

HOMELAND DEFENSE/  
NEIGHBORHOOD IMPROVEMENT  
BOND OVERSIGHT BOARD  
MINUTES

1/27/09 – 6:00 P.M.  
CITY OF MIAMI  
CITY HALL CHAMBERS  
3500 PAN AMERICAN DRIVE  
MIAMI, FLORIDA 33133

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The meeting was called to order at 6:11 p.m., with the following members found to be

Present: Rolando Aedo (Vice Chairman)  
Eileen Broton  
Mariano Cruz  
Robert A. Flanders (Chairman)  
Charisse L. Grant  
Ricardo Lambert  
Pablo Perez Cisneros  
Gary Reshefsky  
Jose Solares  
Hattie Willis

Absent: Hugo P. Arza  
Luis Cabrera  
Kay Hancock-Apfel  
Carmen Matos  
Jami Reyes

ALSO PRESENT: Robin Jones Jackson, Assistant City Attorney  
Larry Spring, Chief Financial Officer  
Ola O. Aluko, Director, CIP Department  
David Méndez, Assistant Director, CIP Department  
Chief Joe Fernandez, Fire Department  
Ed Blanco, Project Supervisor, Parks & Recreation  
Stephen Bogner, Marinas Manager, Public Facilities  
Danette Perez, Board Liaison, CIP Department  
Marcia Lopez, Administrative Assistant I, CIP Department  
Teri-Elizabeth Thomas, City Clerk's Office

January 27, 2009

**I. APPROVAL OF THE MINUTES OF THE MEETINGS OF DECEMBER 18, 2008.**

HD/NIB MOTION 09-01

A MOTION TO APPROVE THE AMENDED MINUTES OF THE MEETING OF DECEMBER 18, 2008.

MOVED: M. Cruz  
SECONDED: R. Lambert  
ABSENT: H. Arza, L. Cabrera, K. Apfel, C. Matos, J. Reyes

Note for the Record: Motion passed by unanimous vote of all Board Members present.

**II. NEW BUSINESS:**

**INTRODUCTION OF NEW BOARD MEMBER:**

- Pablo Perez Cisneros nominated by Commissioner Angel Gonzalez

Chairman Flanders introduced Pablo Perez Cisneros as a new board member, nominated by District 1 Commissioner Angel González.

**III. NEW ITEMS:**

**1. Discussion on the Homeland Defense Bond Series 3 – Larry Spring, CFO**

Chairman Flanders: I see that the chief financial officer for the City of Miami, Larry Spring, is here, and we're going to bring up item number one. Welcome.

Larry Spring: Larry Spring, chief financial officer. I apologize for my tardiness. I was upstairs attending to a matter with the Mayor. I believe the Board requested that I come and give you an outline of where we are with regards to the bonding schedule for the third tranche of the Homeland Defense/Neighborhood Improvement bond, the remaining \$50 million. In working with Ola Aluko and his staff, we have determined that the spending -- the spend down on the first two tranches is at a level that we can go to market. The underwriting team has been assembled. We expect to go to market in April of 2009. At the February Commission meeting -- first February -- or is it --

Robin Jones-Jackson: I believe it's the second February meeting for the reimbursement resolution --

Mr. Spring: Yeah.

Ms. Jones-Jackson: -- and the March --

Mr. Spring: Second February meeting.

Ms. Jones-Jackson: -- meeting for the authorizing resolution.

Mr. Spring: Okay, so we'll be passing our intent resolution the second meeting in February. What the intent resolution basically does is establish the City's intent to bond, and thus, we can borrow proceeds from general fund or our reserve to proceed with the projects, and we will reimburse ourselves once we actually receive the bond proceeds. And that's pretty much it.

Chairman Flanders: I guess it's a good time to be going to the money markets, is it not?

Mr. Spring: The -- as I think everybody knows, the public -- the bond market has been dry, no liquidity at all, over the last six or seven months. In fact, I know the volume had dropped from, I think, on a weekly basis was somewhere in the \$5 billion range and had dried up to about \$400 million, right before the end of the calendar year. That has kind of opened up now. It's the promise of stimulus, people only getting negative return on treasuries and things of that nature makes a municipal -- a muni a better bet. When you look at City of Miami's muni history, we have never defaulted on our debt. If you have a bond that's paying 5, 5.5 percent, it's a better deal than the treasury at the end of the day because you're going to get a debt payment every six months -- you're going to get an interest payment every six months. So you know, myself, the Finance director, Treasurer and our entire underwriting team, which right now includes JP Morgan Chase, Merrill Lynch, Bank of America, Raymond James, Sun Trust, we've -- you know, we're ready and prepared to do investor calls, do everything we need to do to sell our proceeds. I've led investor calls myself, and you know, that's what we're prepared to do. The City has a large volume of debt that's getting ready to go to market, a large volume for us, relatively speaking. In addition to this bond, we have the second tranche of our street bonds, which I know we leverage your dollars with those dollars to get projects done, stadium financing, so on and so forth. And you know, we may be talking in the area of \$200 million, \$300 million, over the next six to eight months, which would be big for one year of activity for the City. So we're hopeful.

Chairman Flanders: Certainly, this board, in concert with the City, has brought trust to the City and actually, is it not true that we enjoy the best bond rating in the history of the City?

Mr. Spring: In the history of the City, yes. Hopefully, it'll get better.

Chairman Flanders: I hate to keep giving you these softballs, Larry. It shouldn't be too difficult to market the bonds and --

Mr. Spring: You know, unfortunately because of what's happening with the credit rating agencies and the market's shaky reliance on what they bring to market because, as you know, even though they do underwrite -- you know, they do a full analysis of the City's financial position, they look at our political stability, our management stability, they look at everything, they look at our debt relative to our revenue and they issue a rating. You know, there's been some stories out there in the market about, you know, well, we pay for that rating. Yeah, we do. We pay for that rating, but at the end of the day, there's still an analyst there who's supposed to do their job and provide a reliable rating and there's been some question in the market. If Moody, S&P, you know, Fitch, have they really been doing that? Relative to what's happened on the corporate bond side, what's happening with all of these derivatives and all of these companies, these banks, you know, they're just falling -- you know, their bottoms are falling out. So, you know, we're not going to buy insurance probably on this issuance. We're going to go with our City's underlying rating. So there won't be triple A-rated bonds. There'll be whatever rating is assigned by the rating agency, two

weeks before we go to market. And you know, we'll put our best foot forward. We'll present the financials as they are, and we'll try to see if we get our -- you know, if it's an "A," it's an "A," and we're going to go to market with that. Unfortunately, you know, the 22 basis points on whatever the notional value of the issuance is, is just not worth what we get for it in return. So, you know, that's kind of where that is. But, you know, a city's position, well, you know, we're looking just like every other city, county, state, for that matter, in the union at hard times, and you know, the silver lining is everybody is subject to hard times right now, so the pool -- you know, the playing field is level and, you know, we can say we have a very strong tax base, you know. We have other revenues. We're still doing leverage transaction off our balance sheet that puts us in a better financial position at the end of the day. So that's what we're doing. That's what we're focused on, and you know, like I said, we're going to go out there and do our best to sell these bonds. You may have heard, we had a pension bond deal that was taxable that we had to pull back from market, in that September to December time frame and it just couldn't happen, so we've done a work around. And the other thing to consider with all of our capital improvement financing, there are work-arounds. The banks who have money are willing to lend money to cities because they know they're going to get paid back because we can budget and appropriate in order to make that happen. So we can do, you know, short-term bank loans. We can do bond anticipation notes. There's other vehicles that we can exercise, if you will, in order to get these proceeds and get these projects underway. And you know, CIP's actually done a good job in getting these projects out. They're spending the money. They're getting the stuff done. If the City does indeed receive stimulus package money, they're going to really be overworked.

Chairman Flanders: Certainly, it's in capable hands and certainly, I think everybody agrees that we need to continue the progress that we have been making. The improvements citywide are apparent, and having said that, I want to make sure that everybody did get the invitation -- it's a momentous event for the City of Miami -- to the Little Haiti Cultural Complex, opening tomorrow, Wednesday, January 28 at 6:00 p.m., which to me, this one project really epitomizes what we've been doing here for eight years. We've created a park where there wasn't one in a section of town that certainly was left behind, and we'd like to see that progress continue. So, Larry, if there's anything that we can do in any way, participate in order to help you market our new bonds, we are prepared to help.

Mr. Spring: I think the real thing we need is that, you know, to support the administration, support CIP in the delivery of these projects. If there's issues, let's deal with them and move on. If they're not issues, unnecessarily beating up on staff ain't going to make the market look any better if they feel that we can't get it done. Fortunately, you know, from their advantage, the City is getting it done. And I know you guys are here to deal with more of the details, make sure we get the best costs, make sure to deliver, and make sure we're able to maintain, operationally, these new assets that are coming on line, and those are big, important things for us to deal with. We're focused on it as an administration. I've been before this Board and I've told you that. We hear you, they hear you.

## 2. City Hall Emergency Chattahoochee Removal

**NAME OF PROJECT:** CITY HALL EMERGENCY CHATTAHOOCHEE REMOVAL  
TOTAL DOLLAR AMOUNT: **\$1,968.00**  
SOURCE OF FUNDS: Historic Preservation Initiatives  
ACCOUNT CODE(S): CIP # 327001  
DESCRIPTION OF PROJECT: The project consists of the removal of existing Chattahoochee stone covering at the rear steps entrance at City Hall to prevent slippage by the voters entering to vote.

HD/NIB MOTION 09-02

A MOTION TO FUND THE CITY HALL EMERGENCY CHATTAHOOCHEE REMOVAL.

MOVED: M. Cruz  
SECONDED: L. Cabrera  
ABSENT: H. Arza, L. Cabrera, K. Apfel, C. Matos, J. Reyes

Note for the Record: Motion passed by unanimous vote of all Board Members present.

## 3. Additional Funding for Dinner Key Mooring Field

**NAME OF PROJECT:** ADDITIONAL FUNDING FOR DINNER KEY MOORING FIELD  
DOLLAR AMOUNT: **\$1,773,581 (\$185,800 is Homeland Defense Funds; \$538,036 Previously Approved)**  
SOURCE OF FUNDS: Citywide Waterfront Improvements, FIND Waterways Assistance Program and Sunshine State Financing Commission  
DESCRIPTION OF PROJECT: The project consists of design, engineering and surveying of the Dinner Key Marina Anchorage project. Installation of anchors and the construction of the upland. (See attached memo for details).

ITEM WITHDRAWN FROM AGENDA; CURRENTLY UNDER CONE OF SILENCE.

## IV. UPDATES:

### 1. Marine Stadium Marina Improvements

Eileen Broton reported that the project will add an additional 53 racks to the marina for boat storage. An engineering firm has been assigned to design and provide the construction documents. The project is part of the Virginia Key Master Plan. The exact location for where the racks will be placed is still being decided and that seems to be why there's a slight delay. The exact location will drive the design and the construction. The time line for this project is June 2009 for completion.

## 2. Additional Funding for MiaMarina Emergency Repair Pier #5

Eileen Broton reported that the project is another revenue generator for the City. They're requesting \$97,000 of the original approved amount. The project will replace damaged pre-cast concrete stringers, replacement of wood decks with fiberglass and replacing utility services. The contract has already been awarded and construction is anticipated to begin next month with a targeted completion date in late September of '09.

## 3. Pierce Lance HAZMAT Vehicle for the Fire Department

AND

## 4. Defense and Security Equipment Acquisition

Eileen Broton reported that the item was purchased and put into service in May 2008, and the Board requested information on how often it is used. Item 4, Defense and Security Equipment Acquisition, includes the scuba gear, which will be ordered in May of 2009, and also the training center. The standards for the training center are constantly changing, and the Fire Department is looking for the proper site and trying to see the latest requirements, so this may be on hold until possibly the last quarter of 2009, and we has asked the Fire Department to provide more information for us.

Joe Fernandez, assistant fire chief with the Department of Fire-Rescue, reported that he replaced Chief Duran on the project. The Pierce Lance truck was put in service in May 2008. It was purchased at budget, \$564,577. I do not have an exact number of alarm numbers to date, but I will tell you that this truck does not go out on every single call, kind of like you see the first line pumpers and aerial and rescue trucks. It's a specialized piece of equipment and it goes on certain types of calls when the dispatches come in, whether there's chemical situations, even structural events, and a variety of other specialized scenarios that we might have to respond to. As you know, the previous vehicle was beyond its service life, and the truck really has been a great asset, especially in the midst of everything that we find ourselves under these days, having a vehicle to move around the necessary equipment is very important. So we appreciate your support on it. And if you would like the number of calls that it has responded to since May 29, I can send that to the staff, and they can give it to you via e-mail. Regarding the scuba gear, the equipment here will allow for ten full sets of scuba gear, plus backup equipment to make sure we always have ten sets at the ready to do the services that we aim to do with this equipment. It will be, again, a citywide asset that will be located on the marine unit, and it's of great value, as I said, both for the citizens or visitors that may require services of this type, and for the firefighters themselves, to have the best gear possible to do the job they need to do. I did make a typo here. It was not the staff's fault. If you add the two items, it should come to 899. You see this says 32 as the estimated cost and it's actually 34. So if you add the 34 to the other total, you do get to the 899, but that was my error. This is currently slightly delayed due to a bid issue that the Purchasing Department wanted to do a split bid, I believe. I'm still transitioning with Chief Duran, but it's slightly delayed because of a process in the Purchasing Department, but we do expect to issue a purchase order by March '09 and delivery should be immediately after. This is all equipment, materials that are all readily available. Regarding the training tower, I gave you a sampling here of some photos from the various vendors that might be the actual suppliers of this equipment, and this type of training is not

only very valuable, but subsequent to a state rule, the training tower is now a requirement with specific standards for a certificated training facility. This is a new standard. We do not meet the standard, so this is required to remain as a certified training facility within the state. And these are two samples of more or less, what you would see the end product looking like, and then one of the props or simulation aids you'll see to the right is supposed to be a vehicle. It has the overall shape of a vehicle, but it is fed by gas. It's basically an appliance, and it allows the firefighters to practice with car fires and there's a few other simulation aids also so that they can train, and that's also required by that Rule 4837 that was imposed a year and a half or two years ago. Currently, this is proposed to be used at our training facility in Coconut Grove, where we do most of our other training. And there's an estimated 25 percent completion on the design phase. We're estimating somewhere around June 2010 to be complete on this project.

#### 5. Armbrister Park Boundless Playground

Ed Blanco, Parks Department, reported that the project was completed. It was a \$250,000 project, and in addition to that, which you don't see in the pictures, we also added some swings on the other side of the play ground, at an additional \$50,000, swings with a rubber surface. So this whole project is about a \$300,000 project.

#### 6. Athalie Range Park – Mini Stadium Complex

Eileen Broton reported that the project has been designed and is ready to go out for bid. The project is in the permitting stages. The Parks Department will make arrangements for the activities when the park must be closed for the construction.

Ed Blanco, Parks Department, reported that the permitting has been completed. The project is currently being bid out. The bid award date has been set for February 9, with an estimated construction to begin late March or early April.

#### 7. Williams Park Recreation Building Improvements

Eileen Broton reported that this is not an improvement. It's going to be a new building, and there was a charrette held January 22 and it was highly announced to the public.

Ola Aluko, director, CIP, reported that there was a charrette last Thursday and the public received the plans very well, and we were given a vote of confidence to move forward. As of today, I believe we gave the architect an NTP to submit his proposal, and hopefully, within the next couple of days, we'll get a proposal for the design, and we'd like to move forward with the construction. This is another case where the original project was planned to be a renovation. We were going to add spaces to the park. The community made some comments to staff, to the administration and we listened to the community and we realized that with today's prices that we're getting in the construction industry, we can actually build a new building at the same cost that we were originally going to renovate and add spaces to the building. So we're actually doubling the size. The existing

facility is roughly 2,100 square feet and we are designing a new 5,000 square foot facility at the same cost of renovation. And the community was very happy.

## 8. Virrick Park Pool Building Renovations

Eileen Broton reported that the project is on schedule. The project scope involves maintaining the shell and the roof, but working with the rest of the building to renovate it and also to install the decking around the pool.

Ola Aluko, director, CIP, reported that this is another project where we are moving forward with this renovation, however, recently, we did meet with the Parks Department, and we are seriously considering a new Virrick Park pool. We're looking at the funds that we have available, and we're addressing the immediate needs, i.e. ADA needs, so that the pool can continue to run, continue to be operable. But it's likely we'll move forward and construct a new Virrick Park pool, based on the funds we have on hand, instead of spending all of those funds on a renovation. This is another instance where we have enough funds to deliver a brand-new facility.

### V. CHAIRPERSON'S OPEN AGENDA:

### VI. ADDITIONAL ITEMS:

- o Project Activation Form Estimates

Ola Aluko, director, CIP, discussed estimates provided for projects on project activation forms (PAF). Mr. Aluko explained that once the projects receive a contracted amount, the contracted figure is not brought back to the Board. Concerns were raised by Jose Solares regarding this process. Mr. Aluko has agreed to continue submitting best estimates within industry standards. However, when a contracted amount has been reached, it will be brought back to the Board for its information.

- o Moore Park Master Plan Charrette and New Building

HD/NIB MOTION 09-03

A MOTION TO ADD THE MOORE PARK MASTER PLAN CHARRETTE AND NEW BUILDING ITEM TO THE BOARD MEETING CURRENTLY SCHEDULED FOR FEBRUARY 24, 2009.

MOVED: M. Cruz  
SECONDED: P. Cisneros  
ABSENT: H. Arza, L. Cabrera, K. Apfel, C. Matos, J. Reyes

Note for the Record: Motion passed by unanimous vote of all Board Members present.



HD/NIB MOTION 09-04

A MOTION TO ADJOURN TODAY'S MEETING.

MOVED: M. Cruz

SECONDED: H. Willis

ABSENT: H. Arza, L. Cabrera, K. Apfel, C. Matos, J. Reyes

Note for the Record: Motion passed by unanimous vote of all Board Members present.