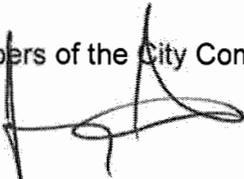




MIAMIBEACH

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COMMITTEE MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission
FROM: Jimmy L. Morales, City Manager 
DATE: June 5, 2013
SUBJECT: REPORT OF THE FINANCE AND CITYWIDE PROJECTS
COMMITTEE MEETING ON MAY 13, 2013

The agenda is as follows:

OLD BUSINESS

1. Discussion of Performance and Operational Audit by Crowe Horwarth

ACTION

The Committee requested either a Letter To Commission or a report at the next Finance meeting from Chief Financial Officer Patricia Walker and Assistant City Manager Kathie Brooks on the working groups for each observation.

Chief Financial Officer Patricia Walker presented this item.

Chairperson Deede Weithorn began the discussion by stating they will go through each Management's Response listed in the report and discuss any comments or questions the staff or public might have regarding these items. Chief Financial Officer Patricia Walker suggested facilitating a team of employees from different departments to construct a plan of action for each recommendation in the report.

Chairperson Weithorn started with CC-01 Complaint Intake which states 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. Division Commander Hernan Cardeno stated 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

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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. Planning and Zoning Manager Richard Lorber stated 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. Chairperson Weithorn stated we have to have accountability to go along with these implementations. Building Assistant Director Stephen Scott suggest that we make sure we keep the citizens and customers in mind when it comes to accessibility. Fire Marshall Sonia Machen volunteered to be a part of the scope group.

Commissioner Michael Gongora moved on to CC-02 Tracking Complaints where 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 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. Commissioner Jorge Exposito added that there needs to be criteria established where permits are opened and closed in a timely manner. Assistant Building Director Scott responded they are aware there were complications in the process, but they have determined they do have employees in place to respond to putting the new framework together. He also stated they discovered some complications sending out notices that were not going out in enough time for the customer to respond. The City Clerk now sends them out a minimum of 30 days in advance to expiration of permit.

Division Commander Cardeno discussed CI-01 Job responsibilities that state 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 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. Chairperson Weithorn asked if Sanitation was singled out and Crowe Horwarth Engagement Manager Mark Maraccini stated it was more the documentation and policy that supported the monitoring of this item.

Chairperson Weithorn moved on to item CD-01 Non-Compliance Identification that states 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 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. Chairperson Weithorn stated the code officers need the tools necessary to research the information needed. Commissioner Exposito added there needs to be an IT component added to the tools the officers are equipped with. Item CD-02 Supporting Documentation 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 which ties into item CD-01. 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.

Chairperson Weithorn moved on to item CD-03 Courtesy Notices and Violations 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 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.

Division Commander Cardeno then discussed item CD-04 that 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 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. Chief Financial Officer Patricia Walker stated they plan to go live with Accela two weeks after Memorial Day weekend. Assistant Building Director Stephen Scott added the entire City currently is testing with Accela.

Commissioner Gongora then discussed item CD-05 that states 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 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.

Chairperson Weithorn stated the next item CV-01 Noise Violations needs a separate group with inclusion of the public due to the legal aspect it pertains to. Many of the noise complaints involve construction and not just music issues. City Attorney Jose Smith added there's also a county issue on the noise ordinance that prevents taking certain actions. CV-01 Noise Violations states that 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 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. Miami Beach Resident Morris Sunshine suggests a look at the noise ordinance that allows for subjective character and proposes the consideration of turning the clause into a 24/7 clause instead of becoming applicable at 11pm.

Crowe Horwarth Engagement Manager Mark Maraccini discussed the next item FP-01 Construction Permits where 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 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. Chairperson Weithorn noted that she observed multiple infractions and that it would be in the City's best interest if cross communication occurred between Code and Fire in noting each other's violations to be more efficient.

Commissioner Gongora moved on to FP-02 Workflow Requirements recommending 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 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 PerrmitPlus. 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. Assistant Building Director Scott

suggested using a spot quality control method.

Fire Marshall Machen discussed FI-01 recommending 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 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. Commissioner Gongora asked if these tasks can just be assigned to junior level employees in which Fire Marshall Machen responded they are discussing ways to improve this issue.

Commissioner Gongora discussed FI-02 Inspection Documentation that recommends 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 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 firefighter's 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. Fire Marshall Machen clarified that the inspectors do go in teams.

Chairperson Weithorn took FI-03 Inspection Venues and FI-04 Inspection Schedule together. FI-03 recommends 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 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 recommends 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 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. Fire Marshall Machen stated that both of these recommendations have already been implemented.

Commissioner Gongora discussed PT-01 Complaints Dispatching that recommends City should implement a procedure to mandate the first available officer in the closest proximity is dispatched to complaint sites. 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.

Commissioner Gongora discussed PT-02 Identifying Parking Permits recommend the City should implement a policy that requires officers to team up when addressing complaints that require officers to canvas large areas. 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.

Commissioner Gongora discussed PT-03 Citation Supporting Documentation that the City should implement a policy that requires supporting documentation taken for all instances of noncompliance. 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.

Commissioner Gongora discussed PT-04 Confiscated Tags recommends 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 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.

Commissioner Gongora discussed PT-05 Officer Productivity recommends 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 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.

Commissioner Gongora discussed PV-01 Clearing Pending Appeals recommends the City should implement a policy that requires administration to have a set schedule to update the status of the cases. 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.

Commissioner Gongora discussed PCI-01 Fee Calculations recommends the City should implement a process to have a second review of the Excel calculation formulas and inputted values to verify accuracy. 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. Chairperson Weithorn tabled further discussion on this item.

Commissioner Gongora discussed PCI-02 Cash Receipts is 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 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.

Commissioner Gongora discussed PCI-03 Concurrency Fee Policies and Procedures recommending the three separate documents used to guide concurrency policies and procedures should be reviewed and combined into a comprehensive document. 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.

Commissioner Gongora discussed PP-01 Permit File Review which recommends 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 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.

Chairperson Weithorn stated that Planning and Public Works and Public Works Permitting would be skipped since they were already discussed with Fire.

City Clerk Rafael Granado discussed SM-01 Lien Process recommended 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 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 25th 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.
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

City Clerk Rafael Granado discussed SM-02 Incomplete Updates to Permits Plus 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 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.

City Clerk Rafael Granado discussed SM-03 Case Payments that 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 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.

City Clerk Rafael Granado discussed SM-04 Hearing Process 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 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.

Chairperson Weithorn requested either a Letter To Commission or a report at the next Finance meeting from Chief Financial Officer Patricia Walker and Assistant City Manager Kathie Brooks on the working groups for each observation.

2. Discussion regarding the Catering and Concessions for the Miami Beach Convention Center

ACTION

The Committee stated their will be no action regarding this matter until a recommendation is brought to the Commission.

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

Cultural Arts & Tourism Development Director Max Sklar began by stating per the April Commission meeting, there was direction to negotiate with Centerplate and Armark for the management agreement of the Convention Center. Per the ongoing discussions, the outcome will be brought back to the June Commission meeting with the results of negotiations that will be finalized by the end of the week. All key points are being focused on in these negotiations with emphasis

on customer satisfaction, minimal annual rent, net performance improvement, transitioning of employees, waiver of exclusivity, green initiatives, performance bonds and inclusion of a pastry operation that we currently don't have. A recommendation will be provided at the June Commission meeting. Chairperson Weithorn stated there will be no public comment taken on this matter.

3. Discussion regarding a proposed marketing program for Sunscreen

ACTION

The Committee recommended proceeding with the analysis on this product and Max Sklar to bring back a fact sheet to the Commission in June or July.

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

Cultural Arts & Tourism Director Max Sklar began by stating there was previous discussion on 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. 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. Rayito De Sol is the #1 suncare brand in Argentina and is the #1 selling bronzing sunscreen in Brasil. 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 Representative Marcos Perez stated 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 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. BLIII proposes to continue to work with Cultural Arts & Tourism Director Sklar on bringing out a product in 2014. 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.

Commissioner Jorge Exposito stated it's important to have a high level of quality control and that all advertising promotes the Miami Beach community in a positive light. Chairperson Weithorn requested a fact sheet that Cultural Arts & Tourism Director Sklar stated can be brought back in June or July. Commissioner Exposito made a motion to proceed with the analysis and negotiations with BLIII Holding and to bring this item back to the Finance Committee in June or July. The motion was second by Commissioner Gongora.

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

ACTION

The Committee stated to defer this item to the next Commission meeting until analysis from legal is done.

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

Cultural Arts & Tourism Development Director Max Sklar began by stating on March 22, 2007, the City entered into an agreement with The Superlative Group (TSG), for Municipal Marketing Service. Efforts have focused on identifying potential municipal marketing partners and opportunities for partnership, and reaching out to these potential partners to gauge interest. 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. 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, the City proposed to further reduce its commission rate and limit the commission term. Should the relationship extend beyond eight (8) years, TSG will not be entitled to any commission from the agreement with Rayito de Sol. In the best interest of the City, we recommend 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. 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. Being brought before you is a one year renewal with all other fees remaining the same with the exception of the two changes.

Chairperson Weithorn requested a copy of the contract with Superlative and for legal to look at what the City's obligation would be to TSG if it was decided to no longer utilize their services. Chairperson Weithorn stated they are not ready to bring forth a recommendation until the legal analysis is looked at, therefore, City Manager Morales requested the item be deferred to the next meeting.

5. Discussion regarding PACE (Property-Assessed Clean Energy)

ACTION

The Committee recommends having the City Manager appoint an Administrator to vet this item and then bring it back to the full Commission.

Property-Assessed Clean Energy Representative Steve Alexander presented this item.

Ygrene Energy Fund Vice President Joe Spector began discussions on explaining that PACE is a new spin on the energy efficient assessment powers of the City. Municipalities can finance retrofits that are repaid by the property owner through non-ad valorem assessment on property tax bill. This includes Energy Efficiency, Renewable Energy, Hurricane Protection and Water Conservation. There are different items that qualify for eligible improvements. There is 100% financing with no out of pocket expenses to the property owner which removes the single largest obstacle to implement these projects. It is a voluntary program with a different option for property owners to take advantage of. Only those individuals that participate pay the assessment. It is also non credit base allowing for those that would not be eligible for traditional financing. Seven Municipalities have joined forces to offer the program: Coral Gables, Miami, Miami Shores, South Miami, Palmetto Bay, Pinecrest and Cutler Bay. A second district called the Coastal Corridor has been set up and is open for other Municipalities to join. The district is a separate legal entity which is of no cost the City. City Manager Jimmy Morales asked for clarification on where the funds are coming from. Mr. Spector stated it's bonds in private funding that goes through the district with no liability and financial exposure to the City. Property-Assessed Clean Energy Representative Steve Alexander stated the proposed Coastal district would include Bay Harbor Islands, Biscayne Park, Sunny Isles Beach, Key Biscayne and other cities that have not been spoken to yet. Commissioner Gongora asked what does coming in entail in which Mr. Alexander stated it can be anyone within the City boundary that wants to be a part of the program. Mr. Spector stated the loan would show up as an ad valorem tax. The loan would be a lien against the property if it's sold it can be paid in full or passed on to the next property owner. The minimum project is \$2,500 through the program. Commissioner Gongora requested the item be moved to Commission or have it vetted by Administration to make sure there aren't competing programs. Commissioner Gongora made the motion to have the City Manager appoint an Administrator to vet this item and bring it back to the full Commission. Motion was second by Chairperson Weithorn.

NEW BUSINESS

6. Discussion regarding Budget Advisory Committee recommended Pension Reform policies and guidelines

ACTION

The Committee recommended passing the guidelines recommended for long term pension reform by the Budget Advisory Committee and then moved the item to the full Commission with the exception of the one item that requires review by legal.

Assistant City Manager Kathie Brooks presented this item.

Assistant City Manager Kathie Brooks began by stating the Budget Advisory Committee (BAC) did a review of pension reform last year. BAC is recommending policies for long term pension reform. 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. This review was based on the October 1, 2010 valuation when fire and police was 64% funded and the general employees were 74% funded. For payroll, the amount going into pension was almost 73% for fire and police and almost 25% for the general plan. 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. 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 Pension Plan employees. 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 actuary for the Miami Beach Employees Retirement Plan Actuarial Valuation Report dated March 11, 2013 estimates the City's Annual Required Contribution (ARC) towards the Miami Beach Employees Retirement Plan, which is payable on October 1, 2013, is \$26.2 million, an increase of approximately \$5 million from the current fiscal year. This represents 40.29% of pensionable payroll for these employees. The unfunded liability is estimated at \$216 million, representing a percent funded of 66.1 percent. The City's normal pension cost for the Miami Beach Employees Retirement Plan (i.e. net of the amortization payments for the unfunded liability) is approximately 11 percent of payroll.

Assistant City Manager Brooks continued and stated that the policies that were unanimously adopted by the BAC were Affordability and Sustainability, Appropriate Benefits to Provide to Employees, Recruitment and Retention and

Management of Risk/Risk Sharing.

Chairperson Deeded Weithorn stated the guidelines are attainable over time. Resident Paul Jones stated the tax payer appears to be shouldering the liability depending on how long employees are living. Commissioner Gongora made a motion to pass the guidelines recommended for long term pension reform by BAC with the exception of the one item that requires review by legal and then to move this item to the full Commission. Commissioner Jorge Exposito seconded the motion.

7. Discussion regarding the issue of encouraging businesses to support the effort of implementing more homeless meters

ACTION

The Committee recommended moving this item to the Commission with feedback from the Homeless Committee.

Real Estate, Housing & Community Development Director Anna Parekh presented this item.

Real Estate, Housing & Community Development Director Anna Parekh briefly stated the City of Miami Beach participates in the Miami-Dade County Homeless Trust which administers proceeds of the one-percent food and beverage tax on issues involving homelessness. The City has been participating in a fundraising campaign referred to as the "Homeless Meters" in an effort to continue to promote awareness of homeless issues throughout the community. The Homeless Meters are surplus parking meters graphically enhanced by a local artist and placed where panhandling most frequently occurs. The initial resolution allowed for 11 Homeless Meters to be placed throughout the City. A private donor sponsored 11 additional meters that Joe's Stone Crab allowed to be placed in their parking lot. Sponsors provide a tax deductible contribution of \$1,000.00 per donation meter sponsorship. Currently, the money deposited into Homeless Meters is collected and maintained by the Miami Parking Authority free of charge to the Homeless Trust. The Homeless Trust is requesting the City of Miami Beach Parking Department take over collection and maintenance of the 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 and annual audit costs per year. Regulatory review may be required for the large collection device depending on its size, design and location. 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.

Commissioner Michael Gongora made a motion to move this item to the Commission with feedback from the Homeless Committee. Commissioner Jorge Exposito seconded the motion.

8. Discussion regarding the collection of City Liens

ACTION

The Committee requested a review of those liens that can be foreclosed upon and refer them to the Legal Department for action.

Chief Financial Officer Patricia Walker presented this item.

Chief Financial Officer Patricia Walker began the discussion by stating The Finance Department currently is responsible for the collection and settlement of outstanding City liens. Liens are generated in a few different ways. The Finance Department files liens for unpaid utility bills, special assessments, resort tax and other City bills. Liens resulting from unpaid charges generated by other departments are sent to the Finance Department for review and filing with the County for recording. 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 approximately 333 outstanding liens without considering interest for a total of \$1.3 million. 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. Liens may be settled when a property owner wishes to sell or refinance their property in which the Finance Department works with legal to discuss a resolution of an existing lien.

The second type of lien is those that result from the Special Masters process. 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. 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 amount of equity, good faith actions, promptness to comply, change in ownership, legal proceedings and issues with other regulatory agencies. In most cases, the property owner does not come into the City until they are ready to sell their property or refinance. 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. If the owner and administration agree on a settlement amount, a settlement agreement is written. If the amount is less than \$100,000 the Chief Financial Officer and the City Manager approve the agreement. If the amount of the reduction is \$100,000 or greater the settlement agreement is presented to the

City Commission for approval.

Commissioner Michael Gongora asked how much money is really out there and Chief Financial Officer Walker stated there have been about 93 liens settled for \$530,000. The amount outstanding is about \$16 million for 150 liens. Commissioner Gongora requested a review of those liens that can be foreclosed upon and refer them to the Legal Department for action.

- 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**

ACTION

The Committee stated this was an update and took no action.

Public Works Director Eric Carpenter presented this item.

Public Works Director Eric Carpenter began by stating the City has identified RCAP recommendations that are applicable to GO Bond projects and determined which of these initiatives should be incorporated now to avoid the need for future retrofits. Item No. SP-8 identifies 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. These are policies to do new construction, addressing historic areas that limit the ability to do certain construction, sea levels in certain areas, etc. There has to be a determination if the storm water master plan is durable long term. Chairperson Deeded Weithorn stated this plan makes sense long term in concurrence with projects that require initiative be taken. In the immediate, there doesn't have to be an over haul to the Historic areas. The more data provided to the Commission will allow for a more informed decision to move forward on the recommendations for these projects. Public Works Director Carpenter asked if it was okay to continue to look at new and innovative technology and partnering with institutions of higher education to make sure we stay on the fore front.

- 10. Discussion regarding International City/County Management Association ("ICMA") Recommendations for Fire Department efficiencies**

ACTION

Item Deferred.

11. Discussion regarding Labor Peace Agreements

ACTION

The Committee recommended Chief Deputy City Attorney Aguila put together a resolution that is appropriate for the City and bring it back to the June Commission.

Chief Deputy City Attorney Raul Aguila presented this item.

Chief Deputy City Attorney Raul Aguila begin the discussion by providing four (4) attachments (for example purposes only) that included a draft ordinance proposed by UNITE HERE, a labor organization; Miami-Dade County Labor Peace Agreement clause in the County contract; Labor Peace Agreement from County concession agreement; and County resolution requiring labor peace agreements for MIA concession agreements. This was a request from UNITE HERE to encourage the City to either pass a resolution or ordinance requiring labor peace agreements in new contracts to provide food, beverage, or hotel services on City property within the Convention Center district. A labor peace agreement is an agreement that an employer executes with a labor organization that there will not be any strikes or walk outs during the contract period that can impact the employer's performance under the contract or interrupt the provision of the services. Commissioner Michael Gongora asked what is the recommendation to the City, and Chief Deputy City Attorney Aguila stated if there's a policy preference to do this, it shouldn't be as broad as it is in the proposed draft ordinance. This can be accomplished the same way by resolution and not ordinance. This could affect the RFQ for the Convention Center and the hotel that would be a part of the Convention Center project, as well as the Convention Center food and beverage service ITN. Commissioner Michael Gongora made a motion for Chief Deputy City Attorney Aguila put together a resolution that is appropriate for the City and bring it back to the June Commission. Commissioner Jorge Exposito seconded the motion.

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

ACTION

The Committee directed staff to proceed with two (2) one (1) year renewal options, instead of one (1) two (2) year renewal and took no action.

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

Cultural Arts & Tourism Development Director Max Sklar began by stating they are in contract negotiations with Global Spectrum. The first agreement started in October 2008 and terminates after the renewal options in September 2013. The contract that is being negotiated is for three years with one two year extension. The management fee being negotiated will go back to the original fees from five years ago that will generate savings of about \$80,000 over the five year term of

the agreement. The Capital Contribution and Improvements is \$200,000 that's payable within 30 days of contract execution. The Scholarship Contribution will continue at the same level of \$12,500 per year for students interested in pursuing a career in Hospitality and Management. This will be payable within 30 days of contract execution and, thereafter, within 30 days of commencement of each contract year. The incentive fee has been simplified to reflect the one change of Customer Service and includes the following: 25 percentage points that are awarded based on the average survey score for ten departments, 5 percentage points will be awarded based upon the completion of customer satisfaction surveys, 50 percentage points will be based on the annual Gross Operating Revenue generated, 15 percentage will be awarded if Global has met or exceeds the maintenance standards set forth in the agreement and 5 percentage points that are at the sole and absolute discretion of the City. The Financial Performance basis was increased by a million dollars to \$17.50M > revenue which equals 50 points and is a significant change to benefit the City. The Marketing and Promotion will continue as part of Global's comprehensive approach to marketing the facility. 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 \$50,000, then the incentive fee earned by Global for such contract year shall be reduced by \$.50 for every dollar of shortfall, up to the cap.

Commissioner Michael Gongora asked what level of participation would be from Messe Schweiz and asked for clarification on the change in the renewal options. Cultural Arts & Tourism Development Director Sklar stated they were being consistent with the past history on the agreements. The Committee directed staff to proceed with two (2) one (1) year renewal options, instead of one (1) two (2) year renewal. The Committee took no action.

EMERGENCY ITEMS

13. Discussion of Senior Lunch Funding

ACTION

The Committee made a motion to set aside funding for lunch at the 3 Senior Facilities until the next Commission meeting.

Chairperson Deede Weithorn opened the meeting to discuss the funding for the Senior Lunch. Commissioner Michael Gongora stated that he had issued a check for \$1,500. Commissioner Gongora then made a motion to set aside funding for lunch at the 3 Senior Facilities until the next Commission meeting. Commissioner Jorge Exposito seconded the motion.

14. Discussion of Lincoln Road(Euclid)

ACTION

The Committee requested a Letter To Commission and for this item to be moved to the full Commission.

Chairperson Deede Weithorn suggested a Letter to Commission (LTC) and then to move this item to the full Commission. The LTC would provide the necessary data that is needed to make a decision. Commissioner Michael Gongora made a motion requesting a LTC and for this item to be moved to the full Commission. Commissioner Jorge Exposito seconded the motion.

15. Discussion of Waste haulers

ACTION

The Committee requested the ordinance be brought back to the Commission for first reading to determine if there needs to be Code changes.

Public Works Director Eric Carpenter presented this item.

Public Works Director Eric Carpenter stated there were internal discussions on Chapter 90 of the Code regarding Waste hauler contractors. The only mechanism currently in the code for fining people for not doing what they are suppose to do is to fine the property owner. This matter can be approached by looking at the code as a means of addressing fines for waste haulers that aren't providing the services they are suppose to or from a contractual mechanism of liquidated damages to the 24 hour provision making the Waste haulers responsible for providing a remedy to the concerns brought to them within 24 hours. This would only apply to the new contracts. All of the contracts are up July 2015. The only concern regarding the contractual mechanism is it becomes an administrative obligation rather than a Code Officer. Chairperson Deede Weithorn stated there are issues and concerns on both sides which might require Code changes. Commissioner Weithorn requested the ordinance be brought back to the Commission for first reading to determine if there needs to be Code changes.