In developing a policy for retirement plan design, a state or local government should consider the following:

- Purpose of the retirement plan (e.g., level of replacement income and purchasing power retention);
- Ability of public retirees to contribute to the economic viability of their community and not become a financial liability to the community in which they live due to inadequate retirement income;
- Organization's philosophy regarding employer and employee responsibilities in preparing for retirement;
- Availability of Social Security, retiree medical benefits, disability and survivor benefits and supplemental (e.g. 457) savings plans;
- Costs, including the employer's ability to sustain payments and perhaps increase benefits over time and cost predictability;
- Labor market considerations such as competitive environment, workforce mobility, length of employee service and recruitment and retention of employees;
- Investment risk and control, including how investment risk is allocated between employer and employee;
- Portability of benefits;
- A plan design that can be communicated to and understood by plan participants;
- Employee educational efforts; and
- Advantages of the different types of plans (e.g., defined benefit, defined contribution and hybrid).

Source: GFOA Best Practices and Advisories, Developing a Policy for Retirement Plan Design Options (1999, 2007) (CORBA)

Source: Florida Pensions, Volume 1, Issue 1, April 2012.

CITY OF MIAMI BEACH RECOMMENDED POLICIES AND GUIDELINES

As part of the evaluation for Pension Reform in the City of Miami Beach, the Budget Advisory Committee (BAC) is recommending policies for long term pension reform. The BAC is also recommending guidelines for the City to adopt which establish thresholds which if surpassed will require the City to take prompt and appropriate measures to meet the guideline criteria.

The policies and guidelines address four perspectives: (1) Affordability and Sustainability, (2) Appropriate Benefits to Provide to Employees, (3) Recruitment and Retention, and (4) Management of Risk/Risk Sharing.

These policies and guidelines were adopted unanimously by the BAC.

Affordability and Sustainability

- **GUIDELINE STATEMENT:** If the City's portion of the total annual cost of retirement benefits contribution exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the City should review and evaluate potential changes to the collective bargaining agreements between the City and the Unions, applicable towards the next contract negotiations, in order to identify potential approaches to reduce the contributions to these levels over the long term.
- **POLICY STATEMENT:** The City shall fund at least the normal cost of pension. If this exceeds the amount of the actuarially determined annual required contribution, the excess should be placed in a pension stabilization fund, to be made available for future pension shortfalls.
- **POLICY STATEMENT:** The City should strive to maintain a funded ratio of at least 80 percent for each of its defined benefit pension plans.
- **GUIDELINE STATEMENT:** If the funded ratio (actuarial value of assets minus actuarial liabilities) of either of the City of Miami Beach's pension plans falls below 70 percent, the City should strive to implement approaches to increase the funded ratio to that level over five (5) years.
- **POLICY STATEMENT:** Salary growth should not exceed the average actuarially assumed salary growth in each of the City's pension plans.

- **POLICY STATEMENT:** The City should require 5, 10 and 20 year projections of required pension contributions as part of the annual actuarial valuations for each of the City's pension plans. These projections shall be based on the current actuarial assumptions for each plan. The projections shall be updated to reflect the cost of any proposed benefit enhancement before the City Commission agrees to the enhancement. The cost of these studies shall be funded separately from the annual contribution to the pension plan.
- **POLICY STATEMENT:** There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.
- **POLICY STATEMENT:** Once pension reform is implemented, a 5/7th vote of the City Commission should be required for any further pension changes.

Appropriate Benefits to Provide to Employees

- **POLICY STATEMENT:** The City of Miami Beach should strive to provide a retirement benefit that provides for a replacement of salary at a level at least equivalent to Social Security plus a supplemental retirement benefit.
- **POLICY STATEMENT:** The City of Miami Beach retirement benefits should be adjusted periodically after retirement to reflect the impacts of inflation, with rates no more than the Consumer Price Index for All Workers - CPI(W), that is subject to City Commission approval and with a maximum of 3 percent annually.

Recruitment and Retention

- **POLICY STATEMENT:** The City of Miami Beach should strive to provide retirement benefits that ensure that the City is competitive in the recruitment and retention of employees.

Management of Risk/Risk Sharing

- **POLICY STATEMENT:** The City of Miami Beach should strive to share some portion of retirement benefit risk with employees.
- **GUIDELINE STATEMENT:** If the City's contribution to a defined pension benefit plan exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the employee contribution should be reviewed.

ATTACHMENT 2

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

AFFORDABILITY AND SUSTAINABILITY

GUIDELINE STATEMENT:

- If the City's portion of the total annual cost of retirement benefits contribution exceeds 25 percent of payroll for general employees and 60 percent of payroll for high risk employees, the City should review and evaluate potential changes to the collective bargaining agreements between the City and the Unions, applicable towards the next contract negotiations, in order to identify potential approaches to reduce the contributions to these levels over the long term.

POLICY STATEMENT:

- The City shall fund at least the normal cost of pension. If this exceeds the amount of the actuarially determined annual required contribution, the excess should be placed in a pension stabilization fund, to be made available for future pension shortfalls.

Background/Rationale:

Pension plans require annual contributions from plan sponsors (i.e., municipal governments) and participants in order to maintain their funding levels. Ideally, those contributions are only necessary to pay for future benefits that were earned by participants in the current year. That amount is referred to as the normal contribution. Normal contributions increase as plans provide more generous benefits, make benefits available to more individuals and reduce the number of years someone needs to work or lower the age when the plan will begin to pay benefits.

Underfunded pension plans require an additional contribution in order to eventually eliminate their unfunded liabilities. When pension plans are underfunded, annual contributions need to include the normal contribution and an additional contribution to pay down the unfunded portion of the liability. Therefore, if two pension plans have equal benefit policies and equal employee characteristics but one is 75 percent funded and the other is 100 percent funded, the plan that is 75 percent funded will require a larger annual contribution in order to pay down its unfunded liability. Plan sponsors do not have to make up the entire unfunded portion of the liability in a single year. In most cases, that amount would be too costly for governments to pay in full. Instead, a professional actuary establishes a payment schedule that allows the sponsor to pay off the unfunded portion of the liability over as many as 30 years. In short, plans with large unfunded liabilities will pay more in annual pension costs.

The combination of the normal cost funding requirement and the payment for amortization of the unfunded liability results in a combined annual required contribution (ARC) that the City is required to pay to each pension plan for the next fiscal year. Typically, this is expressed as a percent of the payroll applicable to the particular pension plan to allow comparability from year to year, as well as, to other pension plans.

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

Current Conditions:

The City of Miami Beach pension contributions as a percent of payroll as of the 10/1/10 valuation reports:

Fire and Police Pension Plan: 72.76%%
Miami Beach Employees Retirement Plan: 25.02%

Fire and Police Pension Plan Normal Cost: 32.59%%
Miami Beach Employees Retirement Plan Normal Cost: 10.80%

At this time, the negotiated changes to the Fire and Police Pension Plan are under litigation. However, the projections provided by the Fire and Police Pension Plan actuary regarding the impact of changes collectively bargained for new employees were minimal. In addition, assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 81.05% by Fiscal Year 2017 contribution.

The Miami Beach Employees Retirement Plan (MBERP) Actuary projected that the 2010 changes to the plan for new employees would decrease the unfunded liability payment by approximately \$6 million - 5.78% of payroll after 10 years. Even with this decrease, and assuming all actuarial projections were met from FY 2010/11 forward, the ARC as a percent of payroll is projected to increase to 37.12% by Fiscal Year 2017, declining each year thereafter.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Total annual employer cost of retirement benefits contribution as a percent of payroll

Jurisdiction	High Risk Employees	General Employees
Boca Raton	52.72%	19.81%
Coral Gables	49.1%	
Coral Springs	Police: 87.98% Fire 28.02%	
Fort Lauderdale	49%	32.75% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	32.59%	
Hollywood	Police: 84.41% Fire 127.03% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	36.14% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)

Supporting Rationale and Data for Proposed Guidelines and Policy Statements

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

AFFORDABILITY AND SUSTAINABILITY

GUIDELINE STATEMENT:

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POLICY STATEMENT:

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Background/Rationale:

Pension plans require annual contributions from plan sponsors (i.e., municipal governments) and participants in order to maintain their funding levels. Ideally, those contributions are only necessary to pay for future benefits that were earned by participants in the current year. That amount is referred to as the normal contribution. Normal contributions increase as plans provide more generous benefits, make benefits available to more individuals and reduce the number of years someone needs to work or lower the age when the plan will begin to pay benefits.

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The combination of the normal cost funding requirement and the payment for amortization of the unfunded liability results in a combined annual required contribution (ARC) that the City is required to pay to each pension plan for the next fiscal year. Typically, this is expressed as a percent of the payroll applicable to the particular pension plan to allow comparability from year to year, as well as, to other pension plans.

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

Current Conditions:

The City of Miami Beach pension contributions as a percent of payroll as of the 10/1/10 valuation reports:

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Fire and Police Pension Plan Normal Cost: 32.59%%
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Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Total annual employer cost of retirement benefits contribution as a percent of payroll

Jurisdiction	High Risk Employees	General Employees
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Hialeah	32.59%	
Hollywood	Police: 84.41% Fire 127.03% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	36.14% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)

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North Miami	30.21%	32.14%
North Miami Beach	55.3%	25%
Pompano	38.59%	21.39%
Tamarac	55.45%	28.8%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	14.1% 7/1/11 19.56% 7/1/12	4.91% 7/1/11 6.58% 7/1/12

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

POLICY STATEMENT:

- The City should strive to maintain a funded ratio of at least 80 percent for each of its defined benefit pension plans.

GUIDELINE STATEMENT(S):

- If the funded ratio (actuarial value of assets minus actuarial liabilities) of either of the City of Miami Beach's pension plans falls below 70 percent, the City should strive to implement approaches to increase the funded ratio to that level over five (5) years.

Background/Rationale:

Each year, the City receives independent actuarial reports for each of the City's two pension plans. The actuarial valuation of the pension plan is a mathematical determination of the financial condition of the plan, which includes: the computation of the present monetary value of benefits payable to present members, the present monetary value of future employer and employee contributions, considering the expected mortality rates among employees and retirees, rates of disability, retirement age, withdrawal from service, salary increases, investment earnings and value of assets.

As part of the annual actuarial valuation for each plan based on plan data as of October 1, the Actuary evaluates how the actual data for the preceding year compared to the actuarial valuation for that year. Any differences are reflected as gains or losses in unfunded liability. The unfunded liability for a plan is the difference between the benefits earned (accrued) and the assets of the plan on a given date, and is typically amortized and funded over 30 years. The amortization methodology varies by plan. In the Fire and Police Pension Plan, the amortization is based on increased payments in proportion to assumed future payroll growth. In the MBERP, an assumption of level amortization payments is used.

The unfunded liability of the plan is the actuarial accrued liability less the plan actuarial assets. This amount is expected to have year-by-year fluctuations; however, if the plan's assumptions are consistent with the plan's long-term experience, the changes in the unfunded liability should be offsetting over the life of the plan. In contrast to the market value of the pension plan assets, the actuarial value of the pension plan assets is equal to the market value of the assets at a specific date, adjusted to reflect a five-year phase-in (or smoothing) of any asset experience gain or loss. The five-year smoothing of pension plan asset value means that only 20 percent of the experience gain or loss that the fund experiences in any one year is recognized immediately for the purpose of determining the actuarial value of the plan and the annual required contribution.

The percent of the actuarial accrued liability funded is a measure of a pension fund's fiscal health. It compares assets to pension obligations. A percentage over 100% means that the fund has more money than it needs to meet its obligations at that point in time.

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

Current Conditions:

City of Miami Beach funding levels as of the 10/1/10 valuation reports:

Fire and Police Pension Plan: 64.3%
Miami Beach Employees Retirement Plan: 74.4%

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Funded Ratio

Jurisdiction	High Risk Employees	General Employees
Boca Raton	70.26%	91.38%
Coral Gables	57.5%	
Coral Springs	Police 77.77% Fire: 79.65%	
Fort Lauderdale	77.4%	70.7% Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	75.03%	75.03%
Hollywood	Police 53.5% Fire 37.6% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	63.78% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	68.6%	75.6%
North Miami Beach	61.6%	70.3%
Pompano	69.8%	74.2%
Tamarac	63.3%	77.96%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	87.1% (7/1/11)	

Other Information:

The United States Postal Service Office of the Inspector General (June 18, 2010) concluded that 80 percent prefunding of pensions is reasonable based on the following:

- The Standard and Poor's companies' (S&P 500) median prefunding level for pensions in 2009 was 79 percent of liabilities. From 2001 through 2009, S&P 500's pension median prefunding ranged from 73 to 112 percent.

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- The aggregate prefunding for states' pensions in 2008 was also 79 percent. From 2001 through 2009, state governments' aggregate pension prefunding ranged from 59 to 90 percent.

The Government Accountability Office (GAO) reported that many experts consider at least 80 percent prefunding to be sound for government pensions. (Source: The GAO's State and Local Government Retiree Benefits Current Funded (5); The GAO's State and Local Government Retiree Benefits Current Funded Status of Pension and Health Benefits, January 2008.)

The Pension Protection Act of 2006 considers pensions prefunded at less than 70 percent as being "at risk" and attempts to protect such plans by commencing restrictions on corporate pension funds only when prefunding is below 80 percent.

The 2011 report prepared by the Leroy Collins Institute at Florida State University for pension systems across Florida assigned the following grades to pension plans based on percent funded.

GRADE	PERCENT FUNDED
A	More than 90% funded
B	80 to 90% funded
C	70 to 80% funded
D	60 to 70% funded
F	Less than 60% funded

The following cities scored an "F" grade, according to the institute's study: Boynton Beach, Cooper City, Fort Myers, Hollywood, Homestead, Jacksonville, Miramar, Oakland Park, Ocala, Oviedo, Palm Beach Gardens, Panama City, Parkland, Plant City, Port Orange, Tamarac, Temple Terrace, Venice and Winter Haven. The highest rated was Melbourne's general employee plan with 190.1 percent funding, while Cooper City's general employee and police pension fund sat at the bottom with 35.48 percent funding. Pension funds that exceeded the 100% funded mark – Tallahassee's general, Clearwater's firefighters, Gainesville's general, Key West's general, Palm Coast's firefighters, Plantation's firefighters and Rockledge's general and police funds – have more than enough money in the bank to cover projected payouts to former and current employees.

The federal government has funded its combined **Civil Service Retirement System (CSRS)** and **Federal Employee Retirement System (FERS)** pension obligations at only 41 percent of liabilities and the military's prefunding for pensions is only 24 percent (Source: US Postal Service Office of The Inspector General Report of Pension Funding, 2010).

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

POLICY STATEMENT(S):

- Salary growth should not exceed the average actuarially assumed salary growth in each pension plan.

Background/Rationale:

Each year, the City receives independent actuarial reports for each of the City's two pension plans. The actuarial valuation of the pension plan is a mathematical determination of the financial condition of the plan, which includes: the computation of the present monetary value of benefits payable to present members, the present monetary value of future employer and employee contributions, considering the expected mortality rates among employees and retirees, rates of disability, retirement age, withdrawal from service, salary increases, investment earnings and value of assets.

Each year, experience "gains" in the prior year reduces the actuarial accrued liability. Experience "losses" for the prior year, conversely, increases the actuarial accrued liability. To the extent that salary growth is more than the actuarial assumption for the plan, this would result in an experience "loss" and add to the unfunded liability of the plan.

Salary growth can result from merit increases, automatic step adjustments to salaries annually, cost of living adjustments impacting all employees or subsets of employees (COLA's), adjustments to salary ranges based on compensation studies, etc.

Current Conditions:

Projected salary rate increases vary by age.

For the Fire and Police Pension Plan, the average long-term assumption across all ages is 6 percent per year.

For the Miami Beach Employees Retirement Plan, the assumed increases are as follows:

Years of Service	Merit and Seniority	Base (Economic)	Total Increase
1	4.0%	4.0%	8.0%
2	3.9%	4.0%	7.9%
3	3.8%	4.0%	7.8%
4	3.7%	4.0%	7.7%
5	3.6%	4.0%	7.6%
6	3.5%	4.0%	7.5%
7	3.0%	4.0%	7.0%
8	2.9%	4.0%	6.9%
9	2.8%	4.0%	6.8%
10	2.7%	4.0%	6.7%
11	2.6%	4.0%	6.6%
12	2.5%	4.0%	6.5%
13	2.4%	4.0%	6.4%

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14	2.3%	4.0%	6.3%
15	2.2%	4.0%	6.2%
16	2.1%	4.0%	6.1%
17	2.0%	4.0%	6.0%
18	1.9%	4.0%	5.9%
19	1.8%	4.0%	5.8%
20	1.7%	4.0%	5.7%
21+	1.5%	4.0%	5.5%

The pension board for MBERP recently approved a decrease in the salary growth assumption for the 10/11/11 valuation to reflect the downturn in the economy and the lower economic increases in recent years and likely into the future.

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

POLICY STATEMENT(S):

- The City should require 5, 10 and 20 year projections of required pension contributions as part of the annual actuarial valuations for each of the City's pension plans. These projections shall be based on the current actuarial assumptions for each plan. The projections shall be updated to reflect the cost of any proposed benefit enhancement, before the City Commission agrees to the enhancement. The cost of these studies shall be funded separately from the annual contribution to the pension plan.
- There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.
- Once pension reform is implemented, a 5/7th vote of the City Commission should be required for further pension changes.

Background/Rationale:

Changes to plan benefits can affect the actuarial accrued liability of a plan, either positively or negatively. If plan benefits are increased, the mathematical calculations will result in more benefits anticipated to be paid to plan members in the future, which will need to be recognized all at once, although payments would be amortized over the long-term. Conversely, if plan benefits are reduced, with all else being equal, the plan will see a reduction in the actuarial accrued liability.

Current Conditions:

Not Applicable

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

POLICY STATEMENT(S):

- The City should require 5, 10 and 20 year projections of required pension contributions as part of the annual actuarial valuations for each of the City's pension plans. These projections shall be based on the current actuarial assumptions for each plan. The projections shall be updated to reflect the cost of any proposed benefit enhancement, before the City Commission agrees to the enhancement. The cost of these studies shall be funded separately from the annual contribution to the pension plan.
- There shall be an experience study of each of the City's pension plan's actuarial assumptions performed by an actuary that is independent from the pension board. The experience study should be conducted at least once every three (3) years, to compare actual experience to the assumptions. The independent actuary shall make recommendations for any changes in assumptions based on the results of the experience study, and any deviations from those assumptions by the pension board shall be justified to the City Commission.
- Once pension reform is implemented, a 5/7th vote of the City Commission should be required for further pension changes.

Background/Rationale:

Changes to plan benefits can affect the actuarial accrued liability of a plan, either positively or negatively. If plan benefits are increased, the mathematical calculations will result in more benefits anticipated to be paid to plan members in the future, which will need to be recognized all at once, although payments would be amortized over the long-term. Conversely, if plan benefits are reduced, with all else being equal, the plan will see a reduction in the actuarial accrued liability.

Current Conditions:

Not Applicable

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Not Applicable

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

APPROPRIATE BENEFITS TO PROVIDE TO EMPLOYEES

DRAFT POLICY STATEMENT(S):

- The City of Miami Beach should strive to provide a retirement benefit that provides for a replacement of salary at a level at least equivalent to Social Security plus a supplemental retirement benefit.

Background/Rationale:

In the United States, 96 percent of workers are covered by Social Security. The benefit payment is based on how much is earned during your working career. Higher lifetime earnings result in higher benefits. If there were some years when you did not work or had low earnings, your benefit amount may be lower than if you had worked steadily. Social Security replaces about 40 percent of preretirement income for the average worker. The average replacement rate for lower-paid workers equals about 55 percent of their pre-retirement earnings. The average replacement rate for highly paid workers is about 25 percent.

Windfall Elimination Provision

Before 1983, people who worked mainly in a job not covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job where they did not pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Government Pension Offset

If you receive a pension from a federal, state or local government based on work where you did not pay Social Security taxes, your Social Security spouse's or widow's or widower's benefits may be reduced by two-thirds of your government pension.

(Source: Social Security website: <http://www.ssa.gov/pubs/10035.html>
<http://www.ssa.gov/pubs/10045.html> <http://www.ssa.gov/pubs/10007.html>)

Current Conditions:

The City of Miami Beach currently does not participate in Social Security. In evaluating proposed changes to the City's pension plans, the fact that the City does not participate in Social Security must be taken into account.

City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Participation in Social Security

Jurisdiction	General Employees
Boca Raton	Yes
Coral Gables	Yes
Coral Springs	Yes
Fort Lauderdale	Yes
Hialeah	Yes
Hollywood	Yes
North Miami	Yes
North Miami Beach	Yes
Pompano	Yes
Tamarac	Yes
FRS (includes Miami Dade County, Miami Lakes, Pinecrest, Wilton Manors)	Yes

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

POLICY STATEMENT(S):

- City of Miami Beach retirement benefits should be adjusted periodically after retirement to reflect the impacts of inflation, with rates no more than the Consumer Price Index for All Workers (CPI-W), subject to Commission approval, and with a maximum of 3 percent annually.

Background/Rationale:

Most people are aware that there are annual increases in Social Security benefits to offset the effects of inflation on fixed incomes. These increases, now known as cost-of-living adjustments (COLAs), are such an accepted feature of the program that it is difficult to imagine a time when there were no COLAs.

Before 1975, beneficiaries had to await a special act of Congress to receive a benefit increase.

Beginning in 1975, Social Security started automatic annual COLAs. The change was enacted by legislation that ties COLAs to the annual increase in the CPI-W.

(Source: Social Security website: <http://www.ssa.gov/pubs/10035.html>
<http://www.ssa.gov/pubs/10045.html> <http://www.ssa.gov/pubs/10007.html>)

Current Conditions:

Fire and Police Pension Plan

Employees hired before 10/1/10 - 2.5%

Employees hired on or after 10/1/10 - 1.5% with first adjustment deferred to 1 year after the end of DROP or 2 mandatory 0 DROP COLAs*

Miami Beach Employees Pension Plan

Employees hired before 10/1/10 - 2.5%

Employees hired on or after 10/1/10 - 1.5%

*Subject to current litigation

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

Comparison to Florida Retirement System and Comparative Local Jurisdictions:

Cost of Living Adjustments		
Jurisdiction	High Risk Employees	General Employees
Boca Raton	Not required – reviewed every odd year	Not required – reviewed every odd year
Coral Gables	If investment returns are over 10%, then equal to half of CPI – catch-up clause capped at 8%	
Coral Springs	2.5%	1% commences 5 years after retirement or DRQP entry
Fort Lauderdale	COLA provision repealed 7/15/2008	Very Infrequent – only if actual investment earnings exceed assumptions Plan closed for new hires 10/1/2007-3/5/2008 Now defined contribution
Hialeah	2% for 10 years	
Hollywood	Police: None Fire None (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	Only Enterprise employees hired prior to 7/15/2009 (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	1.92% with 1 year elimination period or 3% with 5 year elimination period	1.92% with 1 year elimination period or 3% with 5 year elimination period
North Miami Beach	2.5% Annually after 3 Years of Retirement	2.25% Annually
Pompano	2% fixed 1% variable	Tier 1 2% Tier 2 5 year waiting period tiered 0-2% based on age
Tamarac	Employees retiring before 3/1/07 = 2% after 3 years of retirement After 3/1/07 – 2.25%. after 3 years of retirement	Up to 2% - solely funded from actuarial gains
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	3% for benefits earned prior to 7/1/11 None for benefits earned thereafter	

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

RECRUITMENT AND RETENTION

POLICY STATEMENT(S):

- The City of Miami Beach should strive to provide retirement benefits that ensure that the City is competitive in recruitment and retention of employees.

Background/Rationale:

Salary ranges for job classifications in City of Miami Beach are periodically reviewed to ensure internal equity and external competitiveness. Internal equity refers to the relationships (duties, level of responsibilities, salary, tenure, etc.) between positions within the same organization. External equity refers to the relationships (duties, level of responsibilities, salary, tenure, etc.) between positions to the external labor market, in both, the public and private sectors. Benefits, including pension, are also periodically reviewed.

Current Conditions:

In the past, particularly during periods of low unemployment rates when competition for employees has been tight, the City has targeted to set salaries in the 75th percentile of neighboring jurisdictions, and to provide benefits similar to neighboring jurisdictions.

Comparison to Florida Retirement System (FRS) and Comparative Local Jurisdictions:

See survey of pension benefits provided by neighboring jurisdictions

In addition, the 2009 Classification and Compensation Study prepared by Condrey and Associates for the City of Miami Beach concluded that "the City's retirement benefit, while generous, appears appropriate considering the employee 8 percent contribution to the fund (based on a comparison to other jurisdictions locally and throughout Florida).

**City of Miami Beach
Budget Advisory Committee
Pension Reform:
Policy and Guideline Statements**

Hollywood	Police 9.25% Fire 7.5% - 8% (Plans are now frozen and new plans with lower benefits became effective 10/1/11)	9% (Plans are now frozen for General Fund Employees and new plans with lower benefits became effective 10/1/11)
North Miami	11.51% or 9.51%	7%
North Miami Beach	12%	7%
Pompano	11.6%	Tier 1 10% Tier 2 7%
Tamarac	9%	7%
FRS (Includes Coconut Creek, Cooper City, Miami Gardens, Miami-Dade County, Miami Lakes, Pinecrest and Wilton Manors)	3%	3%

Note: Employees in Social Security also contribute to Social Security.

See page 1 for additional comparatives related to percent of payroll.

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy Morales, City Manager

DATE: May 13, 2013

SUBJECT: **DISCUSSION REGARDING THE ISSUE OF ENCOURAGING BUSINESSES TO SUPPORT THE EFFORT OF IMPLEMENTING MORE HOMELESS METERS**

BACKGROUND

The Miami-Dade County Homeless Trust (the Trust) was created in 1993 by the Board of County Commissioners with several primary functions: to administer proceeds of the one-percent food and beverage tax, to implement the local Continuum of Care Plan, a three-phased plan, called the Miami-Dade County Community Homeless Plan; and to serve in an advisory capacity to the Board of County Commissioners on issues involving homelessness. The Trust is not a direct service provider. Instead, it is responsible for the implementation of policy initiatives developed by the 27-member Miami-Dade County Homeless Trust Board, and the monitoring of contract compliance by agencies contracted with the County, through the Trust, for the provision of housing and services for homeless persons.

The City has been participating in a fundraising campaign which is described below and will be referred to as the "Homeless Meters" throughout this memorandum. The Homeless Meter campaign resulted from the Trust's April 2009 effort to continue to promote awareness of homeless issues throughout the community. The Trust engaged the M Network, a public relations firm, to promote community awareness of services offered by the Trust, as well as to assist in a targeted campaign related to providing alternative strategies to panhandling.

The Trust's awareness campaign focused on donation of parking meters, a strategy which had been successfully utilized in other communities, such as Denver and Baltimore, to redirect community giving from panhandlers and into funding homeless services. According to the survey conducted by Zogby International on behalf of the Homeless Trust, "Homeless Trust Survey on Miami-Dade County's Generosity," county residents may be giving millions of dollars per year to people on the street.

The Homeless Meters are surplus parking meters graphically enhanced by local artist, Romero Britto, and are placed where panhandling most frequently occurs. All monies are collected and utilized for homeless services, such as emergency shelter beds and feeding programs. The Homeless Trust takes care of all costs associated with the program, which includes installation of the Homeless Meters and finding meter sponsors. Sponsors provide a tax deductible contribution of \$1,000.00 per donation meter sponsorship (Attachment 1). The City of Miami Parking Authority (MPA) collects, processes and maintains all of the meters county wide.

On October 27, 2010, Resolution No. 2010-27535 was approved by our City Commission establishing the Miami-Dade County's Homeless Trust's Adopt-A-Homeless Meter Donation Campaign Program in the City of Miami Beach. The resolution allowed for 11 Homeless Meters to be established throughout the City (Attachment 2). Subsequently, a private donor sponsored 11 additional meters which Joe's Stone Crab allowed to be placed in its' parking lot.

ANALYSIS

At the October 24, 2012 City Commission meeting, Commissioner Weithorn referred to the Finance & Citywide Projects Committee (F&CWPC), a discussion on the issue of encouraging businesses to support the effort of implementing more Homeless Meters in the City of Miami Beach.

Subsequently, the Homeless Trust requested that the City of Miami Beach Parking Department take over collection and maintenance of the 22 Miami Beach Homeless Meters. Currently, the money deposited into the Homeless Meters is collected and maintained by the Miami Parking Authority free of charge to the Homeless Trust. However there are issues with the amount of time it takes to get the meters serviced when in need of repairs and the amount of time it takes to collect and report on donations. In an effort to more effectively maintain the Homeless Meters and collect and track the money deposited into our Homeless Meters, it is recommended that an alternative system be implemented.

The City of Miami Beach currently contracts with Standard Parking for regular parking meter collections. If the Homeless Meters program expands, Standard Parking is considering waiving the annual collection cost to Miami Beach of \$242.88 for our 22 existing Homeless Meters. However, the City of Miami Beach would have to take over the annual maintenance cost of \$43.09 per meter (currently totaling \$948.00 for the existing 22 Homeless Meters). In return, the Homeless Trust would place a meter and a large collection device at City Hall at no cost and pay for the processing fees of the collections, \$22.77 per year, and annual audit costs, \$105.26 per year. However, regulatory review may be required for the large collection device depending on its size, design and location.

Based on the most recent report provided to the Homeless Trust by the MPA, collections from July 1, 2011 through February 28, 2013 resulted in \$2,579.85 from the Joe's Stone Crab meters and \$1,550.25 from the City of Miami Beach meters, totaling \$4,130.10.

It is relevant to note that the City's own Committee on the Homeless is currently working on an anti-panhandling campaign which will include a City-wide public education component promoting the homeless meters in lieu of giving to panhandlers. Our Committee on the Homeless is researching models that have worked in other cities and including flyers, signage and mass media campaigns. This idea was a result of a presentation given to the Community Relations Board (CRB) on February 20, 2013 by the Homeless Programs staff regarding the services the City provides to the homeless. The discussion turned to the meters and how the community is not aware of its purpose. The CRB suggested a joint effort on promoting awareness and possibly being able to allocate some resources for the project.

Conclusion

The Administration requests a recommendation from the F&CWPC regarding whether the City of Miami Beach should, in an effort to encourage businesses to sponsor and place more homeless meters in the City of Miami Beach, take over the annual maintenance cost of \$43.09 per meter for the meters (currently \$948 annually for the existing 22 meters). In return, the Homeless Trust would place a meter and a large collection device at City Hall, subject to regulatory reviews, at no cost and pay for the processing fees of the collections, \$22.77 per year, and annual audit costs, \$105.26 per year.

JLM/KGB/AP/KM



Miami-Dade County
ADOPT-A-HOMELESS DONATION METER PROGRAM

SPONSORSHIP AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____,
20____, by and between Miami-Dade County (the "County")
_____ (the "Sponsor").

WITNESSETH

WHEREAS, the Miami-Dade County's Homeless Trust Department ("Department") is responsible for the Homeless Trust Continuum of Care; and

WHEREAS, the Board of County Commissioners of Miami-Dade County, through Resolution No. _____ has established the "Adopt-A-Homeless Donation Meter Program" permitting local organizations, private corporations and individuals to sponsor a collection device to promote public awareness of homelessness and allow individuals to contribute to the Homeless Trust's programs and services; and

WHEREAS, the Sponsor wishes to provide a tax deductible contribution of \$1,000.00 per donation meter **sponsorship**. If the Sponsor has a preference for location please list the location(s) below:

1. _____

2. _____

3. _____

And/or WHEREAS the Sponsor wishes to house a large collection device at no cost to the Sponsor at the following private location(s), which are controlled and operated by the Sponsor:

1. _____

2. _____

3. _____

Now therefore, the parties agree as follows:

A. The Sponsor shall:

- 1.) Provide a charitable contribution of \$1,000 per homeless donation meter payable to Miami-Dade County; and
- 2.) Identify desired location(s) for the placement of said homeless donation meter(s). Approval of location(s) is subject to the discretion of the County; and
- 3.) Meter(s) placed in/on private property not otherwise visible to the street may be located in private venues when properly secured by the Sponsor; and
- 4.) Identify the name of the Sponsor to be placed on a sponsorship **plaque** to be affixed to the meter as:

Name of Sponsor

Such sponsorship name shall be in a standard font and format selected by the County.

B. A Sponsor hosting a large collection device in its privately controlled and operated venue shall:

- 1.) Provide a secure and mutually agreeable location within the Sponsor's privately controlled and operated venue where a large collection device may be installed; and
- 2.) Provide access during business hours to County-authorized personnel to install, maintain and collect any monies collected from the collection device. The Sponsor understands and acknowledges that any and all monies received in the collection device will go toward the County's Homeless programs and services; and
- 3.) The Sponsor covenants and agrees that it will indemnify and hold harmless Miami-Dade County from any claim relating to the placement of the collection device.
- 4.) The Sponsor understands and acknowledges that it may suspend or revoke its participation in the Adopt-A-Homeless Donation Meter Program if it finds that the Sponsor has in any way damaged or stolen from the meter/collection device or committed any acts that are contrary to the Program's mission.

C. The County shall:

- 1.) Install and maintain donation meters and collection devices; and

2.) Ensure timely collection of funds from donation meters and collection devices; and

3.) Utilize all funds from donation meters and collection devices to directly support the programs and services provided by the County's Homeless Trust.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, the day and year first written above.

I CERTIFY that the information contained herein is true and accurate and that I possess the authority to execute this Agreement on behalf of the Sponsor.

NAME OF SPONSOR: _____

ADDRESS: _____

BY: _____ DATE: _____
Sponsor Representative's Signature

PRINT NAME: _____ TITLE: _____

MIAMI-DADE COUNTY

BY: _____ DATE: _____
Mayor or Mayor's Designee

ATTEST: _____ DATE: _____

HOMELESS DONATION METERS



Renovating



LOCATIONS

- Ocean Drive + 6 Street
- Ocean Drive + 10 Street
- Ocean Drive + 14 Street
- Washington Avenue + 9 Street
- Washington Avenue + 13 Street
- Washington Avenue + Española Way
- Lincoln Road + Alton Road
- Lincoln Road + Washington Avenue
- Collins Avenue + 46 Street
- Collins Avenue + 67 Street
- Collins Avenue + 73 Street



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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2013

SUBJECT: **DISCUSSION REGARDING THE COLLECTION OF CITY LIENS.**

A lien is a claim or charge on property to secure payment of a debt or performance of an obligation. Pursuant to City Code Chapters 30, 46, 90, 102, and 110 a lien may be placed on any real property with accounts in arrears for Special Master fines, Services and Violations, Special Assessments, Resort Tax, Utility Bills, Parking Impact Fees and other City charges. Additionally, the entire amount of the lien may be foreclosed by the City, or in the alternative may be collected by any other legal means or settled for a lesser amount.

The Finance Department currently is responsible for the collection and settlement of outstanding City liens. Liens are generated in a few different ways. First, the Finance Department files liens for unpaid utility bills, special assessments, resort tax and other City bills. Next, liens resulting from unpaid charges generated by other departments are sent to the Finance Department for review and filing with the County for recording. Finally, City Code Chapter 30 provides that the Special Master's jurisdiction over the mitigation of liens terminates three years after the Affidavit of Compliance has been issued

Lien Filing Process

Liens for unpaid charges are prepared for any item at least 90 days past due. This is determined from receivable aging reports generated by the Eden system or the Resort Tax database. Once the report is generated, intent to lien notices and the liens themselves are drafted for any items at least 90 days past due. The notice, along with a copy of the Claim of Lien, is mailed to the each customer. If no response is received in 30 days, the original Claim of Lien is mailed to the Miami Dade County Clerk's Office for recording. Once the recorded lien is returned from the County, it is scanned and attached to the customer's account, as well as logged in the City's centralized lien database.

There are two general methods for the collection of all liens. First, a letter is sent to all owners of property with City liens informing them of the status of their liens and asking them to contact the City for assistance with resolution of their obligation. Beginning this fiscal year, the Finance Department has initiated additional contacts with the property

owners via email, if available. Second, liens may be settled when a property owner wishes to sell or refinance their property, the Finance Department is contacted to discuss resolution of an existing lien.

If a property owner responds to our mailing or requests a meeting to resolve an outstanding lien pending a sale, the following process is initiated.

The process begins with a comprehensive review of the property file and analysis of all amounts due to the City, this would include:

- Utility Bills
- Open Violations
- Other Liens
- Unpaid Resort Taxes
- BTR Issues
- Unpaid City Bills
- Open Special Master Cases

Additionally, for Special Master lien settlements, all violations related to the property must be cured and in compliance with all City Codes. The Administration then takes into account the following factors while negotiating the Special Master lien settlements:

- The gravity of the violation (life safety);
- The amount of equity in the property relative to the amount of the lien;
- The promptness of compliance;
- The good faith actions taken to correct the violation;
- If proper notice was provided to the property owner;
- Is the property involved in a legal proceeding: foreclosure, bankruptcy or receivership;
- If there has been a change in ownership while the violation was open;
- Are there issues with other regulatory agencies – i.e. DERM; DOT; and
- Similar cases previously settled.

Further, for Condominiums, the following factors are considered:

- The number of units;
- The number of units in foreclosure or not paying maintenance;
- The financial condition of the Association; and
- The need for a special assessment

After the review of the above items, the property owner is notified of any items that must be paid, corrected or resolved.

Once these items have been resolved, the Finance Department will meet with the property owner to review options for settlement.

Meeting with Property Owner

The Finance Department requests that the property owner provide a written statement of their complete history of the Special Master case including but not limited to, a full explanation of how the matter was corrected, all documents relative to their position, and a written initial offer.

After all mitigating factors have been presented by the owner and the City has done its due diligence, a recommendation is made by the City and presented to the owner. At this time the owner can either accept or counter offer for further consideration.

Once an amount is agreed to, a settlement agreement is prepared, and the property owner is required to make payment. If the agreement reached settles the lien and reduces the original amount by less than \$100,000 the agreement is submitted to the Chief Financial Officer and the City Manager for approval. If the agreement reached settles the lien and reduces the original amount by more than \$100,000 the agreement is submitted by the City Manager to the City Commission for approval.

Lien Satisfaction Process

If a customer requests to pay off a Claim of Lien for a property, a lien statement is provided, which details all outstanding debt owed against the referenced property. The statement includes any applicable interest accrued between the recording date of the Claim of Lien and the anticipated payoff date, as well as a \$20.00 recording fee. Once payment is received from the customer, the accounts are credited accordingly. Once credited, a Satisfaction of Lien is generated by the Finance Department and mailed to the County Clerk's Office for recording. For payments made by check, the Satisfaction of Lien is not mailed to the Clerk's Office until payment has cleared. Once the recorded satisfaction of lien is returned from the County, it is scanned and attached to the customer's account, as well as logged in the City's centralized lien database.

In the case of a settlement agreement for Special Master Cases, the executed agreement is delivered to the City Clerk with payment, the case is closed and the satisfaction of lien document is prepared and sent to the County for recording.

Foreclosure

Factors for Administration to consider before initiating a foreclosure action are:

- Is the property homesteaded?
- Is there a mortgage on the property?
- Is there any equity in the property?

Once a lien property is considered a candidate for a foreclosure action, the file is sent to the City Attorney for their assessment, recommendation and resolution.

The City Attorney will review the file and will determine if it is in the City's best interest to foreclose on the property.

CONCLUSION

The settlement and collection of City liens is an individualized process. All cases need to be evaluated according to the process; by doing this the City ensures that all property owners are appropriately pursued to bring the properties in compliance and the liens settled.

JLM/PDW/GE

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COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: May 15, 2013

SUBJECT: Discussion Regarding the Implementation of the Regional Climate Action Plan

At the February 6, 2013 Commission Meeting, the City Commission adopted a resolution approving the implementation of the Southeast Florida Regional Climate Change Compact Regional Climate Action Plan (RCAP) as appropriate. As part of this approval, it was requested that the City identify the RCAP recommendations that are applicable to GO Bond projects and determine which of these initiatives should be incorporated now to avoid the need for future retrofits. Additionally, the City Commission referred a review of the RCAP recommendations to the Finance and Citywide Projects Committee (FCWPC) to determine what can be done when performing City projects, to avoid doing double work and increasing the cost.

BACKGROUND

In 2010, the Southeast Florida Regional Climate Change Compact began as a collaborative effort among Palm Beach, Broward, Miami-Dade and Monroe Counties, their municipalities, and their partners. The purpose of the Compact is to unite, organize, and assess the southeast Florida region through the lens of climate change and develop unified action over the next five years.

In October 2012, the Southeast Florida Regional Climate Change Compact released the RCAP with the objective of integrating climate adaptation and mitigation into existing decision-making systems and of developing a plan that can be implemented through existing local and regional agencies, processes and organizations. The RCAP provides a framework with 110 actionable recommendations to help guide policies and serves as a living document with options that each regional or local government may adopt and utilize based on their interests and vision of the future.

ANALYSIS

Of the 110 RCAP recommendations, 20 are applicable to GO Bond projects. Attached is a matrix that shows these recommendations and their implementation status. Of the 20 recommendations, 12 are long-term goals that require decision-making and separate action at the Regional and City levels and eight (8) are short-term goals that require decision-making or direct implementation at the City level. The City has begun implementing these eight (8) recommendations through current policy.

As part of the Stormwater Management Master Plan, the City also developed minimum design criteria for construction within the right-of-way that are based on current sea level rise predictions. The implementation of these criteria should ensure that the City will not need to retrofit its infrastructure over its intended design life. The City will continue to review all projects, including GO Bond projects, to verify that they take into consideration all applicable RCAP recommendations, as well as the City's minimum design criteria.

CONCLUSION

The above information is provided for discussion by members of the FCWPC.

Attachments: A. Regional Climate Action Plan Implementation Status Matrix

MT/JJF/RWS/ESW/MKW

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Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
SP-2	Develop policies, strategies and standards that will serve as guidance for climate change related planning efforts. Municipal and county planning authorities are encouraged to develop policies to improve resilience to coastal and inland flooding, salt water intrusion, and other related impacts of climate change and sea level rise in their Comprehensive Plans, Sustainability Action Plans, Vision Plans, Stormwater Master Plans, Transit Development Plans, Long Range Transportation Plans, Adaptation Action Area Plans, Climate Change Plans and other green planning efforts.	Both	In Progress	1. SWMMP 2. Sustainability Plan 3. Comprehensive Plan (Coastal Element)	Long-term	Policy and Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
SP-8	Identify locations within Adaptation Action Areas or similarly vulnerable areas where targeted infrastructure improvements, new infrastructure, or modified land use and/or development practices could reduce vulnerability and/or improve community resilience.	Local	Not Started	None	Long-term	Planning	None	Commission to develop policy for historic areas

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
SP-10	Work with appropriate local, regional and state authorities to revise building codes and land development regulations to discourage new development or post-disaster redevelopment in vulnerable areas to reduce future risk and economic losses associated with sea level rise and flooding. In these areas, require vulnerability reduction measures for all new construction, redevelopment and infrastructure such as additional hardening, higher floor elevations or incorporation of natural infrastructure for increased resilience.	Both	In Progress	1. Interdepartmental review and coordination.	Long-term	Policy	Staff to develop and codify vulnerability reduction measures	Commission to approve Staff Action and to develop policy for new construction and redevelopment
SP-15	Modify or develop new design standards for transportation infrastructure located in identified vulnerable areas to include environmentally supportive road materials, bridge design, elevation, and stormwater management. Include different pitches combined with stormwater design to effectively remove water from the roadway; explore roadway materials that may be utilized in road construction that are more tolerant of extended periods of extreme temperatures.	Local	In Progress	1. SWMMP 2. Pervious concrete	Long-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Commission Action
SP-16	Develop policies to address new transportation infrastructure development in light of anticipated future climate impacts, such as consideration of future floodplain conditions and vulnerable areas which could require the rerouting of roads because of potential flooding and related damage.	Local	In Progress	1. Raised roads in certain areas 2. Pump stations to reduce flooding on existing roads	Long-term	Policy	Continue existing development of policy	No Commission action needed
WS-1	Develop local and, where appropriate, regional inventories of existing potable water supply delivery and collection systems, vulnerable wellfields, wastewater collection and/or treatment infrastructure, septic tanks/drainfields, and stormwater drainage and treatment facilities; assess the potential impact from climate change of each component; and develop different climate change scenarios and adaptation strategies for high-risk utilities and/or infrastructure which may require replacement, reinforcement, or relocation to ensure the long-term viability of the system (e.g., modified site, depth, elevation, materials, or connection requirements).	Both	In Progress	1. SWMMP	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
WS-3	Utilize existing and refined inundation maps and stormwater management models to identify areas and infrastructure at increased risk of flooding and tidal inundation with increases in sea level, to be used as a basis for identifying and prioritizing adaptation needs and strategies.	Local	In Progress	1. SWMMP	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
WS-4	Evaluate the impacts of rising sea and groundwater levels on soil storage, infiltration rates and inflow to stormwater and wastewater collection and conveyance systems; consider longer-term influences on water quality; and develop strategies for implementing reclaimed water and stormwater reuse projects that account for current and future conditions.	Local	In Progress	1. SWMMP 2. CS-ID means of stormwater reuse	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
WS-5	Develop and apply appropriate hydrologic and hydraulic models to further evaluate the efficacy of existing water management systems and flood control/drainage infrastructure under variable climate conditions. Quantify the capacity and interconnectivity of the surface water control network and develop feasible adaptation strategies.	Local	In Progress	1. SWMMP	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Commission Action
WS-6	<p>Coordinate with the South Florida Water Management District, Drainage/Water Control Districts, and utilities/public works officials to identify flood control and stormwater management infrastructure already operating below the design capacity. Further examine water control structures to ensure that they can provide for inland or upstream migration of riparian species as freshwater habitats become more saline.</p>	Local	In Progress	1. SWMMMP	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed at this time
WS-7	<p>Develop Integrated Water Management Plans that present a joint assessment and planning strategy involving local water utilities, wastewater service providers, water managers, and partners to the Southeast Florida Regional Climate Change Compact, for coordinated consideration of stormwater use and disposal, traditional and alternative water supplies, wastewater disposal and reuse, and water conservation measures for use by local leadership to guide planning decisions as well as amendments to applicable codes and regulations.</p>	Both	In Progress	1. SWMMMP	Long-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed at this time

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
WS-8	Develop and test water management and drainage system adaptation improvements needed to maintain existing levels of service relating to drainage, flood control, and water supply, and use cost-benefit analyses to prioritize potential improvements.	Local	In Progress	1. SWMMP	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
WS-9	Incorporate and prioritize preferred climate adaptation improvement projects in capital improvement plans and pursue funding.	Local	In Progress	1. SWMMP	Long-term	Planning	Initiate prioritization of adaptation improvement projects and pursuit of funding, when needed.	No Commission action needed

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
WS-10	<p>Encourage, foster, and support investigative work and scientific research that improves the understanding of local and regional climate change impacts specific to Southeast Florida, including:</p> <ul style="list-style-type: none"> • Improved down-scaling of global climate models for representation of precipitation at the regional/local scales • Identification and targeting of gaps in monitoring to improve quantification of the hydrologic system and its response to climate change, such as evapotranspiration, groundwater levels, and precipitation, and local sea level • Development of risk-based decision support tools and processes for application in analysis of infrastructure design, water resource management, natural systems management, and hazard mitigation alternatives. Tools should provide for consideration of potential economic costs of comparative planning scenarios, management decisions, and infrastructure investments and the evaluation of potential tradeoffs. 	Both	In Progress	<ol style="list-style-type: none"> 1. Support of FIU Studies 2. Monitoring of local precipitation 3. Monitoring of GW levels 	Long-term	Planning	Continue existing initiatives and identify areas for growth	Provide financing for risk-based decision support tools

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
WS-11	Undertake efforts to fill identified data gaps through local program efforts, agency collaborations, and advocacy for additional state/federal resources, as needed.	Both	In Progress	1. Support of FIU Studies 2. Monitoring of local precipitation 3. Monitoring of GW levels	Long-term	Planning	Initiate efforts to fill identified data gaps	Allocate necessary funding
WS-13	Develop agency capabilities to provide rapid deployment of resources in immediate response to intense precipitation and storm events through use of NEXRAD technology.	Both	Not Started	None	Long-term	Planning	Research and identify NEXRAD technology options.	Allocate necessary funding
WS-14	Cultivate partnerships with federal and state agencies and professional associations with expertise in integrated water resource planning (such as the U.S. Army Corps of Engineers Institute for Water Resources, the United States Geological Survey, and Water Foundations) as sources of important research, reports, and information regarding climate change, and efforts being undertaken in other communities.	Both	In Progress	1. SFWMD 2. USACE	Long-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed

Regional Climate Action Plan Implementation Status

Item No.	Recommendation	Level	Status	Existing Initiatives	Long-term or Short-term	Type	Staff Action	Comission Action
WS-15	Monitor changes in rainfall patterns, temperature means and extremes and sea level rise through coordination with NOAA and other key organizations/partners to better predict future wet-season and dry-season rainfall. Monitor emerging science in order to assess the adequacy of regional climate models. Choose an annual conference or other venue at which such trends can be reviewed at regular intervals.	Both	In Progress	1. Monitoring Rainfall 2. Monitoring Tides 3. Monitoring Groundwater Fluctuations	Long-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
NS-14	Maintain/restore urban tree canopy.	Local	In Progress	1. Urban Reforestation Program 2. Tree Ordinance	Short-term	Planning	Continue existing initiatives and identify areas for growth	No Commission action needed
RR-5	Enforce Coastal Construction Control Line and build upon goals, objectives and policies related to Coastal High Hazard Area designations in Comprehensive Plans.	Local	In Progress	1. PW Plan Review	Short-term	Policy and Planning	Continue existing initiatives and identify areas for growth	Commission to develop policy for developing coastal high hazard areas

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2013

SUBJECT: A DISCUSSION REGARDING ENTERING INTO A PROFESSIONAL SERVICES AGREEMENT WITH THE INTERNATIONAL CITY /COUNTY MANAGEMENT ASSOCIATION ("ICMA") FOR REVIEW AND RECOMMENDATIONS FOR EFFICIENCIES FOR THE FIRE DEPARTMENT; AUTHORIZING THE CITY MANAGER AND CITY ATTORNEY'S OFFICE TO NEGOTIATE AND DRAFT THE AGREEMENT BASED UPON THE APPROVED TERMS; AND AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE THE FINAL AGREEMENT IN AN AMOUNT NOT TO EXCEED \$70,000.

ADMINISTRATION RECOMMENDATION:

Adopt the resolution.

BACKGROUND

The International City/County Management Association (ICMA) is a 100 year old, non-profit professional association of local government administrators and managers, with approximately 9,000 members located in 32 countries.

Since its inception in 1914, ICMA has been dedicated to assisting local governments in providing services to its citizens in an efficient and effective manner. Their work spans all of the activities of local government – parks, libraries, recreation, public works, economic development, code enforcement, Brownfield's, public safety, etc.

The **ICMA Center for Public Safety Management (ICMA/CPSM)** is one of four Centers within the US Programs of ICMA, providing support to local governments in the areas of police, fire, EMS, Emergency Management and Homeland Security. In addition to providing technical assistance in these areas ICMA also represents local governments at the federal level and are involved in numerous projects with the Department of Justice and the Department of Homeland Security.

ICMA's local government technical assistance includes workload and deployment analysis, using Operations Research techniques and credentialed experts to identify workload and staffing needs as well as best practices. ICMA has conducted approximately 140 such studies in communities ranging in size from 8,000 population

Boone, IA to 800,000 population Indianapolis, IN. In addition, the ICMA just completed a study for the City of Las Vegas Fire and Rescue Department.

ICMA Center for Public Safety Management acts as an objective and trusted broker tapping into the knowledge of the association's membership base and combining expertise from other appropriate experts to offer innovative ideas, lessons learned, and leading practices to communities. The program provides practical advice and resources that local government managers and staff need to improve services and service delivery in their communities.

ANALYSIS

As discussed at the Finance and Citywide Projects Committee meeting of July 9, 2012, the Administration had secured a proposal from ICMA to perform a study to determine the effectiveness and efficiency of the City of Miami Beach Police and Fire Departments. The item was presented at the July 18, 2012 City Commission meeting where the City Commission rejected the resolution. Subsequently, during the February 6, 2013 City Commission meeting, the City Commission directed the Administration to place an item on the March 13, 2013 City Commission meeting agenda, presenting a proposal from ICMA to perform a study to determine the effectiveness and efficiency of the City of Miami Beach Fire Department (MBFD). This review will consider all aspects of the Department including operational and support functions. The Departments' performance will be evaluated and compared to nationally accepted standards. In addition to reviewing operational activities, ICMA will analyze the internal functions of the agencies. This will include review of internal documents such as policies and procedures, training, discipline, community relations, etc.

Methodology

The ICMA team follows a standardized approach to conducting analyses of police, fire, and Emergency Management Services (EMS) departments. They have developed this standardized approach by combining the experience sets of dozens of subject matter experts in the areas of police, fire, homeland security and EMS.

They begin projects by extracting calls for service and raw data from an agency's computer aided dispatch system. The data are sorted and analyzed for comparison to nationally developed performance indicators. These performance indicators (response times, workload by time, multiple unit dispatching, etc.) are valuable measures of agency performance. The findings are shown in tabular as well as graphic form and follow a standard format for presentation of the analyzed data. While the format will be similar from community to community, the data reported are unique to the specific community. Due to the size and complexity of the documents, this allows for simple, clean reporting. The reports generated from analyzing the data serve as the basis for many accreditation fire or police documents such as "Standards of Response Coverage" and the on-site review.

ICMA will conduct an operational review of the Fire and EMS of the MBFD alongside a data analysis using the performance indicators as the basis for the operational review. Prior to any on-site arrival of an ICMA team, agencies are asked to compile a number of key operational documents (policies and procedures, assets lists, etc.). Most on-site

reviews consist of interviews with management and supervisors as well as rank and file fire fighters; attendance at roll calls; and ride-alongs with staff. They will review case files and observe dispatch operations to ensure compliance with the provided written documentation.

As a result of any onsite visits and data assessments, ICMA subject matter experts produce observations and recommendations which highlight strengths, weaknesses, opportunities and threats of the Fire Department.

This standardized approach insures that they measure and observe all of the critical components of agencies which establish the baseline performance levels. This information can be used to benchmark against comparable cities. ICMA is able to do this because they recognize that while agencies may vary in size and challenges, there are best practices in use throughout the country.

ICMA likens this standardized approach to the manner of an auditing process:

- Asks questions and requests documentation upon project start up;
- Confirm accuracy of information received;
- Deploy operations teams onsite to research the uniqueness of each environment;
- Perform data modeling and share preliminary findings with each city; and
- Assess any inconsistencies reported by client cities and communicate the results in a formal, written report.

TERMS

The proposed study is presented in seven phases with the total timeline approximating six months from start to written report presentation. The estimated cost is not to exceed \$70,000 for the study plus travel expenses which are proposed at \$5,000 and a cost of \$1,000 per person plus travel for presentations.

A copy of the proposal is attached for your review.

CONCLUSION

The Administration seeks direction from the Finance and Citywide Projects Committee to determine if the City should enter into the attached professional services agreement with the International City/County Management Association ("ICMA") Center for Public Safety Management to conduct a review and to provide recommendations for efficiencies for the Miami Beach Fire Department.

JLM/KGB/CMG

ATTACHMENT: ICMA Proposal

**Proposal for Comprehensive Analysis of
Fire / EMS Services
Miami Beach, Florida**



FIRE/EMS

OPERATIONS

C E N T E R F O R P U B L I C S A F E T Y M A N A G E M E N T

Submitted by:
ICMA Center for Public Safety Management
International City/County Management Association
777 North Capitol Street NE, Suite 500
Washington, DC 20002
716-969-1360

ICMA

Leaders at the Core of Better Communities



Leaders at the Core of Better Communities

February 22, 2013

Ms. Kathie G. Brooks
Interim City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

Dear Ms. Brooks:

The ICMA *Center for Public Safety Management* is pleased to submit this proposal for an analysis of emergency services for Miami Beach. The ICMA approach is unique and more comprehensive than ordinary accreditation or competitor studies. In general, our analysis involves the following major outcomes:

- Examine the department's organizational structure and culture;
- Perform gap analysis, comparing the "as is" state of the department to the best practices of industry standards;
- Recommend a management framework to ensure accountability, increased efficiency and improved performance;
- Conduct a data-driven forensic analysis to identify actual workload;
- Identify and recommend appropriate staffing and deployment levels for every discrete operational and support function in the department.

This proposal is specifically designed to provide the local government with a thorough and unbiased analysis of emergency services in your community. We have developed a unique approach by combining the experience of dozens of subject matter experts in the areas of emergency services. The team assigned to the project will have hundreds of years of practical experience managing emergency service agencies, a record of research, academic, teaching and training, and professional publications, and extensive consulting experience completing hundreds of projects nation-wide. The team assembled for you will be true "subject matter experts" not research assistants or interns.

ICMA has provided direct services to local governments worldwide for almost 100 years, which has helped to improve the quality of life for millions of residents in the United States and abroad. I, along with my colleagues at ICMA, greatly appreciate this opportunity and would be pleased to address any comments you may have. You may contact me at 716.969.1360 or via email at lmatarese@icma.org

Sincerely,

A handwritten signature in black ink, appearing to read "Leonard A. Matarese".

Leonard A. Matarese, ICMA-CM, IPMA-HR
Director, Research and Project Development
ICMA Center for Public Safety Management

The Association

International City/County Management Association (ICMA)

The International City/County Management Association (ICMA) is a 100 year old, non-profit professional association of local government administrators and managers, with approximately 9,000 members located in 32 countries.

Since its inception in 1914, ICMA has been dedicated to assisting local governments in providing services to its citizens in an efficient and effective manner. Our work spans all of the activities of local government – parks, libraries, recreation, public works, economic development, code enforcement, Brownfield's, public safety, etc.

ICMA advances the knowledge of local government best practices across a wide range of platforms including publications, research, training, and technical assistance. Our work includes both domestic and international activities in partnership with local, state and federal governments as well as private foundations. For example, we are involved in a major library research project funded by the Bill and Linda Gates Foundation and we are providing community policing training in Panama working with the U.S. State Department. We have personnel in Afghanistan assisting with building wastewater treatment plants and have teams in Central America providing training in disaster relief working with SOUTHCOM.

The **ICMA Center for Public Safety Management (ICMA/CPSM)** is one of four Centers within the US Programs Division of ICMA providing support to local governments in the areas of police, fire, EMS, Emergency Management and Homeland Security. In addition to providing technical assistance in these areas we also represent local governments at the federal level and are involved in numerous projects with the Department of Justice and the Department of Homeland Security.

ICMA/CPSM is also involved in police and fire chief selection; assisting local governments in identifying these critical managers thru original research we have conducted identifying the core competencies of police and fire managers and providing assessment center resources.

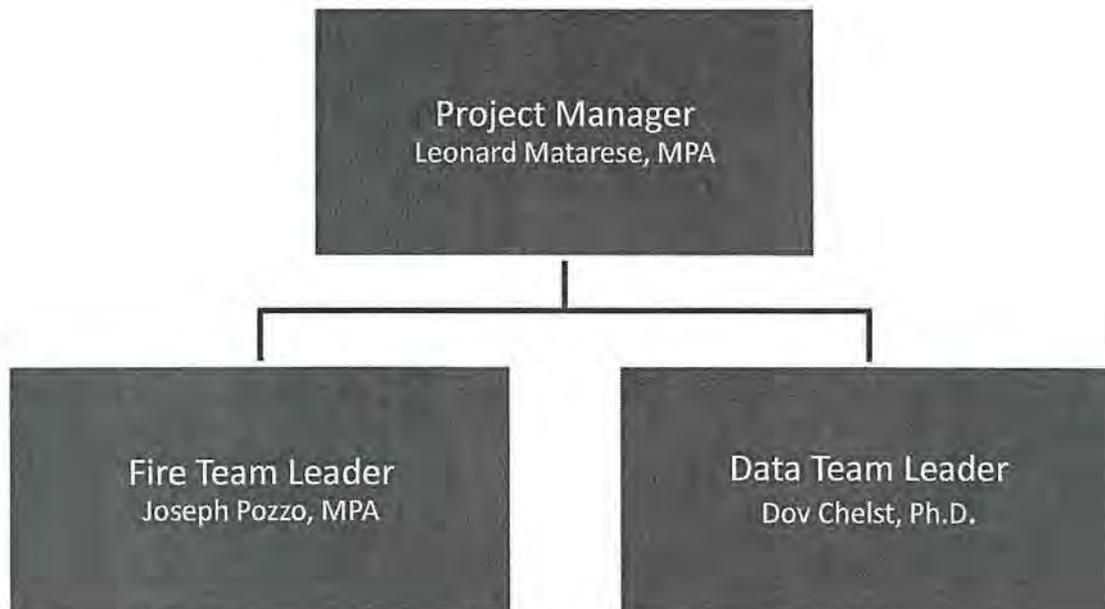
Our local government technical assistance includes workload and deployment analysis, using our unique methodology and subject matter experts to examine department organizational structure and culture, identify workload and staffing needs as well as industry best practices. We have conducted over 150 such studies in 30 states and 91 communities ranging in size from 8,000 population Boone, IA, to tourist meccas such as 586,000 population Las Vegas, to state capitols such as 800,000 population Indianapolis, IN.

Thomas Wieczorek is the Director of the Center for Public Safety Management. Leonard Matarese serves as the Director of Research & Program Development.

Project Staffing

The proposal will look at the fire and EMS services of Miami Beach, Florida. For this project, the ICMA has assembled a premier team of experts from a variety of disciplines and from across the United States. The goal is to develop recommendations that will enable it to produce the outcomes necessary to provide critical emergency services consistent with the community's financial capabilities. The team will consist of a Project Manager, two Team Leaders and several senior public safety Subject Matter Experts selected from our team specifically to meet the needs of the community.

The management organizational chart for the project includes the following Key Team Members:



Project Manager

Director of Research and Project Development, ICMA Center for Public Safety,

Leonard Matarese, MPA, ICMA-CM, IPMA-CP

- **Background**

Mr. Matarese is a specialist in public sector administration with particular expertise in public safety issues. He has 44 years' experience as a law enforcement officer, police chief, public safety director, city manager and major city Human Resources Commissioner. He was one of the original advisory board members and trainer for the first NIJ/ICMA Community Oriented Policing Project which has subsequently trained thousands of municipal practitioners on the techniques of the community policing philosophy over the past 18 years. He has managed several hundred studies of emergency services agencies with particular attention to matching staffing issues with calls for service workload.

Recognized as an innovator by his law enforcement colleagues he served as the Chairman of the SE Quadrant, Florida, Blue Lighting Strike Force, a 71 agency, U.S. Customs Service anti-terrorist and narcotics task force and also as president of the Miami-Dade County Police Chief's Association – one of America's largest regional police associations. He represents ICMA on national projects involving the United States Department of Homeland Security, The Department of Justice, Office of Community Policing and the Department of Justice, Office Bureau of Justice Assistance. He has also served as a project reviewer for the National Institute of Justice and is the subject matter expert on several ICMA / USAID police projects in Central America. As a public safety director he has managed fire / EMS systems including ALS transport. He was an early proponent of public access and police response with AEDs.

Mr. Matarese has presented before most major public administration organizations annual conferences on numerous occasions and was a keynote speaker at the 2011 annual PERF conference. He was a plenary speaker at the 2011 TAMSEC Homeland security conference in Linköping, Sweden and at the 2010 UN Habitat PPUD Conference in Barcelona, Spain.

He has a Master's degree in Public Administration and a Bachelor's degree in Political Science. He is a member of two national honor societies and has served as an adjunct faculty member for several universities. He holds the ICMA Credentialed Manager designation, as well as Certified Professional designation from the International Public Management Association- Human Resources. He also has extensive experience in labor management issues, particularly in police and fire departments and is currently editing an ICMA book on the selection of police and fire chiefs.

Data Assessment Team

ICMA Center for Public Safety Senior Team Members

Dov Chelst, Ph.D., Director of Quantitative Analysis

- **Background**

Dr. Chelst is an expert in analyzing public safety department's workload and deployment. He manages the analysis of all public safety data for the Center. He is involved in all phases of The Center's studies from initial data collection, on-site review, large-scale dataset processing, statistical analysis, and designing data reports. To date, he has managed over 140 data analysis projects for city and county agencies ranging in population size from 8,000 to 800,000.

Dr. Chelst has a Ph.D. Mathematics from Rutgers University and a B.A. Magna Cum Laude in Mathematics and Physics from Yeshiva University. He has taught mathematics, physics and statistics, at the university level for 9 years. He has conducted research in complex analysis, mathematical physics, and wireless communication networks and has presented his academic research at local, national and international conferences, and participated in workshops across the country.

Senior Public Safety Subject Matter Expert

David Martin, Ph.D., Senior Researcher in the Center for Urban Studies, Wayne State University

- **Background**

Dr. Martin specializes in public policy analysis and program evaluation. He has worked with several police departments to develop crime mapping and statistical analysis tools. In these projects he has developed automated crime analysis tools and real-time, dashboard-style performance indicator systems for police executive and command staff. Dr. Martin teaches statistics at Wayne State University. He is also the program evaluator for four Department of Justice Weed and Seed sites. He is an expert in the use of mapping technology to analyze calls for service workload and deployments.

Senior Public Safety Subject Matter Expert

Gang Wang, Ph.D., Fire & EMS Services Data Analyst

- **Background**

Gang Wang received the dual bachelor degrees in industrial design and management science, and the M.S. in information system from Chongqing University in China and the Ph.D. degree in industrial engineering from Wayne State University. He has five years experience in enterprise information system and eight years experience in data analysis and applied mathematical modeling. He has rich experience in areas of automotive, travel and public safety with particular emphasis in fire / EMS analysis. He has published a book chapter and several journal articles.

Operations Assessment Team – Fire Unit

Director, ICMA Center for Public Safety Management

**Thomas Wieczorek, Retired City Manager Ionia, MI; former Executive Director
Center for Public Safety Excellence**

- **Background**

Thomas Wieczorek is an expert in fire and emergency medical services operations. He has served as a police officer, fire chief, director of public safety and city manager and is former Executive Director of the Center for Public Safety Excellence (formerly the Commission on Fire Accreditation International, Inc.). He has taught a number of programs at Grand Valley State University, the National Highway Traffic Safety Administration (NHTSA), and Grand Rapids Junior College. He has testified frequently for the Michigan Municipal League before the legislature and in several courts as an expert in the field of accident reconstruction and fire department management. He is the past-president of the Michigan Local Government Manager's Association; served as the vice-chairperson of the Commission on Fire Officer Designation; and serves as a representative of ICMA on the NFPA 1710 career committee.

He most recently worked with the National League of Cities and the Department of Homeland Security to create and deliver a program on emergency management for local officials titled, "Crisis Leadership for Local Government Officials." It has been presented in 43 states and has been assigned a course number by the DHS. He represents ICMA on the NFPA 1710 and 1730 Standards Committees and is a board member on the International Accreditation Service, a wholly owned subsidiary of the International Code Council.

He received the Mark E. Keane "Award for Excellence" in 2000 from the ICMA, the Association's highest award and was honored as City Manager of the Year (1999) and Person of the Year (2003) by the Rural Water Association of Michigan, and distinguished service by the Michigan Municipal League in 2005.

Senior Manager of Fire and EMS

**Chief Joseph Pozzo (Ref.), MPA, CFO. Former Deputy Director, Volusia County
Department of Public Protection; former Director and Fire Chief , Volusia County,
Florida, Retired Fire Chief, Loudon County, Virginia, former Fire Chief Portsmouth,
Virginia.**

- **Background**

Chief Pozzo has enjoyed a thirty-four (34) year career in public service. Before joining the ICMA team, Chief Pozzo served as the Deputy Director of the Department of Public Protection Volusia County, Florida, where he was responsible for the operations of Fire, EMS, Emergency Management, Medical Examiner, Beach Safety, Corrections, and Animal Services. He was formerly Chief of the Volusia County Fire Services. This agency is a combination department providing fire suppression and EMS services with career firefighters and volunteer members. The agency operates out of 23 stations.

Prior to Chief Pozzo's appointment in 2010 in Volusia County, he served as the Chief of the Loudoun County Department of Fire and Rescue. This agency is a

combination fire and rescue system providing fire, rescue, and emergency management services to one of the fastest growing counties in the nation. The fire and rescue system provides these services to over 275,000 permanent residents living in 520 square miles of diverse suburban and rural area located within the National Capital Region. Fire, Rescue and Emergency Management services are executed through 450+ career staff and over 1,300 volunteer members operating out of nineteen stations. Prior to his appointment with Loudoun County, Chief Pozzo served as Chief of the Portsmouth Fire, Rescue and Emergency Services Department. This agency is one of the oldest professional departments on the eastern seaboard and serves over 95,000 residents within a 30 square miles area. Chief Pozzo also served in the City of Virginia Beach, Va. Fire Department for 19 years reaching the level of Battalion Chief prior to embarking on his career as a Fire Chief/Director.

He holds a Master of Public Administration degree from Troy University where he graduated with honors, a B.A. in Public Administration from Saint Leo University and several associate degrees including an AAS in Fire Science and Protective Services. He holds the *Chief Fire Officer Designation from Center for Public Safety Excellence* and has served as an Adjunct Instructor for the Virginia Department of Fire Programs.

Senior Associate - EMS

Mark O'Keefe, Operations Manager Volusia County Emergency Medical Services (EVAC) Daytona Beach, Florida

- **Background**

Mr. O'Keefe is an expert in the management of large High Performance Emergency Medical Services (HPEMS). The Volusia County system covers 1,207 square miles, 16 cities, 47 miles of Atlantic Ocean beaches, two major rivers, urban, suburban, rural and wilderness areas as well as the many special events such as The Daytona 500, Coke Zero 400, Bike Week, Spring Break, and Biketoberfest. In addition to providing daily supervision of all on-duty employees on EMS units he also manages the System Status Controllers in the communications center and the deployment of EMS in Volusia. He has 33 years experience in the emergency medical services holding numerous field positions and supervisory and management assignments as well as serving as chief training officer for several EMS agencies. He holds the American Ambulance Association, Certified Ambulance Service Manager (ASM) credential.

Mr. O'Keefe served on the Editorial Board Journal of Emergency Medical Services (JEMS) at Elsevier Public Safety Publications for 21 years and wrote a monthly column for the journal. He is an expert in Speed Loading Inventory Control as well as Deployment Monitor Systems, having worked extensively with the Mobile Area Routing and Vehicle Location Information System™ (MARVLIS) High Performance EMS ambulance deployment monitor system for System Status Controllers.

He holds the Bachelor of Applied Science (BAS) in Supervision and Management with honors from Daytona State College. Associate of Arts (A.A.), Education Daytona State College Associate of Applied Science (AAS), Emergency Medical Services Daytona Beach Community College

Senior Associate

Gerard J. Hoetmer, MPA, retired Executive Director of Public Entity Risk Institute, Fairfax, Virginia

- **Background**

Gerry Hoetmer is an expert in fire services, emergency management, and risk management. He served as the founding executive director of the Public Entity Risk Institute, a nonprofit organization that provided training, technical assistance, and research on risk management issues for local government and other public and quasi-public organizations. During his tenure as executive director he was a member of the National Academy of Sciences Disaster Roundtable. Prior to his position as executive director at PERI, Mr. Hoetmer worked at ICMA for 19 years, most recently as the director of research and development. He has written extensively on local government emergency management, the fire service, code enforcement, and risk management issues.

Seminal works include the first report to Congress on fire master planning and the first edition of *Emergency Management: Principles and Practices for Local Government*. In addition to providing expert testimony before Congress and local arbitration boards on fire staffing and scheduling issues, Mr. Hoetmer represented ICMA on the NFPA 1500 Standard on Occupational Safety and Health; NFPA 1201, the Standard for Providing Emergency services to the Public; and the NFPA 1710, Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments. Mr. Hoetmer has developed and conducted training programs and seminars at FEMA's Emergency Management Institute and the National Fire Academy in Emmitsburg, Maryland.

He holds a Bachelors from the State University of New York, New Paltz and the Master of Public Administration degree from the University of Colorado at Denver

Senior Associate

Chief John (Jack) Brown (Ret.), BA, MS, EFO, Director, Arlington County Office of Emergency Management, Retired Assistant Chief Fairfax County Fire & Rescue Department

- **Background**

Jack Brown's 40 year public safety career includes 29 years with the Fairfax County, Virginia Fire & Rescue Department, where he retired as Assistant Fire Chief of Operations. He served in a number of operational and staff positions, including the Office of the Fire Marshal where he attained NFPA certification as a Fire Inspector II and Fire Investigator. As an investigator, he conducted post fire and post blast investigations, assisting in the prosecution of offences involving arson and illegal explosives. He served as a Planning Section Chief and Task Force Leader for the Fairfax County Urban Search and Rescue Task Force (VA TF-1). He deployed to Nairobi, Kenya as Plans Chief in response to the 1998 embassy bombing and as Task Force Leader on a deployment to Taiwan in response to an earthquake in 1999.

Upon his retirement from Fairfax County in 2000, he became the Assistant Chief for the Loudoun County Department of Fire, Rescue and Emergency

Management, where he led a team of firefighters to the Pentagon on 9/11 and assisted the Arlington County Fire Department as the initial Planning Section Chief for the incident. Jack served as Planning Section Chief on a Northern Virginia multi-jurisdictional emergency management task force that reestablished the New Orleans Emergency Operations Center just after Hurricane Katrina. He retired from Loudoun County in 2006 to pursue a career in emergency management.

Brown retired from the Coast Guard Reserve as a Chief Warrant Officer 4, specializing in port safety and security, with 33 years of combined Army and Coast Guard Reserve service. After 9/11, he served on active duty for 47 months, including 15 months in the Middle East. He received the Bronze Star Medal for actions in Baghdad, Iraq while supporting combat operations during Operation Iraqi Freedom.

Brown holds a bachelor's degree in Fire Science Administration from the University of Maryland and a master's degree in Quality Systems Management from the National Graduate School, Falmouth, Massachusetts. He is a 1997 graduate of the National Fire Academy's Executive Fire Officer Program at the National Emergency Training Center, Emmitsburg, Maryland. He has been an adjunct professor at the Northern Virginia Community College and the University of the District of Columbia in the Fire Science curriculums. He is a graduate of the Executive Leadership Program in the Center for Homeland Defense and Security at the Naval Postgraduate School, Monterey, California.

Senior Associate

Chief Donald James (Ret.), MPA, Retired Assistant Chief, Miami-Dade Fire Rescue

- **Background**

During a career spanning 30 years, Donald C. James retired in 2005 as an Assistant Fire Chief with the Miami Dade Fire Rescue Department. In that capacity he assumed oversight of various functional areas to include Fire Prevention, Facilities Management and Construction, Communications, Emergency Medical Services and Training Divisions. As a Division Director, he was responsible for multimillion dollar budgets for Community Relations, Emergency Medical Services, Communications and Fire Prevention.

In 1996 he was honored by the National Fire Protection Association as the "Learn Not To Burn Champion" with a Safe Cities Award Grant. Working in conjunction with Miami Dade Public Schools, the grant provides for the teaching of a fire safety curriculum at the elementary grade levels. Among other accomplishments, he was also instrumental in the development of the department's Infectious Disease Control Policy and Procedure – one of the first of its kind in the fire service nationwide.

Mr. James received his Associates degree in Fire Science Technology from Miami Dade College. He holds a Bachelor's degree in Public Administration from Barry University in Miami Shores, and Master's degree in Public Administration from Florida International University, Miami.

Project Schedule

Milestone 1 – Full execution of the agreement

Agreement will identify Project Launch date.

Milestone 2 – Project Launch

We will conduct an interactive telephone conference with local government contacts. Our project leads will launch the project by clarifying and confirming expectations, detailing study parameters, and commencing information gathering.

Milestone 3a – Information Gathering and Data Extraction- 30 Days

Immediately following project launch, the operations leads will deliver an information request to the department. This is an extensive request which provides us with a detailed understanding of the department's operations. Our experience is that it typically takes an agency several weeks to accumulate and digitize the information. We will provide instructions concerning uploading materials to our website. When necessary, the lead will hold a telephone conference to discuss items contained in the request. The team lead will review this material prior to an on-site visit.

Milestone 3b – Data Extraction and Analysis – 14 Days

Also immediately following the project launch the Data Lead will submit a preliminary data request, which will evaluate the quality of the Computer Aided Dispatch (CAD) system data. This will be followed by a comprehensive request for data from the CAD system to conduct the response and workload analysis. This request requires a concerted effort and focused response from your department to ensure the timely production of required for analysis. Delays in this process will likely extend the entire project and impact the delivery of final report. The data team will extract one year's worth of Calls for Service (CFS) from the CAD system. Once the Data Team is confident the data are accurate, they will certify that they have all the data necessary to complete the analysis.

Milestone 3c – Data Certification – 14 days

Milestone 4a – Data Analysis and Delivery of Draft Data Report – 30 days

Within thirty days of data certification, the analysis will be completed and a draft, unedited data report will be delivered to each of the departments for their review and comment. After the data draft report is delivered, an on-site visit by the operations team will be scheduled.

Milestone 4b – Departmental Review of Draft Data Report – 14 days

The department will have 10 days to review and comment on the draft unedited data analysis. During this time, our Data team will be available to discuss the draft report. The Department must specify all concerns with the draft report at one time.

Milestone 4c – Final Data Report – 10 days

After receipt of the department's comments, the data report will be finalized within 10 days.

Milestone 5 – Conduct On-Site Visit – 30 days

Subject matter experts will perform a site visit within 30 days of the delivery of the draft data report.

Milestone 6 – Draft Operations Report – 30 days

Within 30 days of the last on-site visit, the operations team will provide a draft operations report to each department. Again the departments will have 10 days to review and comment.

Milestone 7 – Final Report 15 days

Once the Department's comments and concerns are received by ICMA the combined final report will be delivered to the city within 15 days.

TOTAL ELAPSED TIME: 105 - 135 days

The ICMA Approach: Fire/EMS

Operations Review

Using information analyzed by the data team, an operational assessment by ICMA technical experts will be conducted to evaluate the deployment of emergency resources.

The ICMA team will evaluate equipment, maintenance, records, policies, procedures, mapping, implemented technology and innovations, facilities, training, and staff to create recommendations for future service delivery.

The team may meet with elected and appointed officials as well as identified community leaders to determine the outcome they are seeking from deployment of resources.

Observations and recommendations will be developed around key performance and analysis areas in the completion of the report and include:

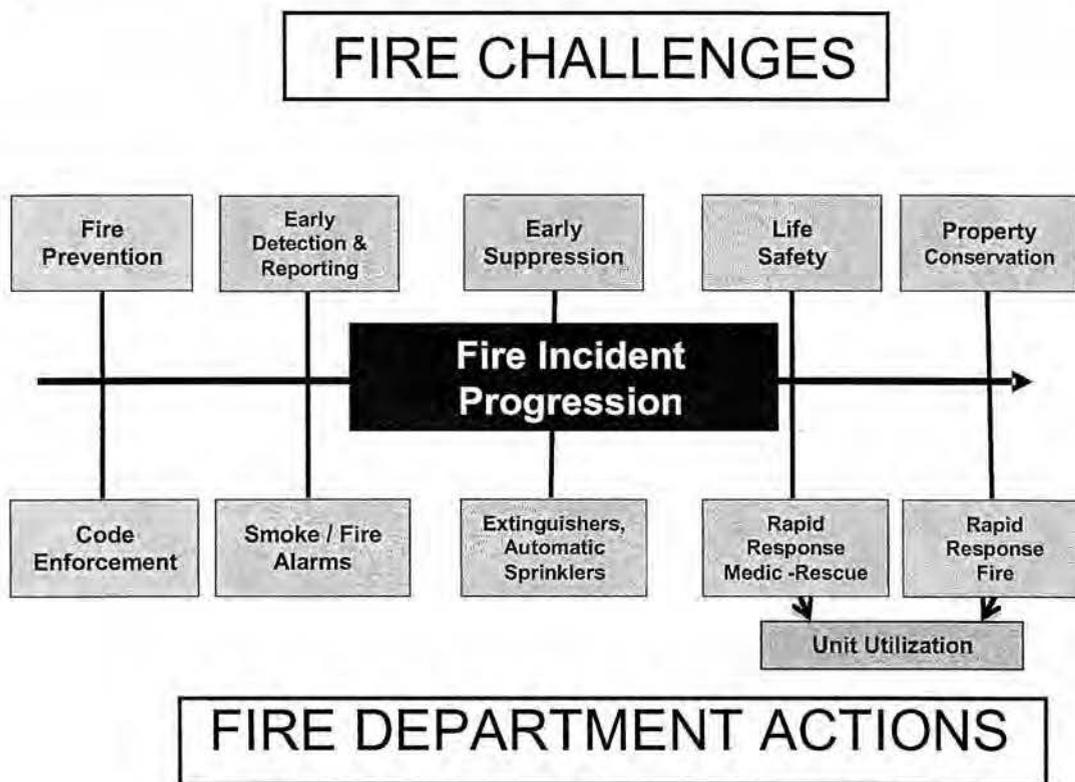
- Comprehensive Data Analysis
 - Incident Type Workload
 - Response Time
 - Unit Workload
 - Analysis of Busiest Hour
- Governance and Administration
 - Organizational Structure
 - Organizational Leadership
 - Staffing and Deployment
 - External Relationships
- Organizational Behavior/Management/Processes
 - Time Allocation of Staff
 - Organizational Communication
 - Strategic Planning
 - Performance Measurement
- Financial Resources (Operating and Capital Resources)
- Programs (To include fire suppression, EMS, fire prevention, public education, fire investigation, technical rescue, hazardous materials, emergency management, , and other service delivery programs)
- Risk Management/All hazards approach to community protection
- ISO/Accreditation Benefit Analysis

Using GIS technology we will review the current locations of deployed equipment and stations with recommendations developed for the future. Key to making these determinations will be response time for dispatched units and call density.

The ICMA data team has created a methodology for determining resource utilization that quantifies the maximum and minimum deployment of personnel and equipment. It is unlike any other approach currently used by consultants and is indicative of the desire by ICMA to deliver the right resources at the right time.

Fire Suppression Services

Fire departments staff their stations and train their personnel to respond to a wide array of fire and vehicular accident emergencies. In addition, many departments use the long intervals between calls for service for a variety of fire prevention, training and station activities. Research in the United Kingdom as well as by FEMA has shown that the most cost-effective approach to fire deployment is the elimination of calls. If a call is received, eliminating hazards decreases the risk faced by first responders and may result in a more positive outcome. These preventive strategies should include building effective code enforcement and fire prevention activities as well as strong public education programs promoting smoke detectors fire extinguisher use and placement in homes and businesses. The effort may also include early fire suppression through the use of automatic sprinkler systems and other fire protection systems. All of these prevention and response challenges are illustrated below.



The resulting data study ICMA completes will gather and analyze data on the efficiency and effectiveness of the current deployment on the fire runs. Resource utilization will be quantified for concentration, location, and unit utilization.

The study will also analyze fire call data to provide a comprehensive review of how fire services are delivered to the community including a detailed analysis of workloads and response times. The analysis of the workloads should begin with an in-depth study of the types of calls handled and their severity. The goal of this data gathering would be to explicate the fundamental nature of the fire challenge faced by the Fire Department.

The study will pay special attention to fires reported in residences or buildings. Some examples of questions to be answered as a part of the study include: What was the average response time of the first arriving fire suppression unit capable of deploying extinguishing agent? How long did the engine companies work at the scene?

For each call type, we will determine the time spent on-scene and the manpower personnel who worked the scene. This data will be aggregated to determine an overall average total time spent on fire calls per 24-hour period and by shift for each engine company. It will document any dramatic variations by time of day and day of week as well as seasonal variations. It will also require the review the department's non-emergency productive hours that fire personnel carry out between emergency calls. The study will also analyze data to determine the proportion of calls and the associated workload that arise within the community's borders compared to mutual aid calls.

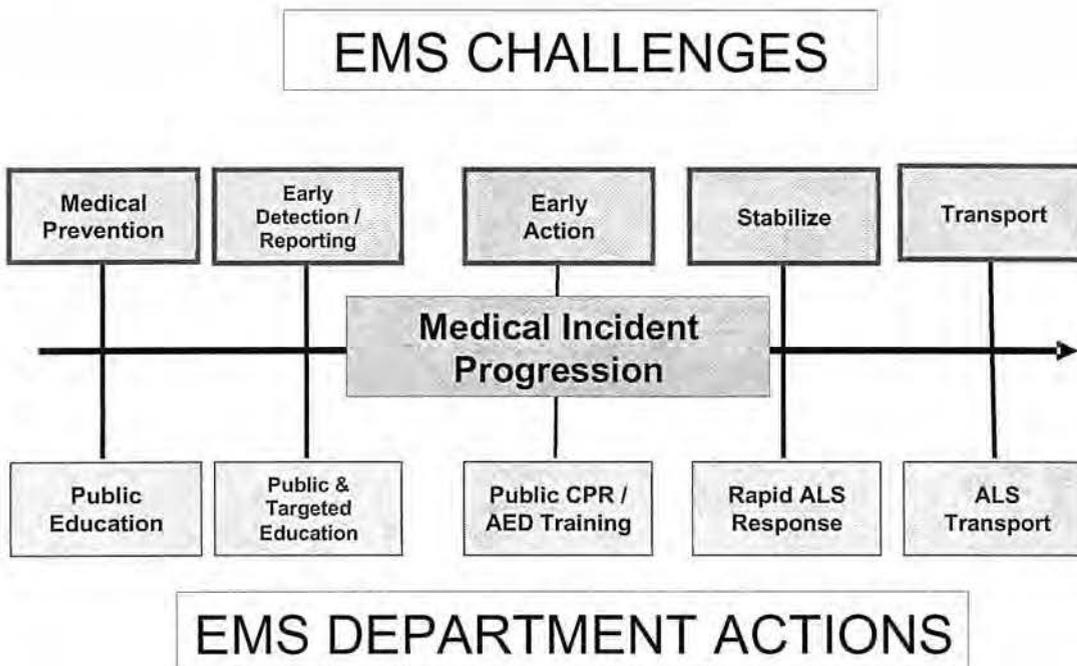
Response time is an important statistic in emergency service systems. We will determine:

- Average response time of first arriving fire suppression unit capable of deploying extinguishing agent.
- Distribution of response times for different call categories
- Response time for the second arriving engine company, where possible

We will also identify and review calls that experienced unusually long response times.

Emergency Medical Services

Fire Departments provide emergency medical services in addition to fire suppression duties. In this project we will analyze EMS call data to provide a comprehensive review of emergency medical services including a detailed analysis of workloads and response times. The analysis of the workloads will begin with an in-depth study of the types of calls handled and their severity. The goal is to explicate the fundamental nature of the emergency medical challenge faced by the community's Fire Department. We will pay special attention to the most critical emergencies such as heart attack and serious vehicular accidents.



For each call type, we will determine the time spent on-scene and the manpower personnel who worked the scene. These data will be aggregated to determine an overall average total time spent on fire calls per 24-hour period for each ambulance company and the unit hour utilization (UHU). We will also determine how much EMS calls contribute to the workload of fire engine companies since they also respond to most calls. We will document any dramatic variations by time of day and day of week as well as seasonal variations.

Response time is an important statistic in emergency service systems. We will determine not only average response time but also the distribution of response times for different call categories. We will also identify and review calls that experienced unusually long response times.

Analysis of the Busiest Hours of the Year

Fire departments often speak of the "worst case scenario" or "resource exhaustion" when developing staffing and deployment plans. In reality, an agency can never staff for the worst case scenario, because whatever situation can be envisioned, there can always be a more serious event that can be planned.

What is needed to make staffing and apparatus decisions is a clear understanding of what levels of demand can reasonably be expected over specific periods of time in a specific jurisdiction. For example, what are the busiest calls for service times over a one year period and what levels of staffing and apparatus were needed to handle this workload?

To answer this question requires a detailed analysis of calls for service, broken down minute by minute, identifying which units were busy and how many units remained available to respond to a new call for service. More sophisticated analysis can take into consideration available mutual aid resources.

There is significant variability in the number of calls from hour to hour. One special concern relates to the fire resources available for the highest workload hours. We tabulate the data for each of 8760 hours in the year. We identify how often the fire department will respond to more than a specified number of calls in an hour. In studying call totals, it is important to remember that an EMS run typically lasts, on average, a different amount of time than a fire category call.

Example of "Busiest Hour Analysis"

What follows is an example of an ICMA study of a fire department with 17 units staffed all the time. For the vast majority of these high volume hours, the total workload of all units combined is equivalent to 3 or fewer units busy the entire hour. For the ten highest volume hours, 0.1% of the hours, the total workload exceeded 3 hours. All of these high volume hours occurred between 10 a.m. and 9 p.m.

The hour with the most work was between 1000 and 1100 on September 12, 2009. The 21 calls involved 34 runs. The combined workload was 417 minutes. This is equivalent to 7 firefighting units being busy the entire hour. However, in the City there are 17 units staffed all of the time. During the worst portion of the hour, there were always at least 5 units still available to respond immediately. Only 5 of the 17 units were busy more than 30 minutes during this hour.

The hour with the most calls was between 1400 and 1500 on October 13, 2009. The 23 calls involved 28 runs. The combined workload was 379 minutes. This is equivalent to between 6 and 7 firefighting units being busy the entire hour. However, in the city there are 17 units staffed all of the time. During the worst portion of the hour, there were always at least 7 units still available to respond immediately. Only 3 of the 17 units were busy more than 30 minutes during this hour.

Table 1. Frequency Distribution of the Number of Calls

Number of Calls in an Hour	Frequency
0-5	6397
6-10	2263
11-15	98
16 or more	2

Observations:

- A total of 6,397 hours (73%) in a year have received 0-5 calls.
- A total of 2,263 hours (25.8%) in a year have received 6-10 calls.
- A total of 100 hours (1.2%) in a year have received 11 or more calls.

Table 2. Top Ten Hours with the Most Calls Received

HOURS	Number of Calls	Number of Runs	Total Busy Minutes
13-Oct-2009 1400	23	28	379
12-Sep-2009 1000	21	34	417
20-Jun-2009 2000	15	16	252
02-Feb-2009 1900	15	16	213
10-Jul-2009 1000	14	15	226
15-Feb-2009 1900	14	20	317
29-Jul-2009 1700	14	18	274
23-Feb-2009 1100	14	15	180
17-Mar-2009 1500	14	17	193
01-Mar-2009 1800	13	14	185

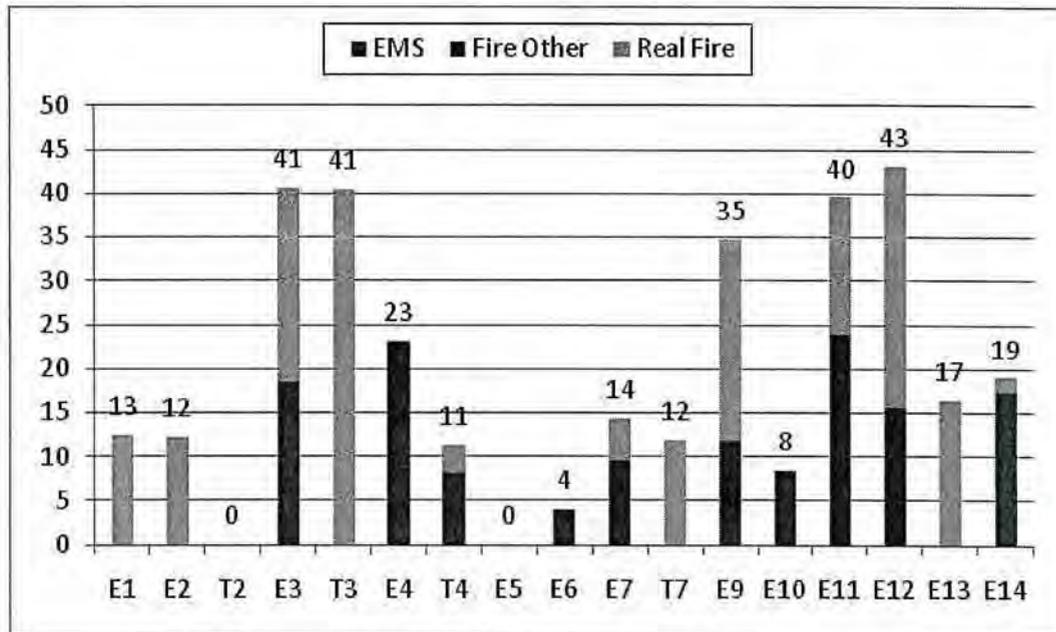
Table 3. Deployed Minutes by Unit for the Hour between 10 a.m. and 11 a.m. on 12-Sep-2009

Station	1		2		3		4		5	6	7		9	10	11	12	13	14	Number of Units	
Unit	E1	E2	T2	E3	T3	E4	T4	E5	E6	E7	T7	E9	E10	E11	E12	E13	E14	Busy	Free	
0-5																			1	16
5-10		1.9		0.7															3	14
10-15														0.6					7	10
15-20					0.5														8	9
20-25		1.1																	7	10
25-30																			5	12
30-35																			5	12
35-40															1.3				6	11
40-45										1.2		0.7	0.7			1.6			9	8
45-50						1.8					1.8		1.9	1.6				1.7	11	6
50-55				0.9								2.5	0.8	2.5					12	5
55-60									0.8										11	6
Total	12.5	12.3	0.0	40.6	40.5	23.1	11.3	0.0	4.1	14.3	11.8	34.8	8.4	39.6	43.2	16.5	19.0			

Note: The numbers in the cells are the busy minutes within the 5 minute block. The cell values greater than 2.5 are coded as red. Observations:

- Between 10 a.m. and 11 a.m. on September 12, 2009, the fire department responded to 21 calls and dispatched 34 units to these calls.
- In the city there are 17 units staffed all of the time. During the worst portion of this hour, there were always at least 5 units still available to respond immediately. Only 5 of the 17 units were busy more than 30 minutes during this hour.

Figure 1. Workload by Unit and Call Type for the Hour between 10 a.m. and 11 a.m. on 12-Sep-2009



Observations:

- Engine companies E3, E11 and E12 were busy more than 40 minutes during this hour.
- Truck T3 was busy more than 40 minutes during this hour.
- Eleven units were busy less than 20 minutes. Two units responded to no calls.

Proposed Fees

The quotation of fees and compensation shall remain firm for a period of 90 days from this proposal submission.

ICMA will conduct the analysis of the fire, and EMS departments for \$65,000 exclusive of travel. The project would be billed in three installments: 40% within 14 days of signing the contract; 40% with delivery of the police, fire and EMS draft data analysis; 20% with delivery of the final report. Following delivery of the draft reports, the city will have 30 days to provide comments as to accuracy and a final report will be delivered within 30 days of the comment period.

A travel budget of \$5,000 is proposed.

Deliverables

Draft reports for police, fire/EMS will be provided for department review in electronic format.

In order to be ecologically friendly, ICMA will deliver the final report in computer readable material either by email or CD or both. The final reports will incorporate the operational as well as data analysis. Should the municipality desire additional copies of the report, ICMA will produce and deliver whatever number of copies the client request and will invoice the client at cost.

Should the City desire additional support or in-person presentation of findings, ICMA will assign staff for such meetings at a cost of \$2,000 per day/per person along with reimbursement of travel expenses.

Conclusion

Part of ICMA's mission is to assist local governments in achieving excellence through information and assistance. Following this mission, ICMA *Center for Public Safety Management* acts as a trusted advisor, assisting local governments in an objective manner. In particular, ICMA's experience in dealing with public safety issues combined with its background in performance measurement, achievement of efficiencies, and genuine community engagement, makes ICMA a unique and beneficial partner in dealing with issues such as those being presented in this proposal. We look forward to working with you further.

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Discussion Item

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List of Attachments

- 1) Attachment "A" – Draft ordinance proposed by UNITE HERE!
- 2) Attachment "B" – Miami–Dade County Labor Peace Resolution
- 3) Attachment "C" – Labor Peace Agreement clause in County contract
- 4) Attachment "D" - Labor Peace Agreement from County concession agreement

Attachment "A"

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 82 OF THE CITY CODE, ENTITLED "SALE OR LEASE OF PUBLIC PROPERTY," BY AMENDING ARTICLE 2, SECTION 41 BY DIRECTING THE CITY MANAGER TO REQUIRE A LABOR PEACE AGREEMENT IN NEW CONTRACTS TO PROVIDE FOOD, BEVERAGE, OR HOTEL SERVICES AT THE MIAMI BEACH CONVENTION CENTER; PROVIDING FOR CODIFICATION, REPEALER, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the City of Miami Beach ("City") has a financial and proprietary interest in revenue producing contracts which include food and beverage ("F&B") operations at the City-owned venues; and

WHEREAS, the City is considering construction of a convention hotel ("Hotel") on land leased from the City;

WHEREAS, a labor dispute at the MBCC F&B or Hotel facilities may result in interrupted services and lead to a loss of revenue for the City; and

WHEREAS, a labor peace policy can protect the City from labor disruptions that could otherwise negatively impact City revenues; and

WHEREAS, labor peace policies are in effect in Miami-Dade County and the City of Miami, as well as other local governments throughout the country; and

WHEREAS, on October 5, 2012, the Honorable Carlos Gimenez, Mayor of Miami-Dade County wrote to the Mayor of Miami Beach, stating, "the City should consider a labor peace resolution similar to the one that Miami-Dade County approved unanimously in 2007 (R-148-07)";

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COMMISSION OF THE CITY OF MIAMI BEACH AS FOLLOWS:

SECTION 1: That Chapter 82, Article 2, Section 41 of the Miami Beach City Code is hereby amended as follows:

Sec. 82-41 – Labor Peace as a Condition of Certain Contracts

- (a) As a condition precedent to any Contract, including any lease or management agreement, to operate food, beverage, or hotel services on city property within the convention center district, according to which the City receives a share of the revenues from such operations, each and every Contractor shall be required to sign a labor peace agreement with any labor organization that seeks to represent the Contractor's employees. The labor peace agreement must be a valid agreement which includes a No-Strike Pledge prohibiting the labor organization and its members from engaging in any picketing, work stoppages, boycotts, or any other economic interference with the

operation for as long as the City determines that its revenues are at material risk from a potential labor dispute. The labor peace agreement shall cover all food and beverage and hotel operations which are conducted by sublessees or subtenants or under management agreements. "Contractor" as used herein means any person party to a Contract subject to this ordinance. The Labor Peace agreement shall not include any provision that would require or compel an employee to be a member of any labor organization.

SECTION 2. CODIFICATION

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 3. REPEALER

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 4. SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is, for any reason, held invalid or unconstitutional, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of constitutionality of the remaining portions of the Ordinance.

SECTION 5. EFFECTIVE DATE

This Ordinance shall take effect on the 30 day of November 1 2012, which is 10 days after adoption.

Attachment "B"

MEMORANDUM

Agenda Item No. 11(A)(2)

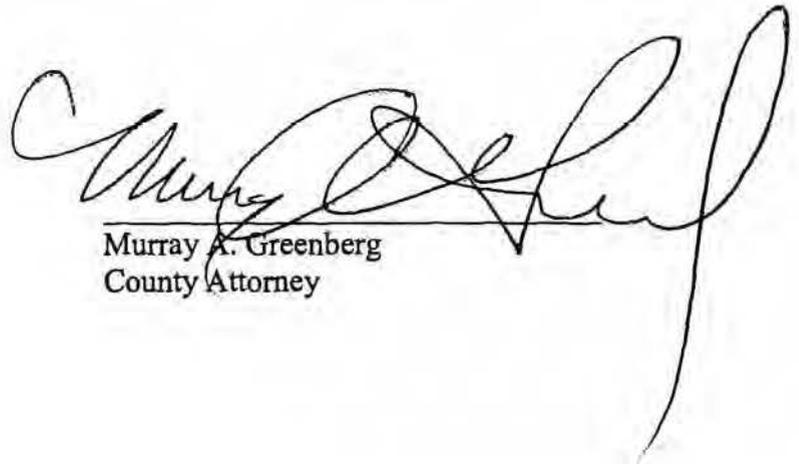
TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: February 6, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Resolution directing County
Manager to include labor
peace requirement in all
RFPs for concession
opportunities at Miami
International Airport

The accompanying resolution was prepared and placed on the agenda at the request of
Commissioner Carlos A. Gimenez.



Murray A. Greenberg
County Attorney

MAG/bw

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(2)

02-06-07

**OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA**

RESOLUTION NO. R-148-07

**RESOLUTION DIRECTING COUNTY MANAGER
TO INCLUDE LABOR PEACE REQUIREMENT IN
ALL REQUESTS FOR PROPOSALS, REQUESTS
FOR QUALIFICATIONS, BIDS AND CONTRACTS
FOR CONCESSION OPPORTUNITIES AT MIAMI
INTERNATIONAL AIRPORT**

WHEREAS, Miami International Airport is the major gateway to Miami-Dade County; and

WHEREAS, concessionaires lease property from the Airport and base their lease payments to the Airport in part on the revenue they generate; and

WHEREAS, Miami-Dade County has a financial and proprietary interest in the success of the concessionaires doing business at Miami International Airport; and

WHEREAS, passengers and others using the Airport need and deserve uninterrupted access to concessions at the Airport; and

WHEREAS, work disruptions at the Airport can lead to unnecessary and costly delays for the traveling public and a loss of revenue to the County; and

WHEREAS, the County finds that the efficient and uninterrupted operation of concession operations at the Airport may be threatened by labor disputes; and

WHEREAS, the County wishes to shield itself, its citizens and visitors from any impact that labor disputes may have to the extent legally permissible; and

WHEREAS, the County finds that provisions protecting the County from labor disruptions at the Airport should be included in all future contracts with Airport concessionaires,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that all Requests for Proposals, Requests for Qualifications and bids for food/beverage, retail/news/gifts and hotel services at Miami International Airport ("MIA") shall require the proposer to sign a labor peace agreement with the labor organization(s) that seeks to represent the proposer's employees and submit such agreement as part of its proposal to assure that no labor dispute or unrest will disrupt their operations at MIA; and further requiring that all contracts for such concessions at MIA shall include a provision giving the County the right, in the event of a labor disruption, to suspend the County's obligations under the contract while the labor disruption is ongoing and to use alternative means to provide the service that is affected by the labor disruption. In the event a proposer is unable to reach an agreement with a labor organization regarding the terms of a labor peace agreement, the dispute between the proposer and the labor organization shall be resolved by expedited binding arbitration in which the decision shall be rendered within ten (10) days of the request for arbitration but no later than five days prior to the date the proposal is due. The proposer and the labor organization shall equally share the costs of arbitration. The proposer shall ensure that all sub-tenants also sign a labor peace agreement.

4

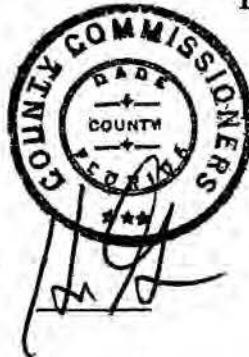
The foregoing resolution was sponsored by Commissioner Carlos A. Gimenez and offered by Commissioner Sally A. Heyman, who moved its adoption. The motion was seconded by Commissioner Joe A. Martinez and upon being put to a vote, the vote was as follows:

	Bruno A. Barreiro, Chairman	aye	
	Barbara J. Jordan, Vice-Chairwoman	aye	
Jose "Pepe" Diaz	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	aye
Joe A. Martinez	aye	Dennis C. Moss	aye
Dorin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of February, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK



By: **KAY SULLIVAN**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Henry H. Gillman

5

Attachment "C"

1.070 of the Florida Rules of Civil Procedure, and by Rule 4(c) of the Federal Rules of Civil Procedures. In such event, the County and the Concessionaire agree to submit to the jurisdiction of the court in which the action has been filed when initial service has been made either by personal service or by certified mail, returned receipt requested upon the representatives of the parties indicated in Sub-Article 18.09 "NOTICES" of this Agreement, with a copy provided to the County Attorney and the attorney, if any, which the Concessionaire has designated in writing. Notwithstanding the foregoing, and in addition thereto, the Concessionaire, if a corporation, shall designate a registered agent and a registered office and file such designation with the Department of State in accordance with Chapters 48 and 607 of the Florida Statutes.

16.03 LABOR PEACE REQUIREMENT: Pursuant to Resolution No. R-148-07, the Concessionaire provided a signed copy of the labor peace agreement for their employees as part of this Agreement, to assure that no labor dispute or unrest will disrupt their operations at MIA (see Exhibit M). Furthermore, the County has the right, in the event of a labor disruption, to suspend its obligations under the contract while the labor disruption is ongoing and to use alternative means to provide the service that is affected by the labor disruption. In the event the Concessionaire is unable to reach an agreement with a labor organization regarding the terms of a labor peace agreement, the dispute between the Concessionaire and the labor organization shall be resolved by expedited binding arbitration in which the decision shall be rendered within ten (10) days of the request for arbitration but no later than five (5) days from the date of execution of this Agreement. The Concessionaire and the labor organization shall equally share the costs of arbitration.

ARTICLE 17 – TRUST AGREEMENT

17.01 INCORPORATION OF TRUST AGREEMENT BY REFERENCE: Notwithstanding any of the terms, provisions and conditions of this Agreement, it is understood and agreed by the parties hereto that the provisions of the Amended and Restated Trust Agreement, dated as of the 15th day of December, 2002, as amended from time to time, by and between the County and JPMorgan Chase Bank, as Trustee, and Wachovia Bank, National Association, as Co-Trustee (the "Trust Agreement"), which Trust Agreement is incorporated herein by reference, shall prevail and govern in the event of any inconsistency with or ambiguity relating to the terms and conditions of this Agreement, including the rents, fees or charges required herein, and their modification or adjustment. A copy of the Trust Agreement may be examined by the Concessionaire at the offices of the Department during normal working hours.

17.02 ADJUSTMENT OF TERMS AND CONDITIONS: If at any time during the Term, or any Extension thereto, as applicable, a court of competent jurisdiction shall determine that any of the terms and conditions of this Agreement, including the rentals, fees and charges required to be paid hereunder to the Department by the Concessionaire or by other Concessionaires under other agreements of the Department for the lease or use of Location used for similar purposes, are unjustly discriminatory, the County, shall have the right to modify such terms and conditions and to increase or otherwise adjust the rentals fees and charges required to be paid under this Agreement in such a manner as the County shall determine is necessary and reasonable so that terms and conditions and the rentals fees and charges payable by the Concessionaire and others shall not thereafter be

Attachment "D"

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is made and entered into by and between *MIA Book Café, LLC* (hereinafter the "Employer") and UNITE HERE (the "Union").

1. This agreement shall cover all employees covered in classifications listed in Exhibit A (referred to hereinafter "Employees") in a food and beverage and retail/news/gifts operation awarded to the Employer pursuant to RFP No. MDAD-01-07 ("Operations") at Miami International Airport ("Airport").

2. The parties hereby establish the following procedure for the purpose of ensuring an orderly environment for the exercise by the Employees of their rights under Section 7 of the National Labor Relations Act and to avoid picketing and/or other economic action directed at the Employer in the event the Union decides to conduct an organizing campaign among Employees.

3. The parties mutually recognize that national labor law guarantees employees the right to form or select any labor organization to act as their exclusive representative for the purpose of collective bargaining with their employer, or to refrain from such activity.

4. The Employer will take a neutral approach to unionization of Employees. The Employer will not do any action nor make any statement that will directly or indirectly state or imply any opposition by the Employer to the selection by such Employees of a collective bargaining agent, or reference for or opposition to any particular union as a bargaining agent. This provision shall not prohibit the Employer from presenting its own package to the Employees.

5. The Union and its representatives will not coerce or threaten any Employee in an effort to obtain authorization cards.

6. The Union may engage in organizing efforts in non-work areas during Employees' non-working times (before work or after work) and/or during such other periods as the parties may mutually agree upon. The Employer shall not obstruct or inhibit efforts of the Union to obtain security clearance from the appropriate Airport Authority for the organizers, and to the extent Employer's cooperation is required by the Airport Authority to obtain security clearance for the organizers, Employer will agree to cooperate. The Union shall not disrupt the Employer's business or violate any security regulations.

7. Within ten days following receipt of written notice of intent to organize Employees, the Employer will furnish the Union with a complete list of Employees, including both full and part-time employees, showing their job classifications, departments and addresses. Thereafter, the Employer will provide updated complete lists monthly, unless there is no change to the list. The Union will keep these addresses confidential and not use them for any purpose other than the purposes of this Agreement.

During this 10-day period, Employer will also distribute to each Employee the letter attached as Exhibit B.

8. The Union may request recognition as the exclusive collective bargaining agent for the Employees of Employer. The Arbitrator identified in Paragraph 12, or another person mutually agreed to by the Employer and Union will conduct a review of Employees' authorization cards and membership information submitted by the Union in support of its claim to represent a majority of such Employees. The review shall involve a comparison of the authorization card signatures of the Employees to W-4 or I-9 forms for such Employees provided to the Arbitrator by the Company. The identity of all card-signers shall be kept confidential from the Employer. Such review shall take place no more than ten days after the Union's request absent mutual agreement to extend time. During that period prior to the card-check the Employer shall not increase the size of its workforce. If that review establishes that a majority of such Employees has designated the Union as their exclusive collective bargaining representative or joined the Union, the Employer will recognize the Union as such representative of such Employees. The Employer will not file a petition with the National Labor Relations Board for any election in connection with any demands for recognition provided for in this agreement. The Union and the Employer will not file any charges with the National Labor Relations Board in connection with any act or omission occurring within the context of this agreement; arbitration under Paragraph 12 shall be the exclusive remedy.

9. If the Union is recognized as the exclusive collective bargaining representative as provided in paragraph 8, negotiations for a collective bargaining agreement shall be commenced immediately. To ensure labor peace throughout the collective bargaining process, if the parties are unable to reach agreement on a collective bargaining agreement within 90 days after recognition pursuant to Paragraph 8, all unresolved issues shall be submitted for resolution to final and binding arbitration pursuant to Paragraph 12. The arbitrator identified in paragraph 12 below shall be the arbitrator, unless another arbitrator is mutually agreed to by the parties. The arbitrator shall be guided by the following considerations: a) Employer's financial ability; b) size and type of the Employer's operations; c) cost of living as it affects the Employers' employees; d) ability of the employees, through the combination of wages, hours and benefits, to earn a living wage to sustain themselves and their families; and e) employees' productivity.

10. During the term of this Agreement, the Union will not engage in picketing or other economic activities at the Employer's Operation and the Employer will not engage in a lockout of the Employees. If the Employer recognizes any union besides Union as the exclusive collective bargaining representative of Employees, or any of them, this paragraph shall terminate immediately and without notice.

11. Employer shall ensure that all subtenants sign a labor peace agreement consistent with Resolution No. R-148-07.

12. The parties agree that any disputes over the interpretation or application of this Agreement shall be submitted to expedited and binding arbitration, with an arbitrator mutually agreed to by the parties. Within 30 days following an award to Employer of an operation pursuant to RFP. No. MDAD-01-07, if the parties are not otherwise able to agree upon an arbitrator, the parties shall request from the Federal Mediation and Conciliation Service a list of five arbitrators who are members of the National Academy of Arbitrators and who have their principal residences in Florida. The parties shall, within 14 days of receiving the list, select a permanent arbitrator under this Agreement by alternately striking names from the list. The party to strike first shall be determined by coin toss. The next-to-last name stricken from the list shall be the alternate arbitrator. The Arbitrator shall hear and decide all disputes submitted to arbitration unless the Arbitrator is unavailable for a hearing within 30 days from the date of submission but the alternate arbitrator is available during such 30-day period, in which case the dispute shall be submitted to the alternate arbitrator for hearing and decision. The Arbitrator shall conduct the arbitration according to the procedures established by the American Arbitration Association. The Arbitrator shall also have the authority to order the non-compliant party to comply with this Agreement. The parties hereto agree to comply with any order of the Arbitrator, which shall be final and binding. The United States District Court for the Southern District of Florida shall have exclusive jurisdiction in any action concerning arbitration under this Agreement. The parties consent to the entry of any order of the Arbitrator as the order or judgment of the Court, which includes the entry of findings of fact and conclusions of law.

13. This Agreement shall be in full force and effect from the date it is fully executed on behalf of the Employer and the Union until three years from the date the Employer has opened all of the Operations covered by this Agreement, or if sooner upon execution of a collective bargaining agreement or issuance of an interest arbitration award which concludes the collective bargaining agreement negotiations, either of which explicitly supersedes this document.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have hereunto set their hands.

FOR THE EMPLOYER:

MIA Book Corp, LLC

By: [Signature]

Its: Manager

Date: July 23, 2007

FOR THE UNION:

UNITE HERE

By: [Signature]

Its: Airport Director

Date: 7/24/07

EXHIBIT A

All regular full-time and regular part-time food and beverage, retail clerk, stocking and warehouse employees, excluding supervisors, managers and guards as defined in the National Labor Relations Act.

Exhibit B

Dear Associates:

MIA Book Café LLC has been approached by UNITE HERE ("the Union"), the labor union that represents food and beverage and retail workers in airports across the country. The Union has expressed an interest in organizing our associates. We believe that it is in the best interest of our associates, guests, and clients to resolve the issue of union representation as quickly as possible, and with minimum disruption.

To avoid a lengthy and disruptive campaign, we have signed a "card check neutrality agreement" with UNITE HERE. This letter will explain some basic terms of this card check neutrality agreement ("the Agreement"). The Agreement gives the Union an opportunity to attempt to organize our associates. We will provide the Union with a list of associates' names and addresses where they can contact you.

The card check neutrality agreement also states that we will not oppose or interfere with the organizing efforts of this Union. The Union also promises to not threaten or coerce our associates into joining the Union. The decision for you to join or not join the Union is only yours to make.

Associates will be contacted by union representatives in the near future. The union representative will ask each associate if he or she wants to join the Union. If an associate wants to join the Union they will be asked to sign a card that states that they want the Union to represent them. By signing this authorization card, the associate is voting for the Union.

If an outside, neutral third party confirms that the Union has obtained signed cards from a majority of the associates, we will recognize the Union as the associates' collective bargaining representative and will meet with the Union to negotiate in good faith over a collective bargaining agreement.

I have written this letter to maintain our tradition of open, forthright communication. Now you know everything that I know about the Agreement and union activity at our property. Again, the decision of whether or not to join the union is your decision alone.

Sincerely,

MIA Book Café, LLC

LABOR PEACE AGREEMENT

MIA Book Café, LLC and UNITE HERE have signed a Labor Peace Agreement in which UNITE HERE, the labor organization that seeks to represent the Company's employees, promises not to engage in picketing or other economic activity against the Company's Bookstore/Café operations awarded pursuant to RFP No. MDAD-01-07 at Miami International Airport for the life of its agreement with the Company.

FOR THE COMPANY:

MIA Book Café, LLC

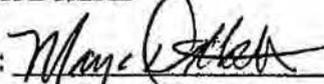
BY: 

ITS: Manager

DATE: July 23, 2007

FOR THE UNION:

UNITE HERE

BY: 

ITS: Airport Director

DATE: 7/24/07

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MIAMI BEACH

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

COMMITTEE MEMORANDUM

TO: Finance and Citywide Projects Committee

FROM: Jimmy L. Morales, City Manager

DATE: May 13, 2013

SUBJECT: **A DISCUSSION REGARDING THE MANAGEMENT AGREEMENT FOR THE MANAGEMENT OF THE MIAMI BEACH CONVENTION CENTER AND COLONY THEATER.**

BACKGROUND

On September 10, 2008, the City Commission approved Resolution No. 2008-26888 which approved an agreement between the City and Global Spectrum, L.P. for the Management of the Miami Beach Convention Center, Colony Theater, and Byron Carlyle Theater. The Agreement was for an initial three (3) year term commencing on October 1, 2008, and ending on September 30, 2011, with two (2) one-year renewal options, exercisable with ninety (90) days prior written notice, at the sole and absolute discretion of the City. Please note that on April 15, 2011, the City terminated Global Spectrum's rights and responsibilities with respect to the operation and management of the Byron Carlyle Theater following the City Commission's approval of a management agreement with Broward Stage Door Theater.

The Base Management Fee in the first year was \$275,000 (plus incentive that cannot exceed an amount equal to 100% of the base fee; capped at greater of CPI or 3%). Global Spectrum also provided the City with the following contributions:

- Capital contribution (one-time) = \$375,000
- Scholarship contribution (annual) = \$ 12,500

Net Performance Improvement

Pursuant to the Agreement, Global Spectrum guaranteed a Net Performance Improvement, which is defined as the "Required Improvement" on the Fiscal Year (FY) 08/09 budgeted net deficit of \$1,492,134 (which includes both the FY08/09 budgeted net operating deficit and includes Executive Salaries and Benefits). As per the Agreement, the Required Improvement over the net deficit of \$1,492,134 for each Contract Year is as follows:

- FY 08/09 = \$ 500,000 (or a resulting net operating loss of \$992,134)
- FY 09/10 = \$1,000,000 (or a resulting net operating loss of \$492,134)
- FY 10/11 = \$1,500,000 (or a resulting net profit of \$7,866)

On March 1, 2010, the City Commission adopted Resolution No. 2010-27372, which approved an amendment to the Agreement adjusting the Net Performance Improvement by \$50,301.20 in each year due to a an interest shortfall credit which resulted from the City's requirement for Global Spectrum to change banking institutions. The requirement for Global Spectrum to make a \$500,000, \$1,000,000 and \$1,500,000 improvement over the net deficit did not change. The adjustment is only to the starting net deficit amount. For example, this Amendment changed the Required Improvement over the net deficit of \$1,542,435 (instead of \$1,492,134).

In the first year of the initial Term, to the extent the actual improvement achieved in the Fiscal Year was less than the Required Improvement, as set forth above, the City could draw against a required \$500,000 Letter of Credit (LOC) provided by Global for any difference between the Required Improvement and the actual improvement. The contract also allows Global to bank or apply any excess improvement from year one to any shortfall of their required improvement in year two (up to the value of their Incentive Pay). The Line of Credit provides a venue for the City to collect if there are subsequent shortfalls on their Required Improvements.

Following the end of FY 2009, Global Spectrum paid the City \$76,897, which represents the shortfall from the "Required Improvement." This also included uncollected bad debt. In FY 2010 Global Spectrum surpassed the "Required Improvement" by \$214,445. Over the first two years of the Agreement, Global Spectrum reduced the operating loss of the MBCC by \$1,214,445. In FY 2012 the Convention Center generated an operating profit of \$21,821, which is only the second time in the history of the facility that an operating profit was produced. The Operating Loss for the current Fiscal Year is projected to be \$872,955 as of second quarter projections.

FY 2010/11 Global Spectrum was not able to meet the net performance guarantee and was required to pay the City \$500,000, plus the earned annual incentive fee. As previously stated, Global was required to achieve an annual Net Performance Improvement as specified in the Agreement. As a penalty for not achieving the annual improvement, the City could draw against the \$500,000 Letter of Credit (LOC) provided by Global for any difference between the Required Improvement and the actual improvement. In the final year of the Agreement, if the LOC does not cover the shortfall, the City can draw against the earned Incentive Fee from that Fiscal Year. Global is not responsible for any additional shortfall beyond the LOC and Incentive Fee.

The City has agreed to use these funds on mutually agreed upon improvements to the Facility.

New Messe Schweiz Show

As you may recall, the Management Agreement also has a requirement for Messe Schweiz (M.S.), in partnership with Global Spectrum, within the initial term and subject to the existing booking policies and commercial viability to do the following:

1. Use best efforts to book and actualize, one (1) M.S. owned show or event during the initial term of the Agreement.
2. Use best efforts to book and actualize during the initial term of the Agreement, which can occur after the initial Term, one (1) (non-M.S. owned) international show or event.

Global Spectrum provided a Corporate Guarantee, on behalf of M.S., for \$275,000 for the City to draw upon if, notwithstanding M.S. "best efforts," as provided for in the Management Agreement, M.S. failed to book and actualize shows or events as required. The March 2010 Amendment gave Global Spectrum until the end of the third contract year (September, 30, 2011) to book and actualize one M.S. produced/owned show or event before the \$250,000 Guarantee is due to the City.

Global and M.S. were to also book, during the initial Term, one non-M.S. produced/owned international show or event, or an additional \$25,000 is due to the City. This show or event may be actualized at any time up to 24 months following the end of the Term if, during such period, the Corporate Guarantee provided by Global to secure this obligation remains in effect, unaffected by the termination or expiration of this Agreement.

As required, in 2011 Global Spectrum booked and actualized a Messe Schweiz owned show (Animalia) during the initial term of the Agreement. Animalia was successful in its first year and will recur annually. Global also booked a non-M.S. international show for 2012. Additionally, Global Spectrum, in partnership with Messe Schweiz (MCH), developed new collateral material, which outlines the business industry and related selling points strictly devoted to the European market. MCH also launched additional web pages within their website that includes sales brochures and additional information regarding the MBCC and the destination.

Other Operational Highlights

Global Spectrum officially assumed management responsibility for the Miami Beach Convention Center (MBCC), Colony Theatre and Byron Carlyle Theater on October 1, 2008. Global originally successfully transitioned 63 of the 77 full-time employees (81%). The transition of management was seamless and without any interruption to services.

The following is a summary of events and attendance during Global Spectrum's management:

<u>Events</u>	<u>Attendance</u>
FY 08/09: 108	FY 08/09: 632,700
FY 09/10: 103	FY 09/10: 708,750
FY 10/11: 119	FY 10/11: 661,625
FY 11/12: 128	FY 11/12: 661,327

The "Green" Initiatives implemented by Global Spectrum included the "Step Up" program (logos placed on light switches and computers reminding employees to reduce energy when not in use); programming of major mechanical control functions for energy reduction; single stream recycling program; and the purchasing of green janitorial cleaning supplies, toilet tissue, paper towels and hand soap. They worked closely with Centerplate to ensure that they are utilizing recyclable products in regards to utensils, disposable plates and paper products. This effort has already yielded significant results.

On September 14, 2011, the City Commission adopted Resolution No. 2011-27728 extending the Management Agreement for an additional two (2) years.

The following is a summary of the contract amendment included in the renewal:

1. Eliminate the Net Performance Improvement and guarantee. The requirement for Global Spectrum to make a \$500,000 (year 1), \$1,000,000 (year 2) and \$1,500,000 (year 3) improvement over the net deficit was based on the 2008-09 SMG Budget as the measure of Global Spectrum's performance. After operating the facility for three (3) years, both parties agreed that Global should only guarantee its own annually City-approved budget. To that end, however:
 - a. If Global misses the City-approved budget Net Operating Profit/Loss by 5%, Global will rebate to the City \$.50 of each \$1.00 in Incentive Fee they earned, capped at an amount not to exceed 50% of the Incentive Fee earned in any given fiscal year; and
 - b. Global Spectrum will be required to rebate Incentive Fee only in the case where failure to achieve the City-approved budget Net Operating Profit/Loss by 5%, is due to reasons that are under Global Spectrum's control. Such as: bookings for conventions, tradeshow and corporate events within 24 months and day-to-day

maintenance of the facility and its infrastructure. Items beyond Global Spectrum's control include capital improvements due to storms or various acts of God and new operating or maintenance requirements imposed by the City after the current year's budget is approved.

2. Global Spectrum has met their obligation to book and actualize a Messe Schweiz owned show (Animalia) during the initial term of the Agreement. The partnership between Global and Messe Schweiz will continue for international sales efforts, as well on-going participation on the Executive Management Committee. The \$25,000 Guarantee for the non-M.S. owned show remained in effect.
3. The Incentive Fee allows Global to earn up to 100% of the base Management Fee if certain criteria are achieved. Both parties agreed the Incentive Fee is complicated and should be simplified. Negotiated changes to the Incentive Fee included customer satisfaction (30 points), financial performance (50 points), maintenance and capital improvements (15 points) and discretionary (5 points).

Global Spectrum was awarded the contract in 2008 following a competitive bid process and has managed the convention center since October 2008. The current agreement between the City and Global Spectrum does not have any additional renewal provisions. On December 12, 2012, the City Commission passed a motion made by Commissioner Weithorn authorizing the City Administration to negotiate with Global Spectrum for a new Management Agreement instead of proceeding with a Request for Proposals.

The following summarizes the Net Operating Income, actual vs. budget, for the Convention Center during Global Spectrum's management tenure:

	Net Operating Income/(Loss) ACTUAL	Net Operating Income/(Loss) BUDGET	Variance Over/(Under)
FY 2008/09	(\$1,335,173)	(\$1,624,394)	(\$289,211)
FY 2009/10	(\$125,195)	(\$164,135)	\$21,060
FY 2010/11	(\$937,311)	(\$865,313)	\$269,498
FY 2011/12	\$21,821	(\$493,284)	(\$471,463)
FY 2012/13 (Projected) as of 2 nd qtr	(\$672,965)	(\$1,143,404)	(\$270,449)

* Please note: Net Operating Income does not include transition costs or non-operating (City) revenues or expenses that are part of the MBCC Enterprise Fund.

The following chart details the payments made to and from Global Spectrum during the first four (4) years of the agreement, as well as projections for the current, and final, year.

Payments to Global Spectrum	Actual 2008/09	Actual 2009/10	Actual 2010/11	Actual 2011/12	Projected 2012/13
MBCC	\$ 241,600.00	\$ 241,600.00	\$ 244,257.60	\$ 251,585.33	\$ 259,132.89
Colony	\$ 16,700.00	\$ 16,700.00	\$ 16,883.70	\$ 17,390.21	\$ 17,911.92
Byron	\$ 16,700.00	\$ 16,700.00	\$ 9,848.86	-	-
Incentive****	\$ 148,500.00	\$ 140,250.00	-	\$ 248,802.37	\$ 254,881.22
Total	\$ 423,500.00	\$ 415,250.00	\$ 270,990.16	\$ 517,777.91	\$ 531,926.03

Convention Center Management Agreement
Finance and Citywide Projects Committee
May 13, 2013
Page 5 of 5

	Actual 2008/09	Actual 2009/10	Actual 2010/11	Actual 2011/12	Projected 2012/13
Payments to CMB					
Performance Guarantee	\$ 76,897.00	\$ -	\$ 646,334.69		
Capital	\$ 375,000.00				
Scholarship	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
Total	\$ 387,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00

- FY 08/09 the Incentive Fee was equal to 54% of Base Fee; FY 09/10 there was no CPI Adjustment in, and the Incentive Fee was equal to 51% of Base Fee; FY 10/11 there was a 1.1% CPI Adjustment; Incentive Fee was equal to at 54%; Performance Guarantee was not achieved the Incentive was forfeited; FY 11/12 - CPI Adjustment was 3%; Incentive Fee is projected at 92%; FY 12/13 - CPI Adjustment is estimated at 3%; Incentive Fee is projected at 92%.

Following negotiations between the Administration and Global Spectrum, the attached Term Sheet is presented for your review and consideration.

JLM/KGB/MAS

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PRELIMINARY TERM SHEET (DRAFT #4)
Management Agreement for the
Miami Beach Convention Center and Colony Theater
Between the City of Miami Beach and Global Spectrum (Global)
Date: May 9, 2013

TERM	
1. Form of Agreement	Management Agreement.
2. Facilities covered under Agreement	Miami Beach Convention Center (MBCC), and Colony Theater (Colony). Collectively, aforesated may also be referred to as the Facilities.
3. Term	Three (3) year initial term commencing on October 1, 2013, and ending on September 30, 2016. A "contract year" shall be defined as the period from October 1 through September 30 of the following year (coinciding with the City's Fiscal Year).
4. Renewal Options	One (1) two (2) year renewal option, exercisable with ninety (90) days prior written notice, at the sole and absolute discretion of the City Manager. City Manager, at its sole discretion, may elect to exercise both options at the same time.
5. Management Fee	\$258,300 per year, escalating by Consumer Price Index – All Urban Consumers (CPI-U) – U.S. City Average, but not to exceed (capped at) 3%. Management fee will be allocated to each facility as follows: <ul style="list-style-type: none"> • Miami Beach Convention Center: \$241,600 • Colony Theater: \$16,700 <p>This reflects the original fees for the Convention Center and Colony Theatre.</p> <p>This will save the City over \$80,000 over the 5 year term of the agreement.</p>
6. Capital Contribution and improvements	\$200,000, payable within thirty (30) days of contract execution. Capital contribution will be used as determined by City, in its sole discretion. Capital contribution will be amortized on a straight-line, non-cash basis over five years. No repayment of unamortized portion if termination for cause. Global Spectrum (Global) to participate at corporate level, including the facility's General Manager (as MBCC stakeholder) on discussions relating to proposed MBCC expansion/improvements.
7. Scholarship Contribution	\$12,500 per year, payable within thirty (30) days of contract execution and, thereafter, within thirty (30) days of commencement of each contract year.
8. Incentive Fee	1. A total of up to twenty-five (25) percentage points will be awarded based on the average survey score for each of the following ten (10) departments (Global shall be awarded up to 2.5 points per department, for a total possible score of 25): <ul style="list-style-type: none"> - Sales - Event Management - Operations

TERM									
	<ul style="list-style-type: none"> - Food & Beverage - IT/Telecommunications - Audio Visual - Valet Parking Services - Business Center - Visit Miami Beach - Fire Inspector <p>If a department's average survey score is 93% or higher, Global shall be awarded 2.5 points for such department (out of 25)</p> <p>If a departments' average survey score is from 90% to 92.99%, Global shall be awarded 1 point for such department (out of 25)</p> <p>If a departments' average survey score is less than 90%, Global shall be awarded 0 points for such department (out of 25)</p> <p>Survey instrument administered by independent third party jointly selected by City, GMCVB and Global Spectrum.</p> <p>2. A total of up to five (5) percentage points will be awarded based upon the percentage of completed customer satisfaction surveys (which survey form shall be subject to the prior written approval of the City Manager) out of total potential surveys (of which there shall be one per Event) received from all Events that use the Facilities as detailed below:</p> <table data-bbox="649 1050 1218 1197"> <tr> <td>70% completed</td> <td>5 points</td> </tr> <tr> <td>65% completed</td> <td>3 points</td> </tr> <tr> <td>55% completed</td> <td>1 points</td> </tr> <tr> <td>Less than 55%</td> <td>0 points.</td> </tr> </table> <p>3. Financial Performance: A total of up to fifty (50) percentage points will be awarded based upon the percentage of annual Gross Operating Revenue generated as detailed below</p> <ul style="list-style-type: none"> • \$17.50M > revenue = 50 points • \$17.25 - \$17.499M = 35 points • \$17.00 - \$17.249M = 25 points • < \$16.99M = 0 points <p>4. Maintenance and Improvement of Facility and its Capital Equipment. A total of up to fifteen (15) percentage points will be awarded if Global has met or exceeded the maintenance standards set forth in the Agreement (including, without limitation, the Comprehensive Preventive Maintenance Program and maintenance of Capital Equipment, as may be amended from time to time during the Term by the City). The City Manager's evaluation pursuant to this subsection shall also, without limitation, take into account the annual review by the City's Property Management Division and/or a yearly review by an outside independent consultant retained by the City Manager.</p> <p>5. Discretionary. A total of up to 5 percentage points may be awarded, as determined by the City, in its sole and absolute discretion. The City</p>	70% completed	5 points	65% completed	3 points	55% completed	1 points	Less than 55%	0 points.
70% completed	5 points								
65% completed	3 points								
55% completed	1 points								
Less than 55%	0 points.								

TERM	
	<p>may take into account, but not be mandated by, the following: community involvement; extraordinary quantifiable and measurable creative initiatives that directly result in Global securing new City-wide business for the City of Miami Beach during the off season period; and/or demonstration and integration of new strategic Global corporate resources to the benefit of the tourism and/or cultural community of Miami Beach; and/or development of new or enhanced revenue streams for Facility use and services.</p> <p>**If the City elects to proceed with the Convention Center Expansion and Enhancement Project, the Incentive Fee criteria must be revisited and prior to the re-opening of the expanded and enhanced Convention Center.</p>
<p>9. Messe Schweiz (M.S.) Participation/Obligations</p>	<p>Global and M.S. are engaged in ongoing discussions regarding this and this section is pending future discussions.</p>
<p>10. Public Benefits</p>	<p>Global Spectrum will continue to produce a minimum of three (3) dances each year targeted to City of Miami Beach senior citizens.</p>
<p>11. Food and Beverage Oversight</p>	<p>The City Manager shall require that, during the Term of this Agreement, a member of Global's Executive Level Employees, have food & beverage experience and be charged (among his/her duties) with supervising, monitoring and ensuring consistent performance, quality standards, and compliance with the City's agreement with the City's Food and Beverage provider;</p>
<p>12. Marketing and Promotion</p>	<p>Global to continue following marketing and promotional obligations (as part of Global's comprehensive approach to marketing the Facilities):</p> <ol style="list-style-type: none"> 1) Global to continue to provide continuously during the Term hereof, an in-house ad-agency capability to place Event-related advertising. 2) Global to provide a report on sales and marketing efforts, as provided for in Section 6.3. 3) Global to develop an advertising buy program that will offer preferred (discount) pricing for each Facility's users on select Comcast services including, without limitation: <ol style="list-style-type: none"> A. In-market ROS advertising on Comcast channels; B. On Demand; C. Comcast.net; and D. Cross-channel marketing opportunities. 4) Global to provide assistance in obtaining discount pricing for advertising buys for the City and Facility users in out-of-market Comcast service areas. 5) Global to secure CNN Headline News Comcast - "Newsmakers" for Facilities including, without limitation: <ol style="list-style-type: none"> A. A minimum of four (4) "Newsmaker" shows per Contract Year during the Term hereof. Each "Newsmaker" show shall consist of a five (5) minute interview format of approximately 21 airings during a one-week period (42 total times per month) on CNN Headline News; and B. Segments provided to the Convention Center, to be used by the City and Convention Center users.

TERM	
	<p>C. Best efforts to secure additional Newsmaker show opportunities.</p> <p>6) Global to secure Comcast Bill Envelope Messaging including, without limitation:</p> <p>A. A minimum of two (2) times per Contract Year, the City or Convention Center users shall be provided with the ability to send messaging to Comcast subscribers in Miami-Dade, Broward and Monroe Counties on the monthly Comcast Bill Envelope (900,000 bills per month); and</p> <p>B. Best efforts to secure additional Comcast Bill Envelope Messaging opportunities.</p> <p>7) Global to secure Comcast Bill Messaging including, without limitation:</p> <p>A. A minimum of four (4) times per Contract Year, the City or Convention Center users will be provided the ability to send messaging to Comcast subscribers in Miami-Dade, Broward and Monroe Counties on the monthly Comcast Bill (900,000 bills per month); and</p> <p>B. Best efforts to secure additional Comcast Bill Messaging opportunities.</p>
<p>13. Net Operating Profit Guarantee</p>	<p>For any Contract Year, if the actual Net Operating Profit or Net Operating Loss achieved is unfavorable as compared to the Approved Budget by a margin of greater than Fifty Thousand Dollars (\$50,000), then the Incentive Fee earned by Global for such Contract Year shall be reduced by fifty cents (\$.50) for every dollar of Shortfall, up to the Cap.</p> <p>For purposes of this subsection, "Shortfall", with respect to any Contract Year, shall mean either (i) if the Approved Budget reflects a projected Net Operating Profit, the amount by which the Net Operating Profit projected in the Approved Budget exceeds the actual Net Operating Profit in such year by more than Fifty Thousand Dollars (\$50,000); or (ii) if the Approved Budget reflects a projected Net Operating Loss, the amount by which the actual Net Operating Loss in such year exceeds the Net Operating Loss projected in the Approved Budget for such year by more than Fifty Thousand Dollars (\$50,000). The "Cap" shall mean fifty percent (50%) of the Incentive Fee actually earned by Global in the applicable Contract Year. Notwithstanding the foregoing, the Incentive Fee shall not be reduced to the extent Global's failure to achieve the applicable benchmark is due to reasons outside Global's reasonable control, such as a Force Majeure affecting the Facility, or new operating or maintenance requirements imposed by the City after finalization of the Approved Budget (The parties acknowledge that items within Manager's control may include, but are not limited to, bookings for conventions, tradeshow and corporate events 24 months and in, and day to day routine maintenance of the Facility)."</p>
<p>14. Other</p>	<p>ALL OTHER TERMS AND CONDITIONS OF THE CURRENT MANAGEMENT AGREEMENT SHALL REMAIN IN EFFECT.</p>

F&CWP Pending Items - Commission Referrals

Item #	Title	Referred By	Date Referred	Handled By	Note
1	Status update on Business Tax Process Improvement.	Jorge R. Exposito		Patricia Walker Kathie Brooks	Awaiting new business tax system
4	Additional proposed amendment to the City's Living Wage Ordinance Mandating Health Benefits Plan	City Managers Office	September 27, 2011 Commission Item R7E	Raul Aguilá	per Raul Aguilá - waiting for the Supreme Court to rule on this
6	Discussion of responses received from the Request For Letters of Interest (RFLI) for a North Beach parking garage	City Managers Office		Richard Lorber Joyce Meyers	
13	Amendment to City's Cone of Silence Ordinance	Matti Herrera Bower	June 09, 2010 Commission Item C4C	Raul Aguilá	per Raul Aguilá...defer until further notice; (01/06/12)
26	Discussion regarding Advertising RFP	Jorge R. Exposito	September 14, 2011 Commission Item R7H	Max Sklar	
31	Discussion regarding property assessed clean energy (PACE) program		October 19, 2011 Commission Item R9H		
61	Discussion on water conservation methods and implementation	Jonah Wolfson	June 6, 2012 Commission Item C4G	Jay Fink	4/25/13 CDM Smith to provide a study for Single Family homes with the current data back to the Committee.
63	Discussion regarding the collection of City Liens	Edward L. Tobin	June 6, 2012 Commission Item C4J	Patricia Walker	
69	Discussion regarding "Booting" Services and raising the allowable rate per vehicle, which is now \$25 each	Matti Herrera Bower	July 18, 2012 Commission Item C4J	Saul Frances	Per Saul Frances, this item is not ready
70A	Discussion Regarding Budget Advisory Committee recommended Pension Reform policies and guidelines	City Managers Office	July 18, 2012 Commission Item C4L/R9G (withdrawn by Exposito) October 24, 2012 Commission Item C4I	Jose Smith Carla Gomez	2/20/13 The Committee assigned the item to Chairperson Deede Welthorn. The item was deferred to be further discussed at either an April or May Finance meeting with an LTC being issued on how this item will be handled to allow all Commissioners to participate.
78	Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters.	Deede Welthorn	October 24, 2012 Commission Item PA6	Anna Parekh	4/25/13 Deferred
80	Referral To Finance And Citywide Projects Committee - Discussion Regarding: Business Tax Receipt Renewal Notices; How We Handle Over Charges; Reasons For Miscalculations; And Corrective Action Plan.	Jorge R. Exposito	October 24, 2012 Commission Item C4B	Patricia Walker	1/24/13 Monitor this item and bring it back before the Committee in November 2013 to see how it worked.
82	Referral To The Finance And Citywide Projects Committee - Discussion Regarding An Amendment To The Lease Between The City And Massage Partners, Inc., Located At 767 17th Street, Said Amendment Regarding A Proposed Additional Use Of The Leased Premises, A Proposal To Grant Necessary Access To Additional Restroom Facilities; And A Corresponding Rent Adjustment.	City Managers Office	October 24, 2012 Commission Item C4D	Anna Parekh	The Committee requested a standby LOC be issued for the liens that have been filed. Will determine appropriate CAM use when it's brought back to the Committee with the requested info.
84	Discussion related to the explanation and viability of City's Self Funded Health Insurance Plan.	Jorge R. Exposito	October 24, 2012 Commission Item C4L	Carla Gomez	pending recommendation from BAC
87	Discussion regarding giving guidance to the IT Steering Committee to review the pros and cons of becoming a paperless environment and create new policies and procedures to be implemented within the City of Miami Beach.	Jorge R. Exposito	October 24, 2012 Commission Item R9H	Gladys Gonzalez	2/20/13 The Committee assigned the item to Commissioner Jorge Exposito who will meet with the IT Steering Committee to further discuss how to phase the project and what would be the best plan of action and what would be the timeframe to implement.
93	Discuss Benefits For City Employees.	Michael Gongora	December 12, 2012 Commission Item C4F	Sue Radig Silvia Crespo-Tabak	same as Item 50
94	Discussion Regarding Police Athletic League (PAL) Lease.	City Managers Office	December 12, 2012 Commission Item C4K	Max Sklar	1/24/13 The Committee recommended going ahead and negotiating the figures that can be brought back to the Finance Committee with the lease and measuroablos that can be provided to the community. Pending deliverables from PAL 3/15/13 Pending measurables from PAL
97	Discussion regarding a proposed marketing program for Sunscreen and an update on other potential marketing partnerships	City Managers Office	June 6, 2012 Commission Item C4I	Max Sklar	All Committee Members will present their questions to M. Sklar so that they can be discussed and brought back to the FCWPC
101	A Discussion Regarding Upgrade To Municipal Parking Garage Gated Revenue Control System.	City Managers Office	January 16, 2013 Commission Item C4J	Saul Frances	
106	Discussion regarding renewal of the Professional Services Agreement between the City of Miami Beach and the Superlative Group for Professional Services in Corporate Sponsorship marketing pursuant to request for proposals No. 08-04/05.		February 6, 2013 Commission Item C4A	Max Sklar	2/20/13 The Committee recommended continuing the agreement with Superlative for one year and for Superlative to negotiate with staff on the 45% Commission being charged on license agreements.
110	Discussion regarding to review the 28 rules to determine what can be done when performing City projects, to avoid doing double work and increasing the cost. /Discussion regarding the implementation of the regional climate action plan	Matti Herrera Bower	February 6, 2013 Commission Item R7B	Jay Fink Kathie G. Brooks	

Item #	Title	Referred By	Date Referred	Handled By	Note
118	Discussion of Performance and Operational Audit by Crowe Horwarth	City Managers Office		Patricia Walker	
124	Discussion regarding permit expiration courtesy notices;Amnesty for expired permits;And length of time for building permits	Deede Weithorn	March 13, 2013 Commission Item C4O	Stephen Scott	
126	Discussion regarding Labor Peace Agreements	Jorge R. Exposito	April 17, 2013 Commission Item C4L	Raul Aguilu	
127	Discussion regarding small cells on existing polls	Michael Gongora	April 17, 2013 Commission Item C4I		
129	Discussion regarding Lease Agreement with 1560 Collins Avenue, Inc. regarding a proposal from tenant	City Managers Office		Anna Parekh	
130	Discussion of Lease Agreement with Damian J. Gallo & Associates, Inc. d/b/a Permit Doctor	City Managers Office		Anna Parekh	
131	Discussion regarding the Catering and Concessions for the Miami Beach Convention Center	Michael Gongora	September 12, 2012 Commission Item C4E October 24, 2012 C4E	Max Sklar	
132	Discussion regarding the Management Agreement for the Miami Beach Convention Center	Michael Gongora	September 12, 2012 Commission Item C4E October 24, 2012 C4E	Max Sklar	
133	Discussion regarding International City/County Management Association ("ICMA") Recommendations for Fire Department Efficiencies	City Managers Office	May 8, 2013 Commissioner Item C4A	Carla Gomez	