



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 193-2007

LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: August 22, 2007

SUBJECT: Festival of the Arts

The Miami Beach Festival of the Arts (Festival), established in 1974, was produced by the City's Fine Arts Board until 2004. At that time production was outsourced to North Beach Development Corporation (NBDC), which produced the last four Festivals with the help of an annual allocation from the City of \$75,000. As you may know, NBDC is in a transition period at this time and no longer employs an executive director. Recently, I met with Dr. Barry Ragone, President of NBDC, concerned for the future of the Festival and to assess whether or not they were stable enough to continue producing it at the level expected by the City.

The City was still completing its due diligence of NBDC's ability to produce the Festival when, on Monday, August 20, 2007, Dr. Barry Ragone advised me that he had resigned as President of NBDC due to an inability to "enact real change" within the organization. In light of Dr. Ragone's resignation coupled with the current state of NBDC, the Administration has determined that it is in the City's own best interest to assume all production responsibilities for the 2008 Festival, particularly considering that critical items in the Festival production timeline must be addressed immediately.

The City will enter into a professional services agreement with Mr. Brian Huether, former Events Coordinator for NBDC. Mr. Huether has produced the Festival for NBDC as a full-time or contracted employee since 2004, and the Administration has every confidence in his ability to produce another successful event in 2008. The Tourism and Cultural Development Department, which staffs the Fine Arts Board, will manage Mr. Huether's contract and will have direct responsibility for the Festival's production.

If you have any questions, please feel free to contact me.

JMG/HMF/MAS

C: Hilda M. Fernandez, Assistant City Manager
Max Sklar, Tourism and Cultural Development Director
Gary Farmer, Cultural Affairs Program Manager
Fine Arts Board

F:\info\\$\ALL\Max\TCD\Fine Arts Board\Festival of the Arts LTC.doc

RECEIVED
2007 AUG 22 PM 5:26
CITY CLERK'S OFFICE

Walters, Pauline

To: Sklar, Max

Subject: FW: Letter To Board

From: levite6@aol.com [mailto:levite6@aol.com]

Sent: Wednesday, August 22, 2007 9:36 AM

To: Gonzalez, Jorge

Subject: Letter To Board

FYI

I am sending you the letter which I provided to the board of Directors of the North Beach Development Corporation. I believe it is self explanatory. Would you recommend that I forward this to the Commissioners and Mayor as well?

Your input is greatly appreciated.

Barry Ragone

August 20, 2007

Dear Board of Directors,

With much regret and disappointment I must advise you of a decision that has required much deliberation and soul searching on my part

Effective today, Monday, August 20, 2007, I am respectfully resigning from my position as President of North Beach Development Corporation.

My optimistic acceptance of the Presidency of this organization led me to believe that I would be able to enact real change ?only to discover that this was not the case

I vowed that there would be a transparency concerning our finances, a re-alignment of our mission and to see that the past errors and omissions of the organization would be rectified.

The following are the areas of concern that affected my decision and should be dealt with by this board:

-Finances

- There has not been an internal or external audit of the books since 2005

- Required yearly IRS 990 returns have not been filed under previous administrations, these returns are overdue for the fiscal years of 2005 and 2006.(Possible IRS sanctions and fines can be levied at the amount of \$10 per day up to a maximum of \$10,000 per return)

08/22/2007

-Additionally, concerning the 990 forms, questions of self dealings between the organization's officers, board members and substantial contributors have not been revealed as required by the IRS.
-A serious and thorough review of signed contracts by past executive directors and officers need to be examined for their validity and fiscal responsibility

Lobbying Activity-

-The possibility of illegal lobbying activities threatens the 501c3 status of this organization. These actions, that were carried out by past administrations are highly questionable and possibly illegal.

The imprint of the actions of recent past officials has and will continue to weigh heavily on this organization's validity.
I thank you and wish you all the best in the future.

Dr. Barry Ragone
President North Beach Development Corporation

AOL now offers free email to everyone. Find out more about what's free from AOL at AOL.com.

Walters, Pauline

From: levite6@aol.com
Sent: Monday, August 20, 2007 9:52 PM
To: Gonzalez, Jorge
Subject: North Beach Development Corporation

August 20, 2007

Mr. Jorge Gonzalez
City Manager,
City of Miami Beach

Dear Mr. Gonzalez,

Thank you for setting your valuable time aside to meet with me. Through our meeting I gained valuable insight towards the inner workings of our community and its various organizations.

At this time I would like to take the opportunity to advise you of a decision that has required much deliberation and soul searching on my part

Effective today, Monday, August 20, 2007, I will respectfully resign from my position as President of North Beach Development Corporation.

My optimistic acceptance of the Presidency of this organization lead me to believe that I would be able to enact real change ...only to discover that the finances, moral and ethics where all in shambles.

I look forward to an on-going cordial and professional relationship with you and your team. I remain a loyal servant to my community.

With warmest regards,
Dr. Barry Ragone
President North Beach Development Corporation

AOL now offers free email to everyone. Find out more about what's free from AOL at AOL.com.

08/22/2007



MIAMI BEACH

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

Office of the City Manager
Tel: 305-673-7010, Fax: 305-673-7782

August 22, 2007

North Beach Development Corporation
Board of Directors
1181 71st Street
Miami Beach, Florida, 33141
Attention: Mark Weithorn

Dear Mr. Weithorn:

I received notification of Dr. Barry Ragone's resignation as President of North Beach Development Corporation (NBDC). In light of the short time remaining before the 2008 Festival of the Arts, the City of Miami Beach has decided that it is in its own best interests to assume all production responsibilities for the Festival. The City's Department of Tourism and Cultural Development and the Fine Arts Board will coordinate planning, marketing, operations and all other details of Festival production provided by NBDC since 2004.

Thank you for all your good work during the past four Festivals. We know you understand how important this event is for our City, and we hope you join us in looking forward to another exciting and successful Festival of the Arts in North Beach in 2008.

Sincerely,

Jorge M. Gonzalez
City Manager

JMG/HMF/MAS/gf

C: Hilda Fernandez, Assistant City Manager
Max Sklar, Tourism and Cultural Development Director
Gary Farmer, Cultural Affairs Program Manager

F:\cmgr\ALL\Hilda\Tourism and Cultural Development\Tourism\Major Events & Special Events\Festival of the Arts_NBDC_Ltr.doc