

CITY OF OPA-LOCKA
“The Great City”

CLERK’S ACTION SUMMARY MINUTES
SPECIAL COMMISSION MEETING

September 19, 2012

4:00 P.M.

Opa-locka Municipal Complex
780 Fisherman Street, 2nd Floor
Opa-locka, FL 33054

1. CALL TO ORDER:

Mayor Myra L. Taylor called the special meeting to order at 4:12 p.m. on Wednesday, September 19, 2012 on the 2nd Floor of the Opa-locka Municipal Complex, 780 Fisherman Street, Opa-locka, Florida.

2. ROLL CALL:

The following members of the City Commission were present: Commissioner Rose Tydus, Commissioner Gail E. Miller, Commissioner Timothy Holmes, and Mayor Myra L. Taylor. Also in attendance were: City Manager Kelvin L. Baker, Sr., City Attorney Joseph S. Geller and Interim City Clerk Joanna Flores.

3. INVOCATION:

The Invocation was delivered by Mayor Myra L. Taylor.

4. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited in unison.

5. RESOLUTIONS:

Manager Baker requested that the Commission take the items out of sequence to deal with the insurance item first followed by the relocation item.

There was no objection from the Commission to take the items out of order to consider Agenda Item 5B first.

- b) A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, AUTHORIZING THE CITY MANAGER TO SELECT UNITED NEIGHBORHOOD HEALTH PLAN AS THE PROVIDER FOR THE CITY OF OPA-LOCKA HEALTH PLAN AND SOLSTICE BENEFITS, INC., AS THE PROVIDER FOR THE CITY OF OPA-LOCKA’S DENTAL AND VISION GROUP PLANS FOR THE BENEFIT YEAR BEGINNING OCTOBER 1, 2012**

EXPIRING SEPTEMBER 30, 2013; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by C.M.*

The above resolution was read by title by Attorney Geller.

It was the consensus of the Commission to hear the comments from the City Manager prior to entertaining a motion for the resolution.

Manager Baker reminded the Commission of the discussion at the last regular commission meeting relating to the health care coverage for city employees and the need to do something different and come up with something richer that would not be so heavily adverse financially to the employees. As a result, staff met with Citrin Financial Services and the current health insurance provider and was successful in reducing the increase from 20% to 9%. Due to timing and other factors, the city is left in a situation to ensure that all employees have coverage October 1 and to look at its current plan to see where they can modify it to bring some relief to the city's current employees.

Charles Citrin of Citrin Financial Services came forward and provided an overview of the process and highlighted the plan changes with United Neighborhood Health Plan which included reductions in co-payment and deductibles for doctor visits, ER visits, prescriptions, and major diagnostics.

Manager Baker concluded that this was the city's best option based on the timing. He recommended that the Commission move forward with this item

Commissioner Holmes indicated that one of the major concerns of the employees was the co-payments for physician office visits. He asked, what will be the co-payments?

Shirley Freeman, Human Resources Director for the City of Opa-locka came forward and stated that this new plan provides a reduction in co-payments for office visits from \$25.00 to \$15.00, from \$45.00 to \$25.00 for specialists, and the prescription will remain the about the same.

It was moved by Commissioner Tydus, seconded by Commissioner Miller to pass the resolution.

There being no further discussion, the motion passed by a 4-0 vote.

Commissioner Miller	Yes
Commissioner Holmes	Yes
Commissioner Tydus	Yes
Vice Mayor Johnson	Not present
Mayor Taylor	Yes

- a) A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, AUTHORIZING THE CITY MANAGER TO TAKE ALL NECESSARY STEPS TO RELOCATE CITY OFFICES FROM TOWN CENTER I TO NEW LOCATIONS, INCLUDING SHERBONDY VILLAGE PARK, AND**

**MODULAR OFFICES; PROVIDING FOR INCORPORATION OF RECITALS;
PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by C.M.***

The above resolution was read by title by Attorney Geller.

Manager Baker stated that approximately two months ago the City Commission charged him and the City Attorney to enter into negotiations with the city's current landlord for the purchase of the building. For the last several weeks, there have been a series of discussions and meetings going back and forth. In those discussions, the city felt a need to go out and get an appraisal for the current building which came in at 8.3 million dollars. The current owner of the building subsequently went out and got his own appraisal which came in at 11.9 million dollars. Based on all of the activity, he thought it would be wisdom to tender an offer and the city provided the current owner with the offer of 5 million dollars for the purchase of the building and it was subject to continued negotiations. Should the negotiations continue the city would enter into a month to month lease agreement with the owner until negotiations were final and the city took full ownership?

Attorney Geller interjected and stated that this would of course be subject to the approval of the Commission.

Manager Baker stated that the process continued and less than an hour ago, he received a transmittal from the owner (a copy was provided to the Commission prior to the commencement of the meeting) and he met with the owner up to 8:00 p.m. last night as a effort to continue to move forward with getting a number with hope of bringing information forward, but at this point it has not been successful.

He continued by saying that the city has made arrangements, has a Certificate of Occupancy (CO) for Sherbondy and is ready for move in. The lift station is working and the building is waiting on the grand opening and occupancy. There are contracts in place pending Commission approval to move forward to be out of the current building come the end of this month. He asked for direction as it related to the document before them submitted by the owner of Town Center.

Commissioner Miller asked Mr. Baker whether he is saying that he and Mr. Stackhouse did not come to an agreement as it relates to the city's offer for the building.

Manager Baker explained that he made an offer with the expectations of a counter, but he was not able to secure a counter. Mr. Stackhouse is in favor of continuing the discussion, but the question is how long will it take. At this time, they are in between 8.3 and 11.9 million dollars. There are concerns relating to the interpretation of the contract relating to the 10 year lease agreement and the desire wasn't to debate on the terms and conditions which the City Attorney is an expert on, but to focus on the price. With a little more time, he thinks the city can get there, but he really couldn't say how long it would take. Perhaps the Commission can set a date on it and if it is not done by that date to move forward. But if that is not the case, the city is prepared to pack up and move. In addition, the city has spent time with the County Manager's Office and staff as it relates to the various types of grants the city was recipients of for that facility and the city is aware of Article 7 which creates legal issues for the city. The City Attorney has done

extensive research on it and seems to be very comfortable with how he would deal with this issue should it come up. He pointed out that there are great legal costs and things of that nature that the city would have to assume and be prepared to deal with should the issue come up.

He continued by saying that he thinks the city is close in this deal, but just not close enough and he was hoping his time meeting with the owner last night that he would be able to bring better news. The way it stands now, is that both parties would agree on and appraiser to appraise the building one more time. He pointed out that the 8.3 million dollars appraisal was done without all of the rental receipts from the building because at the time of the appraisal it was not readily available and he needed to make an offer.

Commissioner Miller asked for clarification from the City Attorney as it relates to the comment made by the City Manager concerning the 10 year lease agreement.

Attorney Geller stated the owner may contest the agreement, but he believes the city is correct in its position. This lease was originally signed back during the tenure of the late A. Quinn Jones and it was originally intended to be a ten year lease, but Mr. Jones developed a level of discomfort with what had been done and he retained outside counsel from the then Ruden McClosky Law Firm, the head of their public finance department, Michael Krul. Attorney Krul acted as outside counsel to the city in the matter. Upon review, the opinion was that the lease had to be amended as a matter of law to give the city the option to terminate the lease every year if the City Commission did not budget sufficient funds for the following year. The theory was that in order to obligate the city for a period as long as ten years, that there could not be a pledge of general ad valorem tax revenues for that long. After resistance from the landlord at that time, an amendment to the lease agreement was signed and executed in 2008 which indicates that the lease could end any fiscal year if the City Commission voted not to appropriate funds to pay that rent during the following year. This document was signed by Mr. Stackhouse, although it is his understanding from Mr. Baker that he seems to still have some disagreement with it, but that was the document Mr. Stackhouse negotiated and signed.

He continued to say that Mr. Krul, who was outside counsel at the time and the rest of Ruden McClosky joined Greenspoon Marder late last year. He has spoken to Mr. Krul about this issue and reviewed the document again and he agrees that if the Commission in adoption of its budget decides not to appropriate funds for these revenues by finding that it interferes with the ability to provide other basic services to the citizens, the city is entitled to terminate the lease at the end of that year subject to the provisions of this amendment.

Commissioner Miller asked, does the city have that document?

Attorney Geller replied, yes.

Commissioner Holmes was of the opinion that the owner of the building does not want to negotiate the price to a reasonable amount. If this is the case, then the city needs to pack it bags and move out of the building.

As it relates to the building, he said that he did not hear anything about the two parking lots. He asked, were those included in the price?

Attorney Geller said that the city prepared a draft agreement as a letter of intent only, besides saying that it was subject to the Commission, it also made clear they were talking about surface parking associated with the building. Another portion says that assuming an immediate agreement was not reached they could keep talking about it if the owner would only agree the city can stay month to month until the negotiations are completed. Unfortunately, the document the City Manager just provided, looking at the last sentence it says "while the negotiations are on the way, the rights and obligations of the parties remain in effect". This means that if it is 20 days here and 20 days there, the city would be into the new year. The city's view is, even if they don't have an agreement, if the City Manager wants to try to reach one, the city can do that if the man says he is willing to let it go month to month. The city doesn't necessarily agree that there is an absolute requirement that the city be out September 30; there is language in the lease agreement he thinks protects the city even if the city holds over a little bit, but they are trying not to rely on that. If the city can make a deal fine, but if not, be out by September 30. But he doesn't want to concede that the city must, because there is language in that lease agreement to protect the city and he wants the record clear.

He reminded the Commission that when the city was suddenly surprised going back about two years when the city found out there was a foreclosure on this building and the city discussed whether or not it was prepared to bid, the city was not notified because the owner did not want to close out the lease. But if his memory serves correctly, the building sold at auction for a price in the neighborhood of 6.3 million dollars.

Commissioner Holmes reiterated that there are two parking lots associated with the building and if the decision is to continue the negotiations for the building, then the city must make sure those two parking lots are included.

He further stated that this latest document is telling him that the owner really doesn't want to negotiate, but just hold the city in the building so that they can pay the rent every month. He suggested that the city relocate if the owner doesn't want to negotiate a fair price for the building.

Commissioner Tydus stated that Town Center One has not been negotiating in good faith from day one; way before Mr. Baker came on board. This 11 million dollars has been the price for years and she sees that Town Center One is still offering that amount of money. As far as she is concerned, Town Center has not been reasonable with the sale price, appraisal, and the timeline. Town Center was to have a counter price this past Friday, they didn't; and then they asked for Monday, they didn't; then they asked for Tuesday, and they didn't. Now the city just received this offer five minutes before the meeting starts with no real commitment to anything. She was really expecting anything between 5 and 7.5 million dollars considering the two appraisals already brought forth. She suggested that the city move forward because she doesn't see giving any additional time is going to make any difference based on how Town Center One has in the past, and now she sees presently, been handling these negotiations.

Manager Baker stated that the building is currently for sale and on the market for 11.7 million dollars. Supposedly there are parties from the Northern part of the country interested in purchasing the property.

Attorney Geller clarified that the resolution before the Commission authorizes the City Manager to take the necessary steps and there are four sets of backup in the package detailing and specifying the existing four contracts for the wiring, movers, furniture, and to set up the modular units.

He continued by saying that there is nothing in the resolution indicating the city won't still listen to Mr. Stackhouse or anything he has to say, but what is necessary is to authorize the City Manager to move forward on the relocation. If Mr. Stackhouse should come back and agree to the month to month while the negotiations continue, then the City Manager can always come back to the Commission. However, the resolution is to authorize the City Manager to do whatever necessary.

Commissioner Holmes suggested that the City Commission move forth with the resolution and if Mr. Stackhouse should decide to bring down the price then fine, but if not, the city is on the way out of the door.

Mayor Taylor stated that it has been her opinion from day one to release this building and Mr. Baker has done his best; now it is up to the Commission. She expressed her dislike in the letter provided from Town Center.

It was moved by Commissioner Miller, seconded by Commissioner Tydus to pass the resolution.

Mayor Taylor asked, how long would it take for the move because she is concerned about the September 30 date? Also, she is concerned if the city goes over September 30, would it owe \$600,000.00?

Manager Baker stated that the commitment the city has is that they plan to be out of the building by the end of this month and if they need to work around the clock to make that happen, that's where the city's commitment is.

Though Mr. Stackhouse disagrees, Attorney Geller said he believes there is language in this agreement, in the amendment to the lease, that would protect the city and the city would fight to win that if it comes to it.

Mayor Taylor asked, from month to month?

Attorney Geller replied, yes.

There being no further discussion, the motion passed by a 4-0 vote.

Commissioner Tydus	Yes
Commissioner Miller	Yes

Commissioner Holmes	Yes
Vice Mayor Johnson	Not present
Mayor Taylor	Yes

Commissioner Holmes requested that the City Manager brief the Commission on the recent activities taking place in the city.

As long as there is no action taken, Attorney Geller said there is no problem in making statements.

Manager Baker updated the Commission on the recent activities in the city that have taken place since this past weekend. The local task force in partner with the Opa-locka Police Department has made a significant amount of arrests.

Since the recent article in the Miami Herald, Commissioner Holmes suggested that the city take a proactive approach in getting the positive news out in the community and in the newspapers.

Mayor Taylor stated that the article in the Miami Herald was not good and it did a lot of damage to the city's reputation and credibility. She stated to the City Manager that the Commission must be aware of the new policies put in place since the article has come out. The city must tell its story. She requested that the City Manager provide a copy of the press release prepared.

Commissioner Tydus stated that she has worked in media before and one thing the city can rest assured is that they cannot dictate what the media publishes or broadcast. Although the city can provide the information, the media will determine how and what they put in out. The city must run some ads, not every week, but on a quarterly basis as it relates to its image, change and pride.

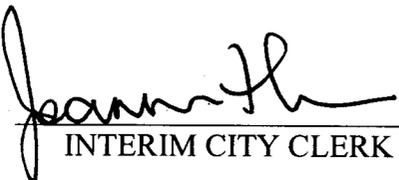
6. ADJOURNMENT:

There being no further business to come before the City Commission, the meeting adjourned at 5:16p.m.



 MAYOR

ATTEST:



 INTERIM CITY CLERK