

HOMELAND DEFENSE/  
NEIGHBORHOOD IMPROVEMENT  
BOND OVERSIGHT BOARD  
MINUTES

2-27-07 – 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 6:19 p.m., with the following members found to be

**Present:** Rolando Aedo (entered at 6:22 p.m.)  
Eileen Broton  
Luis Cabrera  
Ramon De La Cabada  
Robert A. Flanders (Chairman)  
Gary Reshefsky  
Jose Solares

**Absent:** Mariano Cruz  
Luis De Rosa  
Walter Harvey  
David Kubiliun  
Laurinus Pierre  
Jami Reyes  
Manolo Reyes (Vice Chairman)  
Hattie Willis

**ALSO PRESENT:** Mary Conway, Chief of Operations  
Rafael O. Diaz, Deputy City Attorney  
Gary Fabrikant, CIP Department  
Danette Perez, CIP Department  
Zimri Prendes, CIP Department  
Teri E. Thomas, City Clerk's Office

- I. **APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 23, 2007.**
  
- II. **HOMELAND DEFENSE / NEIGHBORHOOD IMPROVEMENT SERIES I & SERIES II FUNDING PRESENTATION.**

Chairman Flanders: There have been some questions, particularly, with the newer board members, about how the Bond Oversight Board works. We've been in existence for four years. We were created to return integrity to the City and -- or -- I'm sorry, integrity to the process and trust to the City. We are about to go out and get the second tranche, that is, to say the hundred million of the \$255 million that was passed five years ago, and the concerns that were evidenced in the last Bond Oversight Board meeting will be addressed here tonight, and I think that you'll be very pleased with the focus coming from City staff, and as we mature as a board, it appears that we're asking the right questions. Mary.

Mary Conway: Based on some of the feedback at the previous meetings, we just put together an overall summary presentation that we'd like to review. We wanted to just briefly give the Board an update regarding the current expenditures to date as far as the bond proceeds in the first series, \$155 million, that the Chairman just mentioned, the total commitments of those dollars to date, to discuss a little bit some of the reasons for the funding shortfalls on various projects that have been brought before the Board, to talk about how we plan to address the shortfalls regarding reallocations of the second series of the Homeland Defense Bond proceeds, and then talk about some of the next steps and the action plan from the standpoint of what our timetable is right now in meeting with bond rating agencies and being prepared to go to market to sell the bonds for the remaining \$100 million. As of the data that we're able to pull from the automated system at the end of January, the City has spent just under \$120 million of the first series bond proceeds, and on average, over the last two and a half years, we have been spending the proceeds at about a \$3.5 million per month average consumption rate. As far as the total commitments of the dollars, of the \$155 million plus some interest proceeds that had accrued, the vast majority, over 90 percent of those dollars have been committed, meaning that we have them actually on an active purchase order, on an active contract with a vendor, so we've completed the design plans for projects, and we have them under contract with a construction contractor, and for the remaining, roughly, \$14 million balance, we, within the next probably 30 to 60 days, will have the remainder of those dollars under contract, and the only reason that they are not already under contract is due to some of the funding gaps that we will address with what we're proposing with the reallocations. Let's talk about the funding shortfalls briefly, and this is a subject that we've discussed previously with the Board. At the beginning -- and we put up here inadequate or insufficient project scopes. At the beginning, there were concepts for projects, but they were not necessarily when a dollar amount was linked to them, and I'll use the police college or the police training facility as one example. In the original bond referendum, the police college was estimated at \$10 million. However, at that time, a site had not yet been identified for that facility, and once a site was identified, once an architect was under contract, once the City began work and efforts on that project and we got into a much more detailed scope development, we realized that \$10 million was going to be insufficient to be able to complete that project as conceived and to meet the basic needs that the Police Department had identified for the project. I can assure you that, again, using that project as an example, from where we started once we had an architect under contract and we were actually developing a detailed scope,

where we started was actually if we could design a facility that would meet all needs, what would that be, and that was a much larger facility than what's proposed right now. That was -- a scope was developed; a cost was developed associated with it, and then we realized that that was far beyond the available budget and we needed to start scaling back to what the minimum requirements would be. We've also, as different projects developed, get requests either through the community or through our elected officials to modify the scopes of some of the projects. Something that may have been envisioned or conceived four or five years ago, the needs in the community or the desires for a certain park facility or a project may have changed or evolved over time, and we get requests to go back and revisit the scopes. We do that and there are cost elements that are associated, so some of the funding shortfalls and the funding gaps are attributable to scope changes, and in addition to not necessarily having the most developed scopes at the beginning five years ago when the bond was conceived, when you don't have as accurate and detailed a scope, you obviously don't have an accompanying cost estimate that is as accurate or detailed either, so that is a contributing factor. One thing that has been a very, very significant contributing factor has been the significant market escalation that we've seen in the South Florida and the Miami marketplace over the last several years, and that's based on the fact that we have such a significant amount of construction underway simultaneously that we're all competing for the same resources, and it's a situation of supply and demand, and we are seeing competition for materials; steel, concrete, other basic materials, competition for the same labor pool, and that is something that has affected the cost that the City's paying, just as it's affected the cost that the County is paying, that the State is paying. You may or may not recall that when we discussed this last year at one of the meetings -- and it's something that I had also shared with the City Commission when we presented the capital plan to them a year ago -- which was, for the first time in history, that the State, at the Department of Transportation, was not able to preserve their five-year plan. It wasn't just that they weren't able to add new projects when they looked at developing their new capital plan, but they had to shift projects that the previous year were part of a funded five-year plan out because the bids that were received when they went to the marketplace for projects were so much more significantly higher than what was originally envisioned, so that has had a significant impact also. We have also seen unforeseen conditions with some of the projects. In some instances -- Grapeland Park, as an example, once we began doing the geotechnical investigation and the soil testing for the project and coordinating with DERM, we realized that we had soil contamination. We had ash material, and at the end of the day, to remove that material from the site and be able to move forward and develop the project added approximately \$9 million to that project. We have other projects -- Roberto Clemente Park is another example, whereas we've moved forward and gone out and done some destructive testing of the building itself, we've realized that we have such extensive termite and roof damage that the structure's beyond repair and not salvageable, and we're in a situation where we've had to stop a project. We will have to regroup. We're now in the process of going through a solicitation to hire an architect because, on that particular project, we will end up having to demolish the existing structure and build a new community center in that park building, so there have been some things that have not been anticipated that have come up. In other instances, somewhat limited, affecting fire stations, and primarily, the Little Haiti Park project, where we've had to deal with land acquisition. Originally in the bond, the Little Haiti Park project was identified with a cost estimate of \$25 million. The project was conceived out of a master plan study that was envisioning a recreational component for the park and a cultural component for the park. Once we began doing the land assemblage, we were able to successfully negotiate sales with a lot of the property owners; with several of the

other property owners, we had to go to eminent domain proceedings. The cost that's involved with the willing seller versus going through a taking is significantly different, and that has affected costs, so there have been a variety of very valid reasons that we have seen cost fluctuation on projects. On some of the smaller park projects, where we've been modifying an existing park building or providing a small new building, what we've been able to do is when we have gotten final plans in place, we have a project permitted and we've gotten in the actual bid information, if we exceeded the budget to an extent, we've been able to go through a value engineering exercise and modify elements of the project without having a significant time impact, without having significant redesign and additional permitting costs. We've been able to make value engineering changes and bring projects back within budget, but in other instances, we have not been able to do that, so we are now in a situation where we're going through an internal evaluation and looking at those projects that are still very valid. They're projects that we want to advance, but now we're going through the exercise of looking at how we can reallocate proceeds from the second series of the bond to be able to cover those funding gaps and advance and complete the projects.

Rolando Aedo: Mary, is it OK if we jump in and ask --

Ms. Conway: Of course.

Mr. Aedo: -- a few questions along the way?

Chairman Flanders: Do you mind or do you --

Ms. Conway: Not at all.

Chairman Flanders: -- would you like us to wait? And actually, I was --

Ms. Conway: Not at all.

Chairman Flanders: -- going to -- I made a mistake. I was going to ask Gary to give the preface to this since he drove the Audit Subcommittee today, he and Eileen and Laurinus, but Laurinus isn't here. Gary, do you have anything to -- before we actually get into the meat of the subject?

Gary Reshefsky: Just really brief, the last Audit Committee meeting we had, we really had quite a long gripe sessions, a venting session, concerns. What we tried to do today was figure out how to prioritize everything that we talked about at that meeting so we could take some steps to get to some solutions to our concerns, so I think that's where this summary from tonight came from. It's really a start, and I've got some questions for Mary, as well, like Rolando does, but I'll wait.

Chairman Flanders: OK. Well, certainly, it was a very constructive meeting earlier today, in which, actually, I -- Pepe, was it your first Audit Subcommittee meeting?

Jose Solares: Second.

Chairman Flanders: Your second, OK. All right, Mary. If, you know, you're going to entertain from the floor and, you know -- just go.

Mr. Aedo: Mary -- and I, unfortunately, couldn't make the Audit Subcommittee meeting, so perhaps, some of this was addressed there. In terms of the reasons for the funding shortfall, if you look at it as an aggregate amount and whatever that amount is, and if you would look at the six bullet points, what values would you assign, roughly, on a percentage basis in terms of the reason for the shortfall. I know you mentioned significant local market cost escalation. Would that, in your professional opinion, represent 30 percent, 40 percent of the overall shortfall? Without being overly specific, I think it's going to help us, and perhaps, the viewing audience, to get a better handle in terms of what the -- you know, what drove these shortfalls.

Ms. Conway: Sure. Without trying to tag a percentage to them, I would say that the two largest contributing factors -- the most significant and the largest contributing factor would be that we didn't have as precise of scopes and accompanying cost estimates five years ago, when projects were originally envisioned, and I don't think that that's a failure. I think that scopes and cost estimates that are developed at a planning stage when we have yet to have public involvement, we've yet to solicit detailed input from elected officials, from the residents of the community to be able to come up with a detailed understanding of what we're trying to accomplish or develop, whether it's in a street project, or in a park project, or for a facility, that has been a significant contributing factor. The other equally significant contributing factor has been the market escalation. Now some of the other things, from the standpoint of unforeseen conditions or dealing with escalation of land values or contamination, those types of things, I would say that all of those, probably an aggregate, are maybe 20, 25 percent of the total rationale or reasoning behind the shortfalls and the funding gaps. The bulk of it really is attributable to initial scoping and cost estimating, which is not unusual, and the other really is the fact that we've seen such significant market escalation over the last several years.

Mr. Aedo: Mary, the follow-up to that -- because I can -- I think most people, including myself, can relate to the significant local market costs escalation, but the scoping issue - - and again, I don't want to dominate this conversation, but it seems that, in many cases, we were so far off, and the impression was that the scope being or concept in process was done fairly haphazardly or maybe -- you know, and perhaps, in a vacuum, that they were nowhere near realistic, and notwithstanding the fact of the local market cost escalation, notwithstanding the fact that there hadn't been a public process, but the impression at times was that these were not even close, and it -- again, the impression being that whatever these amounts were, whether it was the police training facility or Little Haiti Park, here we are approving -- or not approving a project, but asking the voters to vote on a critical project, and the allocation, arguably, didn't even cover land acquisition fees, so it seems that there was a big disconnect in some of the scopes, especially in these larger projects on what was allocated on the bond originally, and what, ultimately, these projects are going to cost us, and then to give you another item to respond to is, what percentage of the shortfall can be attributed to projects that were cancelled? So we made significant investment in projects and spent, in some cases, perhaps, a couple hundred thousand dollars, and perhaps, cumulatively, and then the project, for a variety of reasons, part of it community input or Commission direction or misdirection, and those projects were cancelled. This -- so this is money that we basically have lost in that process. Now it may not represent a big percentage of the \$150 million plus, but I think it's important for us to, you know -- what was that amount and what did it represent? Money that we will never recover, but notwithstanding, has a domino effect because it took money away from other projects and definitely contribute to the overall shortfall.

Ms. Conway: Certainly, and we'll put together a report in detail that we can bring back either next month or the following. That's the smallest amount. Of the top of my head -- and we talked about a few of these earlier at the Audit Subcommittee -- we had the fuel dock project. That's a project that has been tabled based on the Coconut Grove Waterfront Master Plan moving forward. Other than that project, we have had projects like the tennis facility at Bryan Park, where there were very differing positions on the size of the building, the number of courts. That project hasn't been scrapped. The monies for that project were stopped and the monies for that project were shifted to the second series to allow us to continue to try to get resolution within the community to downscale the size of the building, alter the number of courts that were proposed, so a lot of the projects where we had issues, they were tabled for -- and they were stopped from proceeding with second series proceeds because we weren't going to be able to get them accomplished and commit and spend the dollars, which is also a significant consideration for us regarding timelines and expectations associated with the bond spending that has implications regarding the City's bond rating, that has implications regarding our leveraging ability and our ability to get better interest rates as we move forward for the next series of the bond, so I mean, off the top of my head, the fuel dock is a project that has been stopped and is not a project that right now we're envisioning that we're going to continue with second series, but the other projects -- I mean, Robert King High is another project that comes to mind where we had discussions about whether we were going to try to colocate the Cuban Museum with the planned improvements and community center building and other amenities that the City had envisioned for that project. That -- those monies were shifted to the second series and that project was stopped or tabled to allow that issue to be resolved. It has now been resolved, and --

Mr. Aedo: One of the projects that comes to mind that -- if I recall -- and my numbers may be off, but it was close to \$100,000 that we had spent designing a daycare center in Shenandoah Park, and at one point, it was deemed a priority, and then at another point, it was deemed that it was not a priority or that we did not want to be in the daycare business. Now in the grand scheme of things, \$100,000 -- I think it was \$97,000, if I'm not mistaken --

Ms. Conway: It's a lot of money.

Mr. Aedo: -- is not a lot of money out of \$155 million bond issue, but it's \$100,000, so I would -- and again, it may have been discussed in detail at the Audit Subcommittee, and if so, I apologize, but I think it's important to clearly identify those projects, and that one being a clear example of where we wasted money, and that's just -- there really is no better way of saying that. In that particular case -- and the other ones, perhaps, haven't been scrapped altogether, but that was extremely painful for us as a committee, I feel, and perhaps, for a lot of staff, as well, but -- and again, I think there was a handful of others. It's not a lot, but those were especially glaring.

Ms. Conway: And we'll put --

Chairman Flanders: Mary, before you answer --

Ms. Conway: -- together a list.

Chairman Flanders: -- that, could I ask you a question? Because I think we all have, actually, in this room attended, it seems like hundreds of meetings for both Miami 21 as well as the Parks Master Plan, and when you add in the neighborhoods waking up and the community input, Commission input, Administration input, you know, and you add that to market cost escalation, land acquisition, so on, so forth, it obviously -- projects are going to be monitored and modified, and you're going to pull the plug. Is it the surprise, the disconnect between the -- in other words, as we approach the daycare project, which I wasn't aware of because I was not at the last meeting, but I mean, is there a mechanism that we can put into place which wouldn't offer so many surprises, but in fact, a little better information on the disposition of a particular project?

Ms. Conway: Let me answer that question going forward and looking forward because right now what we're going to talk about when we start discussing the next slide is going to be where we are right now, not projects that have been scrapped or there's been a conscious decision not to proceed, like the daycare and the fuel dock project, but other projects where we do have a gap and how we plan to address that, and that's really what we're talking about when we talk about this Homeland Defense Neighborhood Improvement Bond Program. What I would talk -- what I'd like to talk about is what my recommendation would be for the City as we move forward, which is, in the future, when we're contemplating another bond program, whether it's through a voter referendum or it's through leveraging existing City revenues -- and I'll talk about one of those in a moment -- what we should be doing is setting aside money upfront and not waiting for the first of the bond monies to flow into the City and having money set aside upfront so that we are developing detailed project scopes, detailed project cost estimates, soliciting more detailed input from elected officials, from the community. We have gone through an exercise like that in anticipation of one of the next street bonds, and that's something we're going to talk about in a few slides when we talk about next steps, but there are two bond issuances that the City is working on right now where we expect to go to market in the next few months; one is for the balance of this bonds proceeds, the remaining 100 million; the other is for half of street bonds, and with the streets bonds, we have very detailed information that identifies the projects, their scopes, their cost estimates, when those dollars would flow out on a month to month basis, so we have done a lot more detailed upfront preparation work so that on day one, when we receive those proceeds, we're prepared, and I think that's what we should be doing every time we're looking at going out for a bond, which is starting with what we did with this bond program, which is doing the brainstorming, coming up with ideas, coming up with what we would like to do if we were to go and request the voters to approve projects, and then once we solicit that input, then investing a little bit more time and money to take all of those projects to the next step, which would be beyond just a conceptual level, doing a little bit of the upfront work, doing some work checking DERM records, seeing if we are aware of any soil issues or environmental issues, developing more detailed scopes of work, developing more detailed cost estimates, not that we won't still see fluctuations and variations two, three, four, or five years down the line with any bond program, but I don't think that we would see, by any stretch, the magnitude that we've seen with this.

Chairman Flanders: So that the funding of the project would closer match the community's expectations; that there wouldn't be a significant change as the project came close to construction.

Ms. Conway: And we would also have a better assessment of what the actual site conditions --

Chairman Flanders: Right.

Ms. Conway: -- were so that we wouldn't have unforeseen elements in that respect either.

Mr. Reshefsky: Quick question. One of my concerns is the gap between the first series and the second series bonds and are projects currently at risk due to what I would call a long gap of projects that were designed and spent money for design in the first series and now are sitting waiting for construction money in the second series. Are we, right now, at risk with scrapping more projects because of that gap?

Ms. Conway: Not projects that we already made investments on and we've already begun, and not projects that we've identified as high-priority projects, like the police training facility, the fire stations, that deal with public safety concerns, citywide waterfront and projects that are linked directly not only to services, but to revenue generation for the City. In that context, no. What we're recommending is that projects that were initially part of the list five years ago, but that we have not started, in any way or shape, we haven't started design, we haven't started any efforts, that there are projects that were desired or contemplated that we will not be able to do because the \$255 million will have been exhausted to complete the projects that we've already started.

Mr. Reshefsky: I think that's reasonable. You know, it makes sense to me. I just don't know what the policy of the City is -- where the dialogue comes when you decide that the stuff that was on the piece of paper that we gave to the voters five years ago will not be built because other projects got bigger, and I just -- I don't need to understand right now, but how did we decide that Grapeland Park needed nine million extra dollars and we needed to take that money from the Homeland Defense and not from somewhere else? Because I don't remember anybody coming here and saying -- and maybe I just wasn't here. I don't remember, but I don't remember someone saying, OK, we're short \$9 million. Now we're going to take the \$9 million and defund another project that the voters and put it in Grapeland Park. Or, is it coming from one of your other, you know, ten, fifteen other funding sources that the City has access to? Is that where the \$9 million extra money came from?

Ms. Conway: We have not yet advanced any project with a contract or with a purchase order that didn't have funding, so for instance, when Little Haiti Park project, when Grapeland Park, to a much lesser extent, Jose Marti Park, when those projects had issues of expanding scopes, unforeseen conditions, whether it's land acquisition costs, contamination, we did not use any of the Homeland Defense or very limited Homeland Defense proceeds to close that gap. For those projects, we were able to use other revenue sources, impact fees, to a certain extent, but primarily, our share of the County general obligation bond monies, so the decision-making process is actually what we'll be bringing before you at the next meeting, and then what we'll be bringing before the City Commission on March 22 when we present the capital plan. That's when we'll be presenting our list and our recommendations regarding what projects we're recommending be funded based on the investment that's already been made and the commitment that's already been made to complete them, and then, also, for instance, there are several fire station projects where we have not yet begun engineering plans or drawings, so we haven't spent any monies, but we, as part of our recommendations, are recommending that those projects be funded in full, and that we use the second series,

that we use what was committed in the first series in the bond, and that we reallocate monies that were envisioned in the second series to fully fund those fire station projects and to fully fund the police training facility and to fully fund citywide waterfront projects that we have not necessarily yet started but we know are significant priorities to the City for a variety of reasons, so there has not yet been a project that's been brought before you or where we've brought it before the Commission or we've committed dollars that has not come before this group. That's why there's some of the projects -- and I think that's where some of the miscommunication or the -- the miscommunication on our part or the misunderstanding on the Board's part has come into play with some of the concepts of, well, project's been scrapped. That's not the case. Some of the projects that were brought before you last month and in the prior month is when the project manager standing before you, they know that with the monies that are available right now, it's not a fully funded project. That's why a group of us are going through the analysis and making recommendations about how we can reallocate monies so that we can close those gaps and those projects can proceed, so what we expect to be doing is coming before you next month presenting what we recommend with the reallocations, then subsequently, presenting that plan to the Commission, and then the following month, we'll be coming back to the Bond Oversight Board, assuming those reallocations have been approved, and we'll be requesting that those projects move forward because they will then have become fully funded projects.

Chairman Flanders: Ramon.

Ramon de la Cabada: Yeah, and your explanation, I mean, up to this point, sounds very reasonable to me, particularly, as to bigger projects because there's just too many things to take into consideration, and it's hard -- I do have a question on how we get that first initial number, but it sounds to me like maybe that was -- wasn't well thought-out. When we come up with an initial number, that then it's going to be way off, but the concern that I have and how it falls into the explanation you've given us to this point is, there were five projects, in particular, where we spent -- I don't recall the projects, but we were talking about how we spent \$78,000 to design or to evaluate a project only to find out that we couldn't afford to do the project, and again, I don't know if this falls within the scrapped --

Mr. Reshefsky: No. We talked about that at the Audit Committee. Mary was actually going to give us a presentation on all the projects that we talked about in the last two meetings tonight.

Mr. de la Cabada: OK, so then if --

Ms. Conway: Right, and I'm not prepared to do that --

Mr. de la Cabada: OK.

Ms. Conway: -- today, but what I -- that's -- that'll be part of the discussion at the next meeting. My expectation -- and I had also forgotten about the daycare center, but the daycare center, the fuel dock, those are projects where the City committed dollars, took the project up to a certain point, spent those dollars, and then something changed and we said no, we're going to stop that project, and that investment is lost. The vast majority of the projects that have been brought before you are projects where we have a gap and the reallocation will close the gap, so we'll be making that presentation to the Board at the next meeting, and then I'll also have a list of the handful of projects that for -

- and with whatever the reason is, that are not moving forward and why, but when you see that, it's less than you can count on one hand. It's very few projects. Most of the projects are projects that, for the reasons described, we have a gap and we need to address reallocation of remaining bond proceeds to be able to complete those projects and then see what we have remaining to continue to advance new projects that we have not yet started, not new projects that weren't on the list because they're all projects that were originally envisioned to be implemented as part of the bond program, but ones that we may not necessarily have started yet.

Chairman Flanders: Pepe.

Jose Solares: A couple of minutes ago, you said you were going to recommend some projects to continue on the expenditure. You said there's an investment -- the City already made some investments on it, and you are recommend to continue on. Who's telling me that you're not going to find unforeseen conditions? Has anybody really gone over and see, really analyze the project, or you're just going to go ahead and say we want to continue with this project because we have spent "X" amount of dollars and we want to go ahead and continue on? Is this just a black hole we're going to --

Ms. Conway: No.

Chairman Flanders: Pepe, can I ask you to speak a little closer to the mike? Thank you very much.

Mr. Solares: OK.

Ms. Conway: The question really was is this going to continue as we move forward, and the answer there, for the most part, is no because the projects that were coming back before you are projects that we have final plans, we have the projects permitted, but when we've gotten the prices for the projects, the money that we have budgeted right now is not sufficient to complete them, so these are not projects where we're at a concept stage. These are projects where we have actual detailed engineered plans, signed and sealed plans, permitted through the Building Department, the other regulatory agencies; we've had them priced with contractors, and we have a gap. Those are ones that we're ready to begin construction if not for addressing the gap.

Mr. Solares: What I'm saying, they're not going to find no soil conditions in there? They're not going to find something unforeseen? This bid that's coming back from the contractor, it's not going to have additions in it and you're going to come back and say later on, we need another million, \$2 million, \$3 million? There's any kind of --

Ms. Conway: No.

Mr. Solares: -- control?

Ms. Conway: I mean, you know, there's always unforeseen, but are we envisioning the magnitude? Absolutely not. The projects that we have done now where we have engineered drawings, we've done soil testing associated with them. We have site surveys. That's all part of the plans packages that have been developed, that have gone through the permitting department, that have gone through the regulatory agencies, so those are projects that are ready to go. Now when we get out -- and let's suppose we're

doing a renovation on a building. When we get out on site and we pull down a wall, if we see something behind it that doesn't comply with the electrical code and we have to make a modification, could that happen? Yes. However, every one of the projects that we bring before the Board, we include a nominal contingency amount in anticipation of those types of occurrences. We don't expect in any significant way to have to come back to the Board beyond that.

Chairman Flanders: You know, I think a little historical perspective is well in order, particularly, for the new members on the Board. When this bond project was pulled together, it was pulled together in a very short amount of time. The City had actually only had \$10.5 million in capital improvements for about 15 or 20 years prior to this three hundred and -- or \$255 million being passed five years ago. I don't know if it was Commissioner Winton or who discovered that the City's bonding ability had grown during the years that the City didn't float any bonds. I do remember, however, that the City Manager was Carlos Gimenez; the Parks director was Mr. Ruder, and that they hit the ground running in terms of cobbling together what was actually sold to the voters. I do not think -- I mean, obviously, we pointed out that the process was somewhat flawed, and we've been building on that foundation ever since. I do not see -- I think we are moving on now, and I don't see this happening in the future, and I think that it's been a wonderful thing, quite frankly, an opportunity that the Board has pointed out that, obviously, we need to review the process and we're simply not going to go there in the future. Pepe, in answer to your question, Commissioner Winton said half a loaf is better than none. We could have actually gotten twice as much money, but we didn't have any time. The City did not have any time to pull together and to do the environmental examination, the structural examination, nor, really, other than to go to the various parts of the City and tell the citizens, hey, we're trying to improve your parks. We're trying to do this. There was not a lot of time for the community's input. Now I don't think that's going to happen in the future.

Mr. Solares: Yeah, but I was looking at the reasons for funding shortfalls. A little while ago, you mentioned about having the money upfront so we can make a better study to make a better decision. I don't think the significant local market cost escalation, throwing money in there is not making a difference.

Ms. Conway: No. You can't control that.

Mr. Solares: So that's -- all I'm saying, it seems that you went ahead and identified six bullets here. I don't think money's going to take care of the six of them. Significant local market cost escalation. You could actually go ahead and, you know, advertise somewhere out of Florida, out of the state, or maybe get some contractors here, so what I'm saying, by throwing money in there, it's not going to go ahead and say, well, that's going to take care of this.

Ms. Conway: No, but I think --

Mr. Solares: But it's money upfront because there is money here.

Ms. Conway: -- that what we do have the benefit and knowledge of right now is that I don't think anyone, four or five years ago, could have foreseen and anticipated the construction market that we find ourselves in right now and the development and the building boom market that we find ourselves in right now. Now, hopefully, what we're

going to see trending over the coming three, four, five, six years, is certainly stabilization, and we've already started to see that, and possibly, a little bit of correction in the market itself, so when we look at estimates right now, we're basing our estimates on what are the current market conditions right now. I don't think any of us expect to see the type of spike from five years ago to last year or this year that we saw to occur from this year going forward. I think, if anything, we see leveling and a destabilization. I don't think we're ever going to see ourselves necessarily go back to the price points and the market that we had four and five years ago, but I don't expect us to continue to see the significant spikes year to year that we have seen in the last one, two years.

Mr. Solares: I'm not going to guess on that one, but there are very good reports out there that actually goes ahead and take a look at the whole country, and you can go ahead and make some kind of decisions out of there.

Chairman Flanders: Pepe, you really need to speak into the mike --

Mr. Solares: Oh, OK.

Chairman Flanders: -- because the rest --

Mr. Solares: I'm sorry.

Chairman Flanders: -- of us can't really hear you that well.

Mr. Solares: OK. There is different reports out on the market that you can actually go ahead and make decisions out of that --

Ms. Conway: Yes.

Mr. Solares: -- but what I'm saying, you know -- what you mentioned up here, the money, I said there is different things not only throwing money upfront on it that can go ahead and help us or throwing less money in. Bottom line, it seems to me we should actually go ahead and try to save as much as we can to do as many projects as we can, and not just go ahead and say, from the first group of project, you can pass them to the second one, then we run out of money on the second one, and they're not going to get built. That's all I'm saying.

Ms. Conway: And I don't disagree with that, but where we are right now is -- we're past that point with this bond program. We had decisions that were made. We have projects that have defined scopes, that have designed plans, that are permitted, that are ready to go out the door, and what we're trying to do is get those finished, and then, as we look forward, we'll definitely be more prepared than we were when we assembled this bond program, but I think the Chairman had some very valid points, and I think the City was successful in the conception of this bond and in advancing it, but as we move forward, there certainly have been lessons learned. If I might, I would like to go through the last few slides.

Luis Cabrera: No. Let -- go ahead. I'll be -- I'll wait.

Ms. Conway: On the next slide, we've already talked about reallocations. Basically, we're looking -- and this is not -- this is a first pass. This isn't detailed, and we're

working through the details over the course of the next week or so, but we are estimating -- and when we say shortfalls, we mean based on all of the projects that have started, whether it's the police training facility, the fire stations, park projects that are designed, completed, ready to go, we've gotten them priced and we have a gap, that we may have up to \$78 million that needs to be addressed. As far as the prioritization, the Homeland Defense and the public safety projects, the police training facility, the fire stations are projected that we're committed to fully fund. We're also looking at priority projects, whether that's citywide waterfront, tied to revenue generation, or other priority projects, and then, of course, what we've already discussed, which is any projects where we have already completed design and development that we want to see all of those projects fully completed, and we'll be able to talk about this project specifics in much more detail at the next Audit Subcommittee and the following Bond Oversight Board meeting because we will hand you the spreadsheet and the report and the package that'll include all of the recommendations from the Administration. As far as action plan and next steps, we will be finalizing the recommended reallocations, bringing them before the Board, and then bringing them before the City Commission at the March 22 meeting. By our financial integrity ordinance, we're required to have the capital plan approved by March following the approval in the -- earlier in the budget year of the operating budget for the City, so to satisfy that requirement, we will be on the March 22 agenda. We have already had meetings and are continuing to have discussions with the City's financial advisor, and basically, the purpose of that is to develop the details and the logistics of the future bond issuance, and the future bond issuance is the remaining \$100 million of this -- from this bond program, and then we are also looking at another bond not tied to voter referendum, but utilizing existing City revenues to advance some of our street infrastructure, flood mitigation, drainage projects. Right now, the time frame for that, we have established a rough schedule and a time frame as far as the next steps when we will have the bond rating agencies in town, when the City will be meeting with the bond rating agencies, getting the latest bond ratings right before we go to market, and our current timetable is that we are looking at late May/early June to have gone to market and to have closed the sales of the new bond proceeds. That's really the overview presentation, and I know there was a question at the end, Luis.

Chairman Flanders: I think an item that was brought up during the Audit Subcommittee meeting had to do with operation and maintenance --

Ms. Conway: Yes.

Chairman Flanders: -- and I see that in this you have a new project analysis form and have -- that's been added as a field?

Ms. Conway: It has not yet been added as a field to this form, but it will be added --

Chairman Flanders: Right.

Ms. Conway: -- and then we will be prepared to go through the form in detail and walk all of the board members, including the new board members, through exactly how we come up with the estimates and how we prepare the cost estimates, but based on what we had discussed earlier at the Audit Subcommittee, we will be amending the form. We just didn't have the time from 1 o'clock --

Chairman Flanders: Right.

Ms. Conway: -- to this evening, but we will be amending the form so that it is on this form, but what we do annually, in conjunction with the update of the capital plan, and you'll see this -- and we'll bring, to next month's meeting, a copy of last year's capital plan so that you'll see the tab and the section in that document that summarizes all of the projected operating and maintenance costs associated with the capital projects.

Chairman Flanders: This is a major step forward for this Board, and it's actually, since the Board's inception over four years ago, we have been asking what's the fiscal impact to the City's budget, so that means that before we consider advising the City Commission on a particular project, we will have more than a rough idea of what is the impact to the bottom line of the City budget once the project is finished, and I just -- you know, obviously, that's a huge improvement over where we've been.

Mr. Cabrera: Done?

Chairman Flanders: Yeah. Luis, did you have some questions?

Mr. Cabrera: Yes, I did. I have the floor?

Chairman Flanders: Yeah.

Mr. Cabrera: Thank you very much. I had a couple of concerns, and it was brought up in the last Audit Committee. I, respectfully, don't agree with, you know, some of the previous discussion that we got into the reasons for funding shortfalls. I think the Board was very, very concerned with, you know, the planning and the managing of the projects and the way they were laid out from the beginning and the way they continue to be laid out. In your presentation, you discussed -- you got into the police training facility; that when the project was first estimated, it was estimated at \$10 million. We were aware of that. I don't see where -- how, you know, this Board or the citizens of Miami can be blamed for something like this because this is something that should have been better estimated, and I know this was before your Administration and prior to the CIP board coming on, but it's a concern, especially when we discussed in these meeting numerous times that the former -- the current police facility, back about 20 to 30 years ago, was -- the -- cost over \$20 million to build, and you know, this training center, we were looking at a budget of \$10 million, and we -- obviously, 30 years down the line, construction costs have risen, other costs have gone up, and you know, it wasn't reasonable. Ten million dollars is not reasonable to build a training facility, and that was discussed over and over and over and over and over again in these board meetings, including to the effect of where is the money going to come from. Numerous times the different projects -- different recommendations were brought up; the projects were changed from a -- from, you know, training the citizens on homeland defense with the feds to know, you know, working with the kids, and I mean, I think that everybody on the Board agrees, including that -- I mean, that's a much needed project. It's a project that was -- the main focus -- police and fire were the main focus of selling these bonds to the citizens, the homeland defense bond, and we're here four years down the line, and I know we're still -- we're starting to move forward with that. I know the Chief has said that they're ready to break ground and everything's ready to move forward, and I'm actually really, really happy because this is going to be a positive thing for the entire community, but the fact that the pricing -- you know, the estimation on the pricing was off, I mean, it's not something that appeases any of us because I think we should be better pricing these issues when we

bring them in front of these -- the bond and to the citizens and so forward. The other issue is, you know, you were saying that, for example, unforeseen expectations of pricing that when we priced these items out, that then they come out at a higher cost because materials have gone up, and we've discussed this over and over and over on the Board that the cost of material, concrete, metal, I mean, five years ago, hasn't changed, or four years ago, when this Board was here. I mean, we all knew it; we discussed it. Land was extremely high; we discussed that. We knew we were going to be paying more, including with this police training center. We asked where -- you know, where's the shortfall. I think I brought that up. I think you said that it would come -- whatever wasn't met through grants and funds and so on would be met through the general budget, and that was discussed. Back to the material cost, I just -- I -- you know, as planners and managers, I just can't accept an explanation that, you know, we -- it happens, it's unforeseen. How can we say that's unforeseen? I really -- that's something that doesn't set right. Clemente Park, with the -- you know, going in there and then after you -- we tear the building down and really look, we find out that there's termite damage or faulty wiring. I mean, it's an old building. If we didn't preplan for that, if we didn't expect these conditions, if we didn't prepare contingency plans for these, I mean, we didn't plan well. We didn't manage it well. The Shenandoah daycare, these are projects -- in Clemente Park, I think we spent, before we went in there and tore the place up, tore the walls up to find out that we couldn't do anything else because of the termite damage, I think over \$300,000 were spent. I guess, in the daycare, I found out, \$100,000 were spent. That's over \$400,000, and I don't even know what was spent with the Grapeland Park issue before. I don't -- you know, before we either decide to move forward or if they're going to get additional bonds money or what they're going to do with that project, but how can we not plan for these things. I -- and we're spending -- prior to seeing what's really going on, we're spending money on consultants and engineers and all these other costs, and then we say, oh, my God, we can't move forward, and the dollars can't be recovered, and I think that's something that hasn't set well with this Board. Scrapping other projects -- I heard that tonight -- for -- to supplement overruns, I mean, which community is going to be affected? Have we gone back to the community? Who's going to decide this? I mean, these are things that don't sit well. The Little Haiti Park. I mean, we went over and over. I can't believe I heard tonight that we couldn't -- eminent domain, we didn't expect that. Oh, my God, we talked about that every meeting, and that we didn't think that these things would come up. I mean, I don't know. I can't believe I'm hearing that, and then that we're expecting unforeseen expenditures with Little Haiti Park. I remember sitting here and asking how are we going to pay for some of this if we're spending all this money with all these engineers and so on? How are we going to pay for the equipment that we need in there and all that? We got into that and we talked. I mean, we talked this Little Haiti Park issue to death, and to hear that \$25 million is a lot of money and that we're going to be at a shortfall is remarkable.

Chairman Flanders: Luis, you have a specific question that --?

Mr. Cabrera: No. I'm just outlining my concerns --

Chairman Flanders: Right.

Mr. Cabrera: -- and those are my concerns, and those are the concerns of the Audit Subcommittee, and these were concerns that myself and the Board shared at that subcommittee and that we moved a motion for it that we want to bring this forward on -- if it cannot be resolved, so that's basically my concerns. Thank you, Mr. Chair.

Chairman Flanders: Thank you. Thank you, Luis.

Ms. Conway: That concludes the information that I had to present. We will be back before you with the recommended reallocations. We will also put together a listing of the few -- obviously, any more than zero is too many, but of the few projects that we did advance to a certain stage and have cancelled. The vast majority of the projects where there's been, I think, a lot of the discussion or the confusion that have come before the Board will be addressed through the reallocation, but we'll be able to have more detailed discussion of that at the coming meeting. There is one other thing that we wanted to share with you that has -- that I think the Chairman mentioned before that has to do with some of the planning efforts, so that, as we move forward, that we are better prepared. We will be holding this Saturday, March 3, at Jose Marti Park, from 10 o'clock to 2 p.m., a public meeting to present the final draft of the Parks Master Plan that Goody Clancy has worked with the City to develop, and would encourage you or anyone else within the City who's interested in seeing that final draft and providing any input to attend that workshop and that meeting, and all the information is up on the screen, but basically, it's 10 a.m. to noon at Jose Marti Park, and then City staff, as well as the consultant that -- I think a lot of you may have already attended the various meetings that have been held throughout the community that have solicited input, specifically, to parks to look at how we can better utilize the existing park space that we have, but how we can also create new park space and new green space within the City.

Chairman Flanders: Right. Well, it looks like we've certainly made a start on clearing the air. In reading the minutes of last month's meeting, I made the comment earlier today, and I'm going to repeat it here. I guess nobody likes surprises, and obviously, there has been a fly in the ointment, a slight disconnect, and it appears, Mary, that you've addressed that fully, and that the disconnect won't be there in the future, and we won't have the surprises. It also appears that, in moving forward and looking forward with the additional monies that will be coming in to the City as we continue our rehabilitation of the City's capital improvements infrastructure, that the process in putting those bond programs together will not mirror the process that put the original \$255 million together. I commend the board members for their concerns, for their articulation of their concerns, and it's -- you know, it looks like we are doing what we're supposed to do, and that is to improve, as we move forward, and I think that's all you can humanly ask of the people involved. We do appreciate your matching the concern by addressing the issues, so -- also, I hope that everybody will come out on the 3rd of March, this Saturday. It is the unveiling of the first ever, in the history of Miami, Parks Master Plan. Goody Clancy is the consultant on that. many of us were highly involved with the input, and if you want to see what your parks are going to look like in 20 years, please show up. Any other questions? Any other concerns?

Eileen Broton: You know, I'm hopeful, but I have to tell you that, you know, I think I've heard a lot of this before, and I'm still just not very comfortable, and I see that the rest of the bond money's pretty much spent, and wonder if we'll -- even the \$100 million will cover what needs to be done, and I just still have -- I'm still just not comfortable. I still think that there's too many disconnects and projects that we paid for, and the other example that I had brought up a while back is \$75,000 that was spent to look at guidelines for the greenway, but nobody implements the guidelines, so you know, meanwhile, we have a greenway that looks pretty uneven and \$75,000 down the drain

for the guidelines. You know, these are just the things that, you know, keep coming up, so you know, I'm hopeful, but you know, just very cautious.

Chairman Flanders: Can we address that, Mary? I mean, can we bring to the next Audit Subcommittee, and then to the full board --? In fact, I'm going to go look and see what you're talking about, take pictures, and find out, again, where's this falling through the cracks, literally.

Ms. Conway: Yes, we can, and I have already reached out to Orlando Toledo so that we can come before the Audit Subcommittee and the full board to discuss the planning and zoning process, the requirements that are put in place as the riverfront -- or the waterfront developments move forward so that we can have more detailed discussion with the Board, and yes, we will certainly do that.

Chairman Flanders: OK. Rolando, I think you had a question, and then, Gary.

Mr. Aedo: Yeah, and I think this is for more follow-up for the next discussion because I know you specifically excluded the Orange Bowl from the shortfall --

Ms. Conway: Yes.

Mr. Aedo: -- and I don't have that figure handy, but there was a significant allocation from the bond issue for Orange Bowl improvements. Was it 16 or 60 million, which one of those? It was --

Ms. Conway: Sixteen.

Mr. Aedo: Sixteen, 16 million, and again, that was a line item from the original offering, and it was agreed, and the voters voted to --

Ms. Conway: Yes.

Mr. Aedo: -- allocated \$16 million towards Orange Bowl improvements, even though, realistically, the Orange Bowl needed dramatically more than that, but the hope is to leverage those dollars to get some more of the improvements, so is -- will you be prepared to speak a little bit more to what the plan is for the Orange Bowl? I know that's kind of a moving target. And number two, based on the recent settlement of proceedings, did any of the dollars that went to that settlement come out of bond dollars, or were those --

Ms. Conway: No.

Mr. Aedo: -- out of other sources?

Ms. Conway: No. Off the top of my head, I don't recall the source, but the settlement did not come from the bond dollars, and yes, we will come at a future meeting and talk in a little bit more detail about the larger Orange Bowl project. I would not like to do that at the next meeting because I think we're going to have a lot to talk about from --

Mr. Aedo: Fair enough.

Ms. Conway: -- the standpoint of the reallocations, but certainly, at the April or at the May meeting, moving forward, we can come before the Board. Now, from the standpoint of the \$16 million, the large portion of that has been spent doing structural repairs and deferred maintenance needs that were absolutely essential. A portion of those dollars also allowed us to move forward with the program management and getting the architecture firm on board so that we could advance the project to the point where we are right now; we could have the much more detailed discussions with UM, primary tenant, and develop the concept and the plan that we have right now, and I'll be more than happy to come back and to have the team come back before the Board and update you on what we're -- where that -- what that project is looking like from the big picture standpoint.

Mr. Aedo: OK, thank you.

Chairman Flanders: Gary?

Mr. Reshefsky: Yeah. No, he helped a lot with that -- those questions on the Orange Bowl. I realize we probably spent most of the money that's in the bond dollars for the Orange Bowl already in repairs, a lot of structural emergency repairs over the last four years. I don't know what the number was, but it's --

Ms. Conway: Yes, and --

Mr. Reshefsky: -- significant.

Ms. Conway: -- as far as the Orange Bowl project -- and we'll go into this in a subsequent -- but there is another \$50 million of general obligation bond monies in the County planned for the Orange Bowl. There are other various revenue sources. We're also looking at possible revenue generation associated with the increased amenities, but we'll be able to come before you and make a more comprehensive presentation in April or May.

Mr. Reshefsky: And just on another subject, I know this is your first meeting tonight in several months here, but we would appreciate if you would come to other meetings. You know, one of our concerns was we weren't getting the senior staff here at these meetings to answer our questions, and there was quite a bit of dialogue last week -- if you read these minutes -- about Williams Park, and it was quite heated, quite frankly, and I don't think our answers have been answered yet, and I'm troubled that we're going to go two months without getting our answers answered -- does that make sense?

Chairman Flanders: Questions.

Mr. Reshefsky: Questions answered, so I think that we really need to -- you know, I know we hit these -- hit you up with these just this afternoon, and you --

Ms. Conway: Yes.

Mr. Reshefsky: -- didn't have time to prepare and you're busy with meetings, and everybody's busy with meetings, so I certainly understand that, but you know, this is money that's ticking away that we spent money on. We really want to see how we're going to solve this problem, and this Williams Park was a \$500,000 issue last month, so

I just -- I hate to wait another month to get an answer. If we can get something in writing, a report, you know, that answers the questions that were in this, that would be helpful to me.

Ms. Conway: As far as -- I don't want to hedge because there were a lot of detailed questions. As much of it as we can, in a relatively simple, clear way, put together and provide back to the Board in writing, I'll be more than happy to do that. There are some of the questions that would generate voluminous information that, rather than forwarding that and having that generate 20 more questions, I'd rather us just be able to give you the information and then explain and walk you through -- some of the questions dealt with usage of consultants, the choice of the contract delivery method for a project, whether it was a hard bid or job order contracting, or a piggyback. Those are things that I think would be a lot more effective, rather than writing that down, if we could explain and go through a dialogue and a question and answer, and there's no reason that we can't -- you know, like we discussed earlier today, that we can't tackle a portion of those at the next meeting, go through the reallocation. Probably the majority of the discussion is going to be associated with the reallocation, and then, over the April and the May meeting, if we need it, go through whatever the remaining items are. I wouldn't think that we'd need to go past the April meeting.

Chairman Flanders: Mary, without putting an undue amount of pressure on you and your department, the next meeting is approximately three weeks away. It's -- obviously, it'll be much quicker than the original date, but if you could possibly develop, just in the next day, a timeline of when you think you might have the information, and then we can schedule the Audit Subcommittee, which, as you know, is a much more informal process and a lot more give-and-take, and we can encounter our surprises and get answers to our questions there so that the full board has the benefit of, you know, those meetings, and I would ask that my colleagues on the board would make themselves available as you develop the information so that way, on the March 19, which is so close to --

Ms. Conway: The 22nd.

Chairman Flanders: -- going for the second tranche, we could have some concrete answers.

Mr. Reshefsky: Yeah. I'm troubled about waiting till April or May to push this --

Chairman Flanders: Yeah.

Mr. Reshefsky: -- analysis. I mean, I think we can spend time in Audit Committee meetings doing this.

Chairman Flanders: Right, right, and if they're willing to dedicate their time, if you could -- and I know your schedule is like a piece of Swiss cheese --

Ms. Conway: Certainly, and then, just to the Board understands, it's not that the intention is not to provide a timely response. It's that we're in the middle of updating the larger capital plan that includes all revenue sources, including this bond, and we're doing that in conjunction with preparing for -- with meetings for each of the bond rating agencies in early April, in going out to market, so there are a lot of behind-the-scenes things that happen to be occurring in the next four to eight weeks, but we'll do the

absolute best we can to provide as much of the information and the answers as soon as we possibly can, and if not by tomorrow and by the following day, I'll have gone through that list comprehensively and put some information on it and have Danette forward that and share that with each of the members, and we'll work together to develop a strategy, and maybe what we can do is, instead of having one Audit Subcommittee, maybe have two Audit Subcommittees --

Chairman Flanders: Yeah.

Ms. Conway: -- one each week, in advance of the next bond meeting or something to try to get as much of the questions answered as possible.

Chairman Flanders: Excellent. Luis.

Mr. Cabrera: Mr. Chairman, these -- this report that you're asking for, is this part of the report that was requested the previous subcommittee meeting?

Chairman Flanders: Well, what it is is a timeline from Mary where she's bringing the information together and bringing it to the Audit Subcommittee so that we/they can crunch it, so that the majority of the discussion is done not at the full board meeting so that we can get -- you know, in other words, we'll have answers.

Mr. Cabrera: My question basically is, the questions that were brought up and the information that was requested at the previous subcommittee, will that be ready on time?

Chairman Flanders: Well, that's what Mary is saying, that we only have three weeks to develop that until the next board meeting, and --

Mr. Cabrera: Right. That was asked three weeks previous.

Chairman Flanders: I understand that. However, we didn't have a meeting until today.

Mr. Cabrera: Because I know that we're working on moving forward today, but I think, as a committee, we discussed -- we want to move forward, you know. I mean, there's no sense in going back and rehashing what could have or should have, but we need to make sure that we address and we look into what the mistakes are so we don't continue with those mistakes, and we need that information in order to be able to, you know, move forward, so basically, that's what we're asking for.

Chairman Flanders: Well, Mary, you gave your assurance, and you suggested two Audit Subcommittee meetings.

Ms. Conway: I think that we probably, unless we want to have a marathon Audit Subcommittee meeting, want to do that to be able to get the information back to the Board prior to --

Chairman Flanders: Right.

Ms. Conway: -- saying that we want to wait until April or have something in May.

Ms. Broton: I would feel, probably, more comfortable if I had more information on a more timely basis, so I think that that may have to be the solution then.

**III. NEW BUSINESS:**

**INTRODUCTION OF NEW BOARD MEMBER:**

- Jose Solares nominated by Commissioner Sarnoff

Chairman Flanders welcomed Jose “Pepe” Solares, nominee of Commissioner Sarnoff, to the board.

Chairman Flanders thanked Kay Hancock Apfel for her sterling service and contributions to the Board.

**IV. CHAIRPERSON’S OPEN AGENDA:**

Chairman Flanders stated that there will be a special Commission meeting held during the next scheduled Board meeting on March 27. Of the two dates available, the Chairman chose March 19 as the new date of the March Board meeting.

**V. ADDITIONAL ITEMS:**

Gary Reshefsky was selected as cochair of the Audit Subcommittee.