

HOMELAND DEFENSE/ NEIGHBORHOOD IMPROVEMENT BOND OVERSIGHT BOARD MINUTES

7/22/08 – 6:00 P.M.
CITY OF MIAMI
CITY HALL CHAMBERS
3500 Pan American Drive
MIAMI, FLORIDA 33133

The meeting was called to order at 6:14 p.m., with the following members found to be

Present: Rolando Aedo (Vice Chairman)
Hugo P. Arza
Eileen Broton
Luis Cabrera
Robert A. Flanders (Chairman)
Charisse L. Grant
Kay Hancock-Apfel
Carmen Matos

Absent: Mariano Cruz
Ricardo Lambert
Gary Reshefsky
Jami Reyes
Jose Solares
Hattie Willis

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

I. APPROVAL OF THE MINUTES OF THE MEETING OF MAY 27, 2008.

HD/NIB MOTION 08-20

A MOTION TO APPROVE THE MINUTES OF THE MEETING OF MAY 27, 2008.

MOVED: C. Grant
SECONDED: L. Cabrera
ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

II. NEW BUSINESS:

- Larry Spring, Chief Financial Officer to discuss bonds

Larry Spring (Chief Financial Officer): We're actually doing quite well in light of what's happening in the bond insurance market. I think many of you have probably read about the downgrade of MBIA as a bond insurance company. MBIA was one of our main bond insurers. The County, if you've been watching, is refunding some \$400 million worth of variable rate bonds that are out in the market, repricing on a weekly basis. The City was fortunate -- and I'd have to commend our treasurer and our Finance for being on top of our situation. Right now we only are exposed to the tune of \$29 million. And just last week, our finance committee approved a go-forward plan for us to actually refinance our variable rate, make it fixed, and we'll probably save somewhere in the area of like 400 basis points on that 29, \$30 million over the remaining life of the issuance. It was a pension bond that was issued some years ago. We did a swap transaction, fixed for variable, a couple years ago; made a nice amount of money, and then now it's turn against us. So now we're trying to fix it.

Kay Hancock-Apfel: What are you paying on the fixed?

Mr. Spring: The fixed is -- the base rate is 6.43 percent plus the weekly refunding, which has our exposure going up as high as ten percent on a weekly basis.

Ms. Hancock-Apfel: Averaging about what?

Mr. Spring: Average is about eight so far, and this is something that we've been exposed to for the last six months. I think our new fixed rate may be about 6.5 or 6.8, so we're still within close proximity to what our base exposure was.

Eileen Broton: A lot of the projects come forward and we ask where will the additional money come from and we're told that it's going to come from a loan, a sunshine state loan, and so it's not under our purview, but it gets us nervous because we don't know about it and you were going to explain it to us.

Mr. Spring: Let me tell you about it. The State of Florida has a sunshine state loan pool committee sat on by various finance folks around the state. This is a revolving loan pool. The City has participated in past years. It's a variable interest rate loan and the interest rate fluctuates between 2 and 4 percent, so it's very cheap money, if you will, particularly today. The City, over the last four or five months, has been able to be awarded \$46 million worth of sunshine stare loan pool dollars. The original award was 34, then some additional monies became free because another municipality paid off sooner, so we were able to get a larger portion.

Ms. Hancock-Apfel: What kind of a payback period do you have in the sunshine loan?

Mr. Spring: It's the same length as the bond. It'll be a 20-year pay down. A portion of it, about 15 million, has a shorter pay down period because of the date that the pool was issued, but we're allowed to refinance at that maturity date.

Ms. Hancock-Apfel: Are there already sunshine funds in the City other than this 46 million?

Mr. Spring: We do have a previous loan that probably dates back 20 years that's nearly paid off. One of the things that the committee appreciated about the City's financial condition was even in 1996, when we were in near bankruptcy, we never defaulted on a payment.

Chairman Flanders: The repayment of the 46 million is matched against the bonding ability of the City?

Mr. Spring: On the non-ad valorem revenue side.

Chairman Flanders: Okay. Part of the curiosity on behalf of this Board is we're almost spent down. In other words, we've been in our business for seven years overseeing the 255 with the matching funding. We have proven ability of being able to oversee it and the City has a proven ability to deliver the projects not only on time but within budget. Where do we go from here and what is the City doing to program forward to continue what was started seven years ago?

Mr. Spring: First of all, we do have an additional 50 million of this issuance to get out to market. We want to continue to push those projects forward. I think this Board has seen that the City continues to master plan. Being prudent stewards of our dollars, we want to make sure that we get this current issuance spent down to an appropriate point. We want to make sure that our constituents understand that we have delivered on the previous promise that was made. On the non-ad valorem side, right now we've done the streets bond issuance. We still have approximately 80 to 100 million more to go to market with on that issuance which will deliver more street/sidewalk improvements citywide. So we are just continuing to deliver on our capital improvement plan.

- Michael Barechio, Parks Operations to discuss Parks' maintenance & operations

Ola Aluko (Director, Capital Improvements): I believe at a previous Bond Oversight Board meeting, you had requested the Parks Department to -- well, not just the Parks Department, but departments in general, to give you an update or a plan as to how they operate/maintain projects that were funded via bond dollars. Our main clients or departments that we work with are usually the Public Works Department, the Parks Department, Public Facilities. They also have operating budgets on projects that may have been funded through HD projects. So with that said, we bring you the Parks Department.

Chairman Flanders: That's important for this Board to know because almost 50 percent of the bond was devoted to improvements in our Parks Department. Please go ahead and introduce yourself, sir.

Michael Barechio: I'm Mike Barechio. I'm the assistant superintendent for Parks operations.

Mr. Aluko: The question that the Bond Oversight Board posed to the Department was how is the Parks Department maintaining, what kind of programs do you have in place to maintain parks that had been renovated or constructed from HD dollars.

Mr. Barechio: We have a maintenance program set up where we have specified times for fertilization, top dressing of all these new fields. Little Haiti is a dual soccer field; one field is a practice and one is the main field. We do have maintenance time frames in place where we fertilize every month on all the different facilities. We do just the maintenance of the landscape and the fields. The Operations Department really has nothing to do with the buildings themselves.

Chairman Flanders: I think that the intent of the Board in their curiosity about what the Parks Department is doing extends to the protection of the investment. And actually, that takes a number of different forms; maintenance is one of them, having parks rangers is another one of those. Also, I think that you're creating a line item in your budget which then becomes part of the City's budget. And I think that the Board just wished to have the reassurance that as the new projects come on line that they are planned for.

Mr. Barechio: In this last year, our budget increased a million and a half in operations alone.

Chairman Flanders: That's what we want to hear.

Mr. Barechio: With that money, we've purchased one million dollars in new equipment to maintain not just the new parks but all of our parks.

Vice Chairman Aedo: What is the methodology that goes into the investments and the upgrades that are being made and how that translates into incremental staffing or incremental equipment? Is there a rule of thumb that's in place or is that on a case by case basis? Is there a general formula for the investments that are made or is the Department looking at this piecemeal? A lot of things have come before this Board that have had to be demolished because of the lack of ongoing maintenance. I know that's really been a major point of contention for this Board.

Mr. Barechio: The maintenance of the facilities normally comes under Property & Maintenance, which the Operations Department or Parks & Recreation both submit work orders. Property & Maintenance is General Services Administration (GSA). They take care of the water fountains, the restrooms, the paint on the walls. They have their own budget on that.

Vice Chairman Aedo: Who is the band leader of all of this?

Mr. Aluko: Mr. Board Member, I think you're asking a 55,000 feet question. Unfortunately, from a director speaking on behalf of another director, I believe those questions probably should be directed to the department director. Unfortunately, he is not able to be here. The only thing I can advise is we will ensure that he is here to answer those questions during our September meeting. I do know there is another Parks representative here, but at the same time, I don't think he is the correct individual to answer those questions either.

Vice Chairman Aedo: There are a lot of projects that are being developed through the HD funds that touch more than one department. Even though they're being led by CIP, they're impacting the Parks Department, they're impacting GSA, potentially, and I guess, naively, who's kind of looking at this across departments and recognizing that there's an incremental need for funding to properly maintain that both in a capital side and a staffing side?

Mr. Aluko: Well, what we do, as the Capital Improvements Department, we do have a capital plan.

Hugo Arza: I suspect that at some point in here, the City Manager and City staff that oversees these departments would play a role.

Kay Apfel: We are not only concerned about how the grounds look, but we're also very concerned about the maintenance of the buildings. We've had numerous occasions where buildings had been terribly neglected and they had to be torn down.

Ed Blanco: Park managers are responsible for reporting the needs that they have in their parks and facilities. The Parks Department depends on GSA Property Maintenance to correct maintenance issues in park facilities. The park managers funnel the request to operations and we go to GSA Property Maintenance and put in a work order.

Carmen Matos: If there is a hurricane or storm and trees are knocked down, is there a fund in place to replace them?

Larry Spring (Chief Financial Officer): Are there any other questions? I'd like to answer them all at the same time.

Charisse Grant: Does GSA have a regular schedule of maintenance for all of those properties?

Mr. Spring: Rolando, to answer your 50,000-foot question, the person or persons who are responsible for taking that high-level look and saying, okay, we've just invested \$155 million dollars, are we also ensuring in the operational budgets of each of the departments who are then responsible for maintaining those properties, that is something that's taken care of in our overall budget process. During that process, that information is provided by the directors to the Budget director in great detail. That information is then funneled up to myself, Roger Hernstadt, the other assistant city manager over budget, our City Manager, our Mayor and all our Commissioners. In individual meetings, we discuss all of those issues. They do come to the forefront, and then what is presented to our overall Commission includes those issues. We're moving staff around to be present. We're outreaching to different third parties to even help us program the facilities.

Vice Chairman Aedo: Is there, in the capital improvement world or in the budgeting world, a general rule of thumb when you're making a capital investment that "X" needs to be added into an upcoming budget cycle to account for the proper maintenance of that asset?

Mr. Spring: There are plenty of operational standards, if you will, that exist. Part of the requirements of the capital plan is that when we have a project coming up, the user department is supposed to submit a five-year or ten-year operating plan. So you'll have the capital piece and then you'll have this multiyear budget that shows some of the operational needs. Clearly, we're not going to allow for maintenance to suffer again. We're not going to go back through this cycle that we just found ourselves getting out of. However, we do have to balance all of our budgetary constraints. A lot of the maintenance is on-call. We have been in the mode of trying to develop a routine maintenance program in GSA, but we're going from zero to a hundred in a matter of a few years.

- Stephanie Grindell, Director of Public Works to discuss maintenance & operations

THIS ITEM WAS DEFERRED TO THE NEXT BOARD MEETING.

- Defense and Security Equipment Acquisition

<p>NAME OF PROJECT: Defense and Security Equipment Acquisition TOTAL DOLLAR AMOUNT: \$899,000 SOURCE OF FUNDS: HDNI - Fire Rescue HD Preparedness Initiatives DESCRIPTION OF PROJECT: Purchase of needed equipment to augment the resources available for the Dive Teams and new props associated with recruit firefighter training in order to maintain status of a State Certified Fire Training Facility (see attached equipment details).</p>
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HD/NIB MOTION 08-21

A MOTION TO FUND THE DEFENSE AND SECURITY EQUIPMENT ACQUISITION.

MOVED: R. Aedo
SECONDED: C. Matos
ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

- Additional Services for Antonio Maceo New Community Building

NAME OF PROJECT: [Additional Services for Antonio Maceo New Community Building](#)
TOTAL DOLLAR AMOUNT: **\$118,833** (\$90,124 is Homeland Defense and \$28,709 is Impact Fees)
SOURCE OF FUNDS: HDNI/Neighborhood Park Improvements and Impact Fees (Flagami Residential Park Renovations)
DESCRIPTION OF PROJECT: This project consists of additional work to the following work items: site work, irrigation, storm drainage, site utilities, sidewalks and pavers, casework, hardware to include ADA access, metal support assemblies, gypsum board, and ceramic tile, acoustical ceilings, special coatings, hurricane protection, office furniture, plumbing HVAC and electrical.

HD/NIB MOTION 08-22

A MOTION TO FUND THE ADDITIONAL SERVICES FOR ANTONIO MACEO NEW COMMUNITY BUILDING.

MOVED: K. Apfel
 SECONDED: L. Cabrera
 ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

III. OLD BUSINESS:

- Additional Funding for Miamarina Emergency Repairs Pier No. 5

NAME OF PROJECT: [Additional Funding for MiaMarina Emergency Repairs Pier # 5](#)
TOTAL DOLLAR AMOUNT: **\$1,675,735** (\$97,530 is Homeland Defense, \$453,205 is Homeland Defense Series 1 Interest, \$125,000 is Sunshine State Financing Commission and **\$1,000,000** Homeland Defense was previously approved)
SOURCE OF FUNDS: Citywide Waterfront Improvements and Sunshine State Financing Commission
DESCRIPTION OF PROJECT: This project consists of the remediation of failing concrete structure underneath the commercial dockage area of Pier No. 5. Demolition of approximately 330 L.F. of existing wood decking associated utilities and timber mooring pilings. Construction of approximately 330 L.F. of concrete decking with fiberglass grating, electrical systems, CATV, telephone, and water service for approximately 15 boat slips.

HD/NIB MOTION 08-23

A MOTION TO FUND THE ADDITIONAL FUNDING FOR MIAMARINA EMERGENCY REPAIRS PIER NO. 5.

MOVED: L. Cabrera
 SECONDED: K. Apfel
 ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

- Additional Funding for Dinner Key Dredging

NAME OF PROJECT: [Additional Funding for Dinner Key Dredging](#)
TOTAL DOLLAR AMOUNT: **\$2,300,000** (\$1,631,900 is Homeland Defense; \$278,000 was previously approved) and \$390,000 is FIND Waterways Assistance Program Funds.
SOURCE OF FUNDS: Citywide Waterfront Improvements and FIND Waterways Assistance Program Funds
DESCRIPTION OF PROJECT: This project consists of the engineering and implementation of dredging approximately 10,000 C.Y. for the main approach channel at the north end of the Marina. Also, the project includes the mitigation plan to place approximately 1,100 C.Y. of riprap as part of the DERM requirement.

HD/NIB MOTION 08-24

A MOTION TO FUND THE ADDITIONAL FUNDING FOR DINNER KEY DREDGING.

MOVED: R. Aedo
 SECONDED: L. Cabrera
 ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

- Fire Station No. 13

NAME OF PROJECT: [Fire Station # 13](#)
TOTAL DOLLAR AMOUNT: **\$5,325,750** (\$5,077,992 is Homeland Defense and \$247,758 is Impact Fees)
SOURCE OF FUNDS: Neighborhood Fire Stations and Impact Fees
DESCRIPTION OF PROJECT: This project consists of the design and construction of a new fire station facility of approximately 11,800 S.F. The building will be located at 990 NE 79th Street, and it will be one story and two bay apparatus fire rescue facilities. The facility shall include all typical fire station amenities for fire rescue personnel. The project shall include site development such as parking spaces as per Zoning requirements, landscaping, water main improvements, and street signalization.

HD/NIB MOTION 08-25

A MOTION TO FUND THE FIRE STATION #13 PROJECT.

MOVED: K. Apfel
 SECONDED: L. Cabrera
 ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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

IV. UPDATES:

1. Marine Stadium Marina Improvements

Eileen Broton reported that the project is an in-house design of piles for steel racks to hold boats. These are storage racks and will increase up to 87 vessels. This is a revenue producer for the City.

2. Marine Stadium Marina Above – Ground Fuel Tank/Dispenser Installation

Eileen Broton reported that the project is fully completed and it came in under budget.

3. Blanche Park Fence

Ed Blanco, Parks & Recreation, reported that the project scope consisted of the replacement of a three-foot-high fence with a four-foot-high fence in the dog park area of Blanche Park. The project has been completed and it came in under budget.

4. Armbrister Park - New Concrete Terrace

Ed Blanco, Parks & Recreation, reported that the project scope consisted of the replacement of an old basketball court with a concrete terrace with benches and tables for the children. The project has been completed.

5. Armbrister Park - Awning for Recreation Building

Ed Blanco, Parks & Recreation, reported that project scope consisted of an awning to cover the exposed restroom building. The project has been completed.

6. Merrie Christmas Park - Walkways/ADA Compliance Ramps

Ed Blanco, Parks & Recreation, reported that the project had to be postponed until plans have been designed that can be given to the contractor. The project is on hold but it will be done some time next year.

7. Grove Heritage – Brick Pavers Installation

Ed Blanco, Parks & Recreation, reported that the project consisted of some lighting and brick pavers at the request of the District 2 Commissioner's office. The project has been completed.

8. Morningside Park - New Asphalt Overlay for Roads and Parking

Ed Blanco, Parks & Recreation, reported that the project scope consisted of applying new asphalt to the roads at Morningside Park. The project has been completed.

9. Morningside Park – Asphalt Parking Area for Boat Trailers

Ed Blanco, Parks & Recreation, reported that the project scope consisted of applying asphalt to the parking area for boat trailers at Morningside Park. The project has been completed.

10. Athalie Range #1 Mini Park Redevelopment

Ed Blanco, Parks & Recreation, reported that the project has been terminated because it is no longer a feasible project. The park is not really a City of Miami Park; it's State property under I-395. There was \$300,000 from the County to do this project, which was matched by \$300,000 from the BOB. The issue was the County required a lease from the State, and in the lease there was language that said that if \$600,000 worth of improvements are made in that park, the improvements must remain there for 25 years. The State refused to have that language in their lease, so that basically terminated the project. The money has been recaptured and will be used for other projects.

11. Coral Gate Park Building Improvements

Ed Blanco, Parks & Recreation, reported that the project will have to be put on hold. The project scope includes an addition to the building and the renovation of the restrooms. These improvements change the parking requirements for the park. The Department is rethinking what will be done with this particular project.

Ola O. Aluko, CIP Director, stated that the intent is to put a brand-new facility in the park, and the designers have worked out a parking scheme so that the parking does not encroach into the baseball or football fields.

12. Athalie Range Mini Stadium Complex

Ed Blanco, Parks & Recreation, reported that the project design has been completed. The project will be put on hold until more funds are available to fund the project to bid it out and get it under construction.

13. Douglas Park Recreation Building Renovations Design Services

Ed Blanco, Parks & Recreation, reported that there has to be a brand-new building at Douglas Park and there are no parking issues at the park. There is a detached restroom building that is not ADA compliant, so the building has to be demolished and reconstructed. The project is on hold for now.

14. Juan Pablo Duarte Building Renovations/Expansion

Ed Blanco, Parks & Recreation, reported that the project does not have the funding available to be completed so it is being put on hold for the future series bond issuance.

15. Lummus Park Recreation Addition & Renovation

Ed Blanco, Parks & Recreation, reported that the park will probably be under construction within the next couple of months. The design has been completed and the construction documents are completed. The project is funded and it will be awarded to a contractor soon.

V. CHAIRPERSON'S OPEN AGENDA:

VI. ADDITIONAL ITEMS:

HD/NIB MOTION 08-26

A MOTION TO ADJOURN TODAY'S MEETING.

MOVED: R. Aedo
SECONDED: H. Arza
ABSENT: M. Cruz, R. Lambert, G. Reshefsky, J. Reyes, J. Solares, H. Willis

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