

SOUTH FLORIDA REGIONAL PLANNING COUNCIL

Minutes

February 3, 2014

South Florida Regional Planning Council's Executive Committee met on this date at the South Florida Regional Planning Council, 3440 Hollywood Boulevard, Suite 140, Hollywood, FL 33021. Chair Ritter called the meeting to order at 10:30 a.m. and led the Pledge of Allegiance.

I. Pledge of Allegiance and Roll Call

Councilmember Jean Monestime (present)
Councilmember David Rice (via phone)
Chair Stacy Ritter (present)
Councilmember Paul Wallace (present)
Councilmember Sandra Walters (present)

The following participated via conference call: Ex-Officio Member Aileen Boucle, representing the Florida Department of Transportation, (FDOT) District VI, and Ed McGann of Council staff.

II. Approval of Council Agenda

Agenda was approved by unanimous consent.

III. Action Items

A. Minutes of Previous Meeting

Councilmember Walters moved to approve the Minutes of the Previous Meeting. Councilmember Wallace seconded the motion, which carried by a unanimous vote.

B. Financial Report

Councilmember Walters moved to approve Agenda Item III.B, Financial Report. Councilmember Wallace seconded the motion, which carried by a unanimous vote.

C. Intergovernmental Coordination and Review Report

Councilmember Walters moved to approve Agenda Item III.C, Intergovernmental Coordination and Review Report. Councilmember Wallace seconded the motion, which carried by a unanimous vote.

D. Consent: Comprehensive Plan Amendment Reviews -

- Monroe County 13-4 ACSC
- Miami Shores Village 14-1 ESR
- Islamorada, Village of Islands 14-2 ACSC

Councilmember Walters moved to approve Agenda Item III.D: Comprehensive Plan Amendment Reviews, Proposed and Adopted. Councilmember Wallace seconded the motion, which carried by a unanimous vote.

E. Regional Issues: Comprehensive Plan Amendment Reviews
None

F. Request for Proposal for Primary Health Insurance Broker

The Executive Director, James F. Murley, explained the recent RFP the Council conducted for the Health Insurance Broker Service for the Council's employee health insurance program. Proposals were due December 30, 2013 and the Council received one proposal by the deadline. He then asked Mr. Ed McGann, Director of Finance and Budget to explain the process.

Mr. McGann stated the RFP was posted in the tri-county area in both English and Spanish language newspapers. The Council's consensus was that this was adequate notice.

Councilmember Wallace stated that since only 12 employees are covered under the Council's health benefits this proposal may not attract a lot of attention. He inquired why the present broker, Oceans Insurance, did not respond. Mr. McGann explained that staff did not reach out to them so as not to show favoritism and they apparently did not see the advertisement. Mr. McGann stated that Oceans Insurance contacted him after the deadline regarding the proposal timeline.

Councilmember Wallace suggested reissuing the RFP since there was only one response and Sam Goren, Legal Counsel, stated that there is no restriction to the number of responses in choosing a bidder.

Mr. McGann explained the Council has health benefit policies that will remain in effect until December 31, 2014. He also stated that the broker involved in the purchase of health insurance is compensated by the insurance provider and not the Council directly. If the council were to award the "bid" to the one bidder from the RFP, then the insurance providers would redirect the compensation they currently pay Oceans Insurance to the successful bidder. There will be no need for broker services until the renewal period, which will be in the fall of 2014.

Mr. McGann also stated the staff issued the RFP at the request of the then Chairperson Wallace so the Council would be transparent in its awarding of this business.

Councilmember Walters recommended that when Council advertises in the future and Council is happy with the incumbent, it would be appropriate to inform the incumbent where the RFP is advertised since government entities advertise in various places. She stated this new company appears to be highly qualified.

Chair Ritter restated the Council's staff will be covered under CHC until December 2014.

Mr. Murley reiterated the Council employees covered with CHC are a small group. He stated staff is responding to the Council's request for transparency. Council staff has health insurance in place. He stated there will be additional costs to advertise again and is not sure of the value added to the process. From his perspective, the result is the ability to provide the best health services for staff with a limited budget.

Councilmember Wallace stated he did not know the current insurance contract was enforced through December 2014. He questioned if the function of the broker at insurance renewal would explore all of the insurance options for the Council and Mr. Murley said that is correct.

Councilmember Walters moved to accept McKinley Financial Services as the broker in Agenda Item III.F: Request for Proposal for Primary Health Insurance Broker. Councilmember Monestime seconded the motion. Motion passed four - 1 with Councilmember Wallace in opposition.

IV. Discussion Items

A. Executive Director's Report

Cheryl Cook of Council staff was introduced by Mr. Murley. Ms. Cook summarized the Small Business Workshop "Dominating Your Industry On-Line" that was held at the SFRPC on January 30, 2014. She stated that 43 businesses were in attendance. She explained the workshop provided information on improving businesses through the internet. She stated the same workshop will be held in Monroe County on March 13, 2014. Ms. Cook stated she is in contact with the various Monroe County Chambers in distributing the workshop information. She stated that there is another all day workshop that will interface with the internet and those in attendance were excited about the follow-up workshop. She stated this workshop will be in April. She explained with a small grant Council received from Bank United who underwrote the initial workshop, other workshops will follow for our borrowers and small businesses. She stated she would keep the Councilmembers informed.

Ms. Cook stated Council staff is working with a group of agencies and businesses in Miami-Dade County called the Small Business Funding Initiative. She stated the Council is the only agency in the region that loans up to \$300K; all other lenders offer micro loans. She stated there is a market for small businesses that need more than \$300K that cannot get funding through the banks. She stated they are bringing ideas together to find that kind of funding. The National Development Council is a national organization and they met with the Beacon Council to help with this initiative. Ms. Cook stated they are trying to find funding sources and/or foundations in creating this agency because the Council is not able to take on this kind of debt. She stated the Council does have the infrastructure in place to service those programs and is looking to work with this new initiative and hopefully manage the loan program for them. She stated because we are a government agency we cannot take on all that debt even though we have the 501 (c)(3). Ms. Cook stated we are continuing to work with them.

Mr. Murley stated the discussion includes Miami-Dade County Mayor's Office and the Deputy Director of Economic Development, Josh Gelfman. He stated the center of this discussion is in Miami-Dade County but there is talk about the regional implications. He believes this will benefit the region and the intent is to find a way to get an intermediary that is in the position to pull these funds from various sources together and then contract with us to administer. He stated there are some legal issues that are coming out of our discussions. He stated this area of small business assistance is a target area for the Council this year and hopes to make substantial progress.

Councilmember Walters stated she is excited about a loan program that has funding of guaranteed receivables similar to the one associated with transportation projects being administered by the Florida Department of Transportation. She explained the problems of cash flow as a subcontractor waiting for invoices to be paid, sometimes months later. She stated that private lenders will not lend to a subcontractor and in many instances, it is a waste of time and effort. Councilmember Walters stated she was encouraged about the FDOT funding and realized the application process was the same as an original loan by a bank with no surety and requires tons of documentation.

She explained that typically with funding receivables, the contract basically serves as surety for the payment. She explained that sometimes you are not paid for three months and when you receive the money it goes straight to the lender; the small business has no control over it. She stated many small

business programs have a cash flow crunch. She stated this is virtually unaddressed in government help programs for small businesses.

Ms. Cook stated these are some of the issues being discussed. She stated the next meeting will try to pinpoint an executive willing to come and work for three months to bring all this all together. Miami-Dade County will be the starting point and everyone knows this should go regional.

Mr. Murley stated staff has done extraordinary work the last few weeks in giving back space and meeting the deadline of the new amended lease, which will save us \$8,000/month moving forward. He stated Council has secured storage space and thanked all staff and especially Rhonda who orchestrated this process.

Mr. Goren stated that on January 14, 2014, Councilmembers authorized the Executive Director to finalize the lease that was within the parameters that were set forth on record and the parameters were met; the space has been ceded and consistent with the recommendation and the lease was signed and, for the record, it has been accomplished.

Mr. Murley stated the strategic retreat of Florida Regional Councils Association (FRCA) was successful. He stated there is not a written report but it should be received before the March meeting. Chair Ritter suggested that further discussion on the retreat will be continued at the March Council Meeting.

Councilmember Wallace inquired about the Status Report on the Revolving Loan Fund. Ms. Cook explained the Status Report, the Outstanding Principle, funds that are available to future applicants, etc. She explained the original funding basically came from other agencies in Miami-Dade County. She stated originally, there were four different loan funds: City of Homestead, Beacon Council Loan Fund and two from Miami Capital Development Corporation. They are all Economic Development Administration (EDA) funds granted back in 1983 due to the riots and Hurricane Andrew funding. She stated that over time, each agency wanted to back away from this loan funding and EDA approached the Council in 1999-2000. She explained the Council is an Economic Development District for EDA and they approached the Council to manage the funding. So one by one, the Council took over the four programs and changed it from a 50% default rate to 3% default rate.

Councilmember Wallace stated we should find ways to expand this program. Mr. Murley stated that staff is searching for ways to find the additional capital. Ms. Cook stated Council can receive another million dollar loan from EDA but Council would have a match problem; the Council would have to come up with a 20% match or \$200K and there is a problem finding that match

Councilmember Monestime inquired about approaching the local banks.

Mr. Murley stated there was a discussion with Goldman Sachs regarding loan funding in the Miami-Dade County region. He stated the Goldman Sachs Foundation has funded the Miami-Dade College, to run their 10,000 business training program. He stated Goldman Sachs searched for an entity to handle a capital loan program and came to the Council to say they are prepared to loan \$10 million with a 20% match. Mr. Murley stated there were two problems: Council does not have the match money and the loan was from a bank to the Council. He explained that in consulting with Mr. Goren, the Council is not legally set up to have that debt. Mr. Murley stated this funding is different from the funds from EDA. Mr. Murley stated the Council and Goldman Sachs were frustrated and are seeking an intermediary to find ways to gather the funds from different places, foundations, governments that will not have these problems and contract with the SFRPC to administer the program. He stated the Community Development Finance Institution (CDFI) has restrictions from the U.S. Treasury as to how they are set up and that are not consistent with the Council's organizational format. He stated everyone is in agreement

that the Council will be the entity to administer the programs. Mr. Murley stated our goal is to get more funding for the small businesses in the region.

Chair Ritter stated that at the FRCA meeting the other RPCs were fascinated with the SFRPC's loan program. She stated the other RPCs did not know they could or should have this program and this program is something the Council should be proud of.

Councilmember Monestime stated he is fascinated by this program, being a small business person and involved in the small business community. He stated there is a lack of funding and an inability for small businesses to expand if they get that opportunity. He thinks that this is an area, which the Council would have to take advantage because others want this organization to be irrelevant, but nobody is irrelevant when you have lots of money. He stated if Council works hard on this program and invests its time, energy and knowledge, this is how the Council remains relevant.

Mr. Murley stated when we make reports to our funding agencies and to the Florida Department of Economic Opportunity, the loan program provides evidence of direct support that result in retaining unique or creative jobs. He stated Ms. Cook researched non-profit organizations and commercial banks that are doing loans, micro-loans, and the Council's loan program.

Chair Ritter stated maybe there is an opportunity to bring in bridge loans for the small businesses where you have the receivables but are not getting paid yet to bridge that. Councilmember Walters stated a bridge loan would be the perfect description because typically a company establishes a long-term contract and it is not until after the first three or four months that invoices start to get paid. A company usually knows they will get paid months from the date of deliverables and those first few months are crucial because a small business may not have enough savings to get through that timeframe.

Mr. Goren stated when the original loans were transferred, they were all non-performing loans, they were dormant, not been collected on and were essentially in default. His firm and Ms. Cook looked through each of the loan portfolios and Ms. Cook converted them from non-performing loans to highly performing loans, except for some of those listed that may be in bankruptcy but the predominant amount of loans are performing. He explained that if Council does not keep the money revolving the government will take it back. He stated the Council is the conduit lender and that the Council's money is not at risk in the statement of collection and in every instance where we collected the cost expenses to bring someone current. He stated the other feature of Ms. Cook's methodology in collection is that she communicates very well with her lenders and clients.

B. Legal Counsel Report

Not litigations to report.

V. Program Reports and Activities

A. Council Mission

1) Seven50: Southeast Florida Prosperity Plan

Mr. Murley stated a Summit was held on January 15, 2014. He stated there is a website (www.Seven50Report.org) that contains the Plan, the work to date on the Partnership, and other information. He stated a printed copy of the Executive Summary and editorials of support from the two papers in the region are located at the seats. He stated they are going to build on this in completing the grant phase of this process, in which there is a 60-day extension of the grant to strategically expend the final funds and close out the project. He stated that there will be further discussion between the Treasure

Coast Regional Planning Council and our Council, in either separate or joint meetings. He announced that the Mayors of Palm Beach, Broward, and Miami-Dade Counties were present at the Summit and supported the Seven50 effort. Chair Ritter thanked the Council for their time, effort and hard work.

Mr. Murley credited Isabel Cosio Carballo, Eric Swanson and the entire staff who come together to work on the Seven50 Project.

B. Revolving Loan Fund Reports

- 1) SFRPC Revolving Loan Funds Status Report
- 2) Smart Watts Home Energy Retrofit Loan Fund Status Report

C. DRI Status Report

Mr. Cambric explained the Miami Downtown Development Authority (DDA) controls the property and the entitlements in that area. He explained that in 2008, there was a plan called Increment III, which is part of an Areawide Development of Regional Impact (DRI). He stated because of the market turn the DDA did not go forward with Increment III and are now noticing that the amount of entitlements that remain to be developed within downtown Miami are quickly evaporating. He stated the DDA wants to start Increment III. He explained Council staff wants to look at changing the DRI process to become a win - win rather than the back and forth of "did you do this". He stated they began to look at things such as the mix between affordable housing and central locator. He stated there are 35,000 people who live in the downtown area but 200,000 are employed in the downtown area so transportation is an issue. He stated he wants to make this an expedited process and take the least amount of time based on the statute. There are two other potential DRIs in Broward County that Council is still waiting to hear from: the DCOTA, Design Center of the Americas is thinking about reconfiguring to deal with substantial deviation and another in the City of Fort Lauderdale on Oakland Park Boulevard.

D. Florida Regional Councils Association

- 1) FRCA Monthly Accomplishments
- 2) FRCA Legislative Highlights

VI. Announcements and Attachments

Mr. Murley announced the March Council Meeting will be at the City of Miami Commission Chambers and the parking is free.

A. Correspondence and Attendance Form

B. Upcoming Meetings

- 1) March 3rd, 10:30 a.m. (City of Miami Commission Chambers, Miami-Dade County)
- 2) April 7th, 10:30 a.m. (Executive Committee Meeting, Council Office)
- 3) May 5th, 10:30 a.m. (Murray E. Nelson Government Center, Key Largo)
- 4) June 2nd, 10:30 a.m. (Executive Committee Meeting, Council Office)

VII. Councilmember Comments

Councilmember Walters stated the Monroe County Chambers of Commerce will send out the flyers on the workshop via email to their members, and those members will inform other businesses.

Chair Ritter asked Council to discuss taking the "Planning" out of the South Florida Regional Planning Council. Mr. Goren stated that this discussion had already taken place and he will investigate if it can legally be done. Chair Ritter commented that the Council does more than planning and this could change that perspective.

VIII. Adjournment

The meeting was adjourned at 11:40 p.m.

This signature is to attest that the undersigned is the Secretary of the SOUTH FLORIDA REGIONAL PLANNING COUNCIL, and that the information provided herein is the true and correct minutes for the February 3, 2014 meeting of the SOUTH FLORIDA REGIONAL PLANNING COUNCIL adopted the 3rd day of March 2014.

David Rice, Secretary

Date