



Joseph M. Centorino, Inspector General

January 7, 2022

TO: Honorable Mayor and Members of the City Commission
FROM: Joseph Centorino, Inspector General

RE: Inspector General G.O. Bond Quarterly Report
OIG No. 21-46

INTRODUCTION

This report is written in compliance with Section 2-256(j) of the City of Miami Beach Code, which requires the Office of the Inspector General (OIG), on a quarterly basis, to prepare and submit to the City Commission a written report concerning the planning and execution of the General Obligation Bond Program, including, but not limited to, progress reports, financial analysis and potential risks. The review is based on official city records, OIG attendance at implementation and oversight committee meetings, interviews with staff and other department personnel as well as regular discussions with the Program Director. This report is intended to provide the Mayor, City Commission and the general public with useful information and periodic evaluations regarding the implementation of the G.O. Bond projects to date.

The OIG notes that the Oversight Committee only met once this quarter. Meetings are now held every other month. Similarly, there were fewer internal implementation meetings due to conflicts with the Commission meeting schedule.

UPDATE:

The OIG report last quarter showed that spending trends had slowed. The Administration has explained that the reasons for the slowdown in spending include supply chain disruptions, cost escalations for goods, labor and transportation, worker shortages, the inability to commit to delivery schedules and regulatory delays. Between the September Oversight Committee meeting and the November meeting, the City spent an additional \$2 million for a total of \$42 million spent to date.

This quarter, the Program Director reported to the Oversight Committee that the Administration had spent several months analyzing the G.O. Bond program. The results of the analysis were presented as both cumulative and monthly expenditures within each G.O. Bond category and informed the Committee on the likelihood of meeting the 85% minimum spending threshold for Tranche 1 projects. Meeting this threshold is critical to the G.O. Bond as it will allow the City to

return to the bond market for money to fund Tranche 2. (The charts are attached to this report as an exhibit.)

The Program Director also provided the Oversight Committee with a detailed explanation of the critical targets within each category that are necessary for the projects to remain on schedule. The analysis identified 21 critical targets with two or three milestones that must be met for the program to meet its current goals. If the milestones are met, the three bond categories will be ready for additional funding as follows:

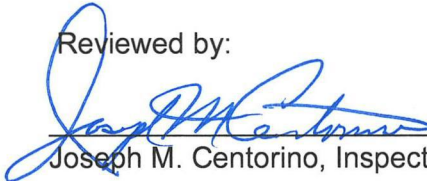
1. Bond Category-Fall 2023
2. Infrastructure Bond Category-Spring 2023
3. Public Safety category- Summer 2023

The Program Director has stated that if the goals are reached, approximately 15 of 57 G.O. Bond projects, as well as dozens of subprojects, could be completed by the end of Tranche 1.

However, the supply chain disruptions, worker shortages, inability to commit to delivery schedules and regulatory delays could affect the assumptions being made. The Oversight Committee explored the consequences of failing to meet the critical targets. The Program Director asserted that it is unlikely the City will not meet the 85% threshold even in the face of the above challenges. She explained that if projects are moving too slowly, others can be advanced. The Committee requested that the Program Director present the critical paths of the 21 projects identified so that it can keep track of the milestones and inform its decision making if other projects need to be advanced.

To date, there has been a total savings of \$3,233,639. Any proposed use of savings will be presented to the Oversight Committee for it to present a motion to the Commission for disposition of the funds.

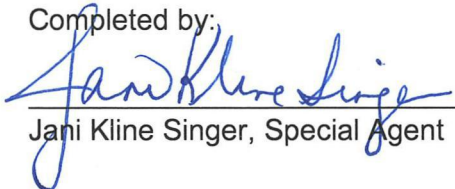
Reviewed by:



Joseph M. Centorino, Inspector General

01/07/2022
Date

Completed by:



Jani Kline Singer, Special Agent

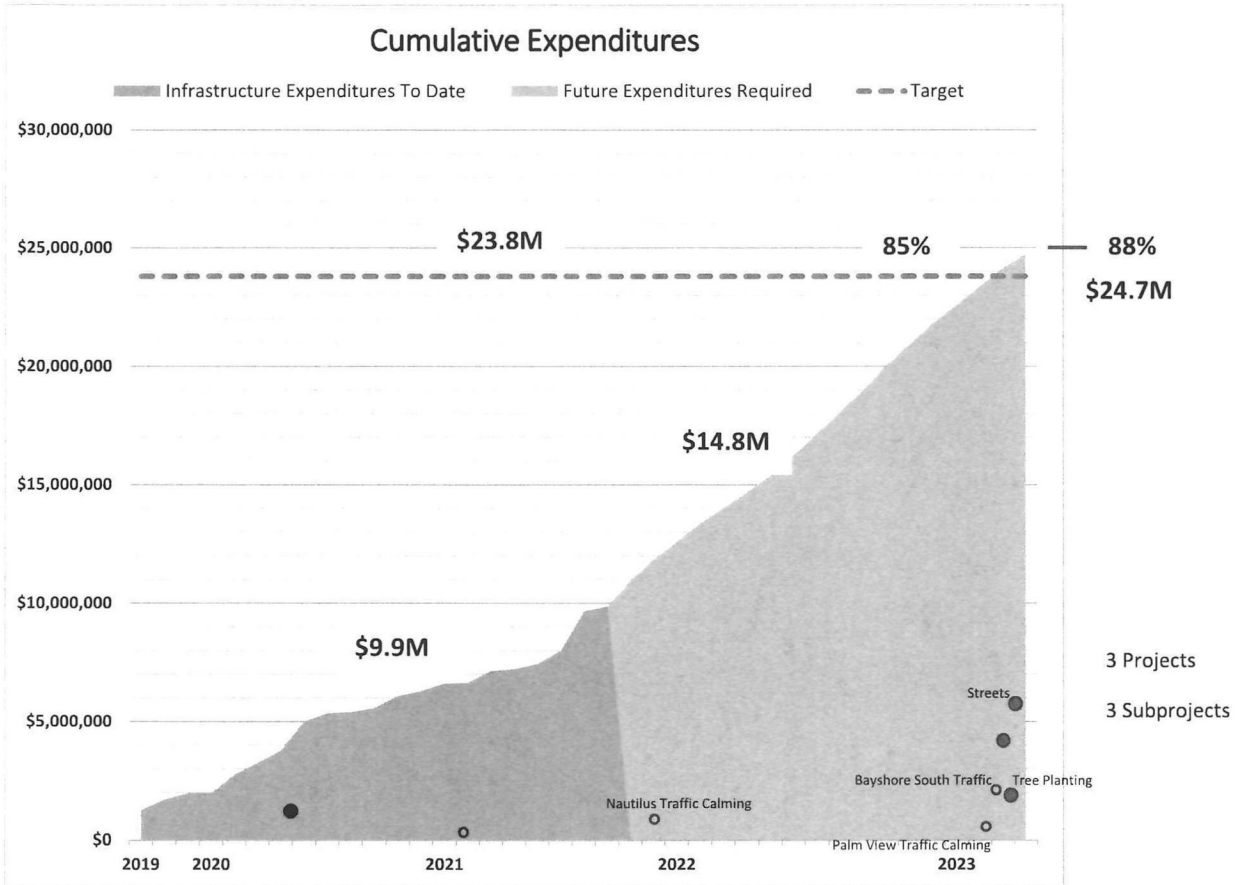
01/07/2022
Date

cc: Alina T. Hudak, City Manager

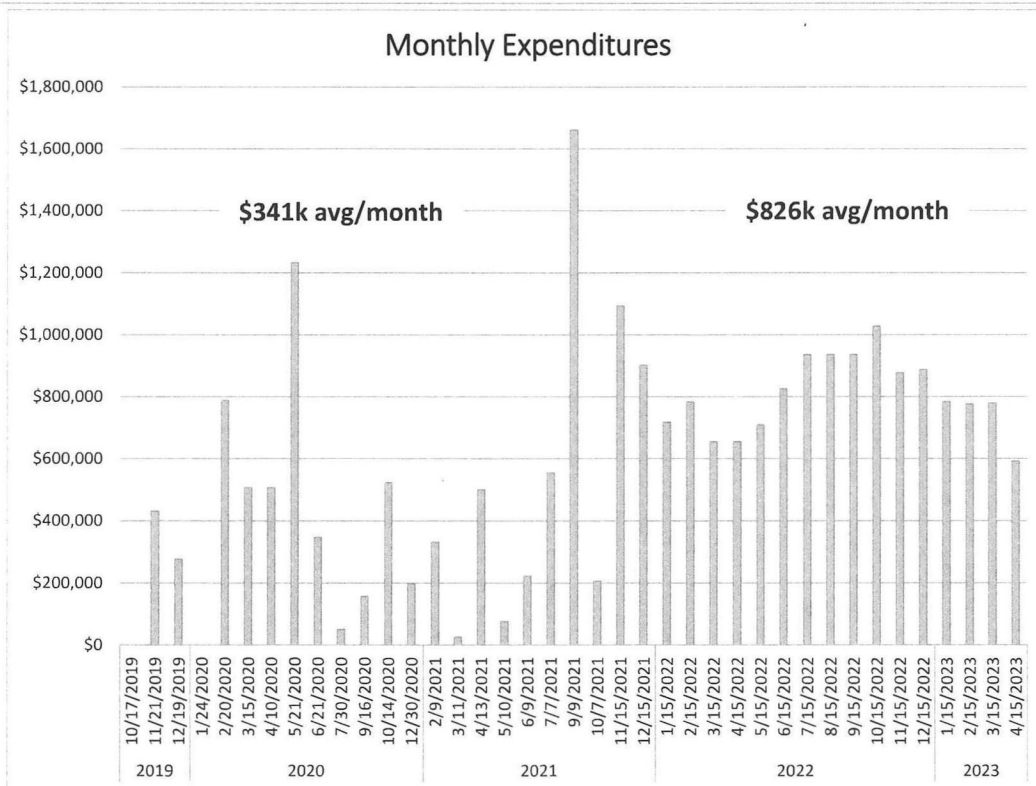
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INFRASTRUCTURE

Cumulative Expenditures



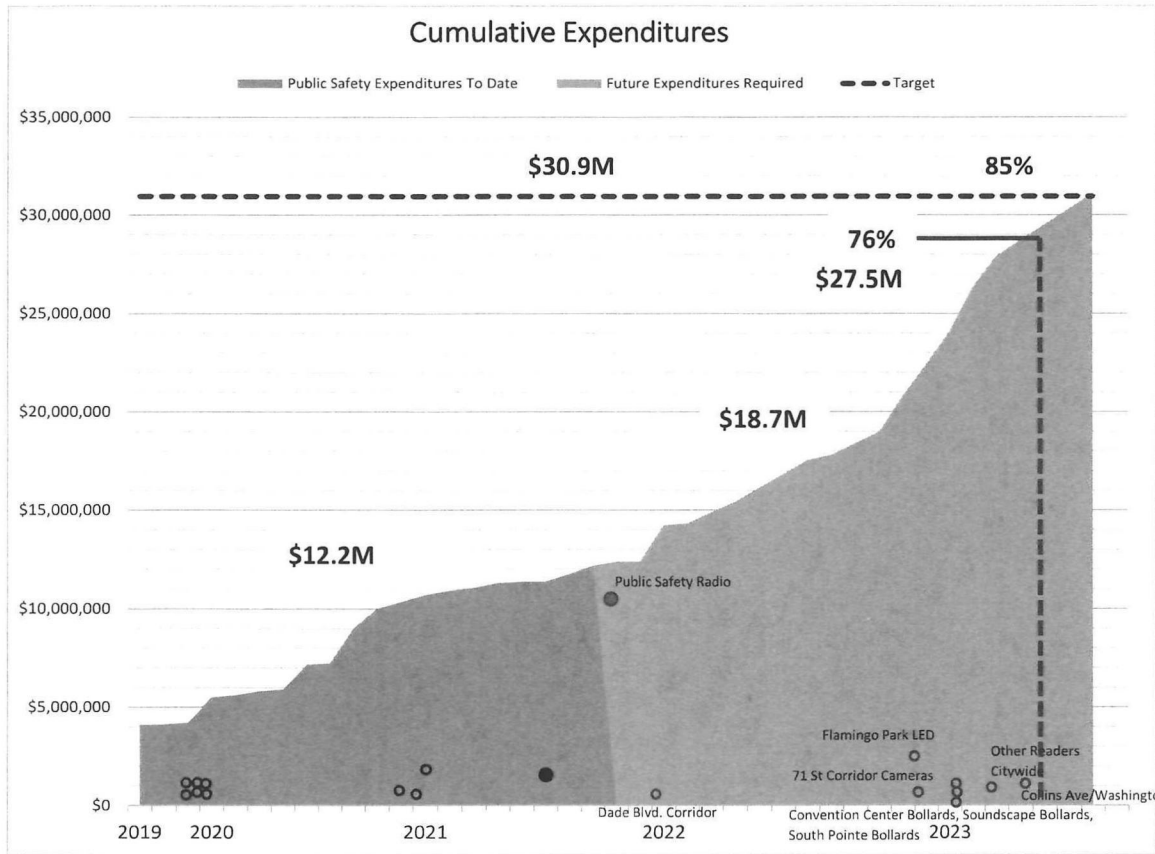
Monthly Expenditures



● Completed Project ● Future Completed Project ○ Completed Subproject ○ Future Completed Subproject

PUBLIC SAFETY

Cumulative Expenditures



Monthly Expenditures

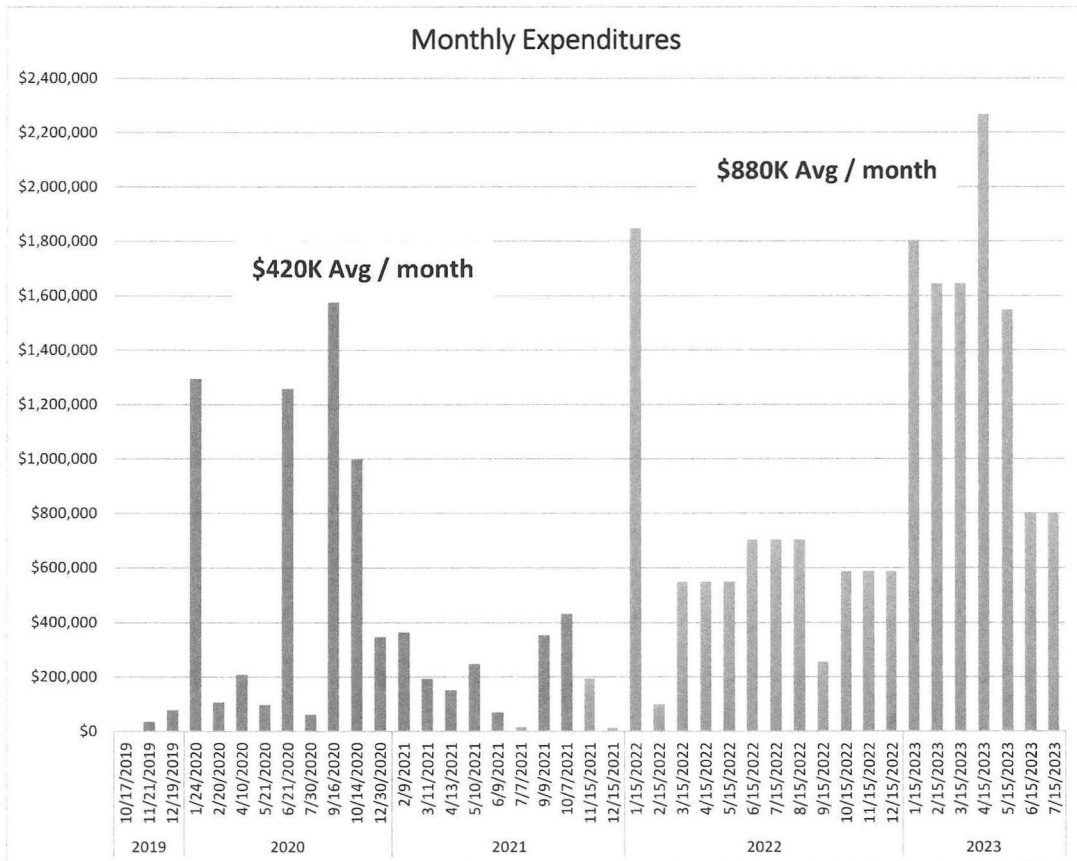


EXHIBIT E
GOB Project Funds Transfer & Scope Change - REVISED
Protocols

Item	Type of Change	Recommendation*	Next Action*	Final Action	Final Approval	Examples / Notes
1	Transfer of Funds between sub-projects within the same Project and Tranche	Administrative	Administrative	Administrative	Administrative	Example 1: Fillmore Roof Savings to Ballet Roof Example 2: Scott Rakow Roof Savings for Pool Change Order
2	Transfer of Scope between Tranches within the same Project Using Savings - No Funding Transfers	GOB Committee or Administrative	Motion or Advise	Letter to Commission	Administrative	Example: Scott Rakow Roof for T2 Rakow Flooring
3	Movement of an Earlier Tranche 1 Project to a Future Tranche (No Funding Change to Tranche 1)	GOB Committee or Administrative	Motion or Advise	Commission Memo or Letter to Commission	Commission or Administrative	Moving any Tranch 1 Project to a future Tranche Example: North Shore Parks & Fields
4	Scope Swapping of Sub-Projects to different Tranches with the Same Funding	GOB Committee or Administrative	Motion or Advise	Commission Memo	Commission	Example: PAL Building with Flamingo Park
5	Transfer of Funds between different Projects within the same GOB Category and Tranche**	GOB Committee or Administrative	Motion or Advise	Commission Memo / Budget Amendment	Commission	Example: Police Radio System to Police Camera Projects
6	Advancement of a Future Tranche Project to an Active Tranche***	GOB Committee or Administrative	Motion or Advise	Commission Memo / Budget Amendment	Commission	Requires Savings in Order to Swap or Postponement of a Project Example: Moving Skate Park from T3 to T1 using Budget from #13 North Shore Park & Fields Funding
7	Adding of Scope and Funding for any Project with No GOB Funds used	Administrative	Advise Committee	Commission Memo / Budget Amendment	Commission	Example: Fire Station 1 - Adding Code to the Project
8	Additional Funding Request Outside of GOB funds for any Project	Administrative	Advise Committee	Commission Memo / Budget Amendment	Commission	Example: 72nd Street Aquatic Center, Bayshore Park
9	Transfer of Savings or Funds for Projects to different GOB Category	N/A	N/A	N/A	N/A	Not allowed due to Referendum Questions
10	Transfer of Savings to any Project to make up a Budget Shortfall	GOB Committee or Administrative	Motion or Advise	Commission Memo / Budget Amendment	Commission	Example: Use of Parks Category Savings for Maurice Gibb Park

Notes:

*Administration will use best efforts to bring item to GO Bond Committee. Future meeting timelines may make this difficult or impossible to achieve. The Committee will be notified of any changes made at the following scheduled Committee meeting.

**GOB Categories are: Parks, Infrastructure, and Public Safety.

***Tranche Fund cannot be Exceeded.