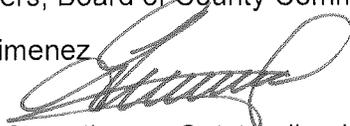


Memorandum



Date: September 2, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Additional Information on Outstanding Loans

This memorandum provides information requested by Commissioner Sally A. Heyman during the discussion of the *Report on Outstanding Loans to Affordable Housing Developers – Directive 150413* at the July 1, 2015 Board meeting. More specifically, Commissioner Sally A. Heyman clarified the request for information on all outstanding loans, not just loans to affordable housing developers.

Attachment 1 is the list of outstanding loans owed to the County by funding source. This list does not include the outstanding loans to affordable housing developers, which was presented at the July 1, 2015 Board meeting. In total, there are \$69.022 million owed to the County in outstanding loans made to various entities.

Entity	Funding Source	Amount Outstanding
Jungle Island (i.e. Parrot Jungle)	General Fund	\$ 10,157,263
	Section 108	10,792,201
Performing Arts Center Trust	Convention Development Tax	24,425,000
Fronton Holdings, Inc.	Aviation Revenue	12,699,460
Other Entities	Miami-Dade Economic Advisory Trust	1,079,560
	Urban Economic Revitalization Trust Fund	516,380
	Section 108 (excluding Jungle Island)	6,953,864
	Empowerment Zone	2,213,861
	Community Development Black Grant	184,500
Total		\$ 69,022,088

Jungle Island

In 1999, the County obtained a \$25 million Section 108 loan from the US Department of Housing and Urban Development (US HUD) to relocate Parrot Jungle and Gardens of Watson Island, Inc. (Jungle Island) from its original home in Pinecrest, Florida.

As a result of Jungle Island's financial difficulties, the County began to advance payments on behalf of Jungle Island in 2004 to ensure that the Section 108 loan would not be in default. The Board approved Resolution Nos. R-916-06 and R-886-07, which authorized a loan to Jungle Island for the repayment of all advance payments made by the County to US HUD from the general fund, as well as authorized the County and City to continue making payments on behalf of Jungle Island through 2011. The \$10.157 million owed to the County represents the remaining \$8.157 million for payments made on behalf of Jungle Island, as well as the recognition of a \$2 million obligation from Jungle Island for the Aviary at ZooMiami. Currently, Jungle Island is not delinquent on its payments to the County.

Beginning in 2012, Jungle Island was responsible for making payments to US HUD for the repayment of the Section 108 loans. Of the original \$25 million loan from US HUD, \$9.725 million remains

outstanding that will not be covered by the City of Miami or County, and is currently being paid by Jungle Island. As of today, Jungle Island is not delinquent in making payments to US HUD. A balance of \$1.067 million remains of the loan approved by Resolution No. R-475-03. However, this loan is not currently delinquent, as repayment is subject to Jungle Island having Available Net Cash Flow.

Performing Arts Center Trust

On April 25, 2006, the Board adopted Resolution No. R-480-06, which stipulated that, as of October 1, 2007, the Performing Arts Center Trust will transfer \$1.5 million annually to Miami-Dade County for a period of 20 years (total \$30 million) to assist with the funding of the Performing Arts Center Acceleration/Recovery Construction plan. Proceeds from a Sunshine State Governmental Commission loan had been used to fund the construction of the Performing Arts Center. The amount outstanding is \$24.425 million and the Performing Arts Center Trust is current on its payments.

Fronton Holdings, Inc.

In 2008, the Board approved loans to Florida Gaming Center, Inc. totaling \$15,067,930. In 2014, Fronton Holdings LLC purchased all assets and liabilities from Florida Gaming Center Inc. The outstanding amount of that loan is \$12,699,460 and all payments are current to date.

Other Entities

Multiple entities have received loans from more than one (1) agency associated with the County. The attached list of outstanding loans shows several loans with outstanding balances under \$1 million, some of the larger outstanding amounts include:

- A \$2.2 million Section 108 Revolving Loan to Town Center, LLC (guaranteed by Dennis Stackhouse) that defaulted. The County obtained a final judgment in its favor against Mr. Stackhouse.
- A \$1 million Documentary Stamp Surtax loan by the former Metro-Miami Action Plan to Sailboat Cove Ventures towards the construction of affordable housing. The entire amount of the loan is outstanding, as the property foreclosed and the developer never commenced the project.

Additional Information

In 2003, the Board approved Resolution No. R-809-03, which authorized the payment of up to \$5.5 million to the State of Florida's Department of Financial Services as receiver for Nationwide Public Employees Trust to resolve the outstanding claims of Miami-Dade County officers and retirees associated with the Police Benevolent Association (Attachment 2). Payment to the State of Florida ensured that outstanding claims were paid on behalf of those employees and retirees; however, there was no guarantee at the time that the County would be able to recover any funds. In November 2008, the County received and deposited a check for \$877,421.66 from the State of Florida for the amount remaining after all claims had been settled.

If you have any questions or concerns, please contact Deputy Mayor Edward Marquez at 305-375-1451, or me directly.

c: Honorable Harvey Ruvlin, Clerk of the Board
Robert A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Charles Anderson, Commission Auditor

MIAMI-DADE COUNTY, FLORIDA
ALL COMMERCIAL LOANS AS OF JUNE 30, 2015

SOURCE OF FUNDS	Business Name	Net Balance Amt	Comments	STATUS
GENERAL FUND	PARROT JUNGLE INT ON 17.3 LOAN	\$ 1,777,481	PAYMENT OF INTEREST ON \$25 M LOAN, MADE BY THE GF REPRESENTING 20% OF TOTAL DUE	NOT DUE UNTIL 2020
GENERAL FUND	PARROT JUNGLE PRINC ON 17.3M LOAN	\$ 1,678,000	PAYMENT OF PRINCIPAL ON \$25 M LOAN, MADE BY THE GF REPRESENTING 20% OF TOTAL DUE	NOT DUE UNTIL 2020
GENERAL FUND	PARROT JUNGLE 4.702 M R-916-06	\$ 4,701,782	RESO R-915-06 PARROT JUNGLE LOAN RESTRUCTURE	DEFERRED BY BOARD UNTIL SUFFICIENT CASH FLOW, NOT DELINQUENT
GENERAL FUND (NOT A CASH LOAN - PARROT JUNGLE PROMISE TO PAY FOR AVIARY - RESO R-886-07)	DUE FRM PARROT JUNGLE FOR AVIARY R886-07	\$ 2,000,000		NOT DUE UNTIL 2020
SECTION 108	PARROT JUNGLE GARDENS, INC.	\$ 10,157,263	Jungle Island - General Fund Total	
SECTION 108	PARROT JUNGLE GARDENS, INC.	\$ 9,725,000		CURRENT
	PARROT JUNGLE GARDENS, INC.	\$ 1,067,201		CURRENT
		\$ 10,792,201	Jungle Island - Section 108 Total	
1/3 CONVENTION DEVELOPMENT TAX FUND	PERFORMING ARTS CENTER TRUST (PACT) LOAN	\$ 24,425,000		CURRENT
		\$ 24,425,000	Performing Arts Center Trust - Convention Development Tax Total	
AVIATION DEPARTMENT (Source: Sale of Jai-Alai Property)	FRONTON HOLDINGS, LLC	\$ 12,699,460		CURRENT
		\$ 12,699,460	Fronton Holdings, Inc - Aviation Revenue Total	
MDEAT (MMAP) ECONOMIC DEVELOPMENT LOANS - Source: Beacon Council	DUE FR TORBELL INC	\$ 18,587		DELINQUENT
MDEAT (MMAP) ECONOMIC DEVELOPMENT LOANS - Source: Beacon Council	DUE FR PAC ACCESSORIES	\$ 22,308		DELINQUENT
MDEAT (MMAP) ECONOMIC DEVELOPMENT LOANS - Source: Beacon Council	DUE FR MILLER TROPHIES	\$ 10,179		DELINQUENT
MDEAT (MMAP) ECONOMIC DEVELOPMENT LOANS - Source: Beacon Council	DENRON INC	\$ 28,487		DELINQUENT
MDEAT (MMAP) LOAN Source: Documentary Stamp Surtax	DC COLL-SURTAX MMAP - SAILBOAT COVE VENTURES	\$ 1,000,000	PROPERTY WAS FORECLOSED BY MERCANTIL COMMERCEBANK; LOAN TO BE PRESENTED FOR WRITE-OFF	FORECLOSED/WRITE OFF IN PROCESS
		\$ 1,079,560	Miami-Dade Economic Advocacy Trust Total	
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	AFRO-CARIB TRADING GRP FEIN #650351935	\$ 49,970	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	JACKSON SOUL FOOD INC FEIN #650551217	\$ 32,753	COMPANY ACTIVE: WAS PREVIOUSLY INACTIVE AND REINSTATED IN SEPT. 2013 WITH A DIFFERENT PRINCIPAL. ACCOUNT HAD BEEN FORWARDED FOR LITIGATION AND WAS RETURNED UNCOLLECTABLE. CREDIT AND COLLECTION WILL EXPLORE COLLECTABILITY.	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	KING SOLOMON CLEAN SERV.FEIN #650713466	\$ 14,489	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	SOUTHERN EXPERIENCE CAT.FEIN #650828256	\$ 49,970	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	GLOBAL PHONE CENTER INC FEIN #651056989	\$ 49,970	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	MR.MUHAMMADS DRY CLEAN.FEIN #650907031	\$ 49,970	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	THE BUSINESS EXCHANGE NET.FEIN#650854931	\$ 5,752	COMPANY INACTIVE	WRITE OFF IN PROCESS

MIAMI-DADE COUNTY, FLORIDA
ALL COMMERCIAL LOANS AS OF JUNE 30, 2015

SOURCE OF FUNDS	Business Name	Net Balance Amt	Comments	STATUS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	EURENAS FASHION OF MIAMI FEIN#650980861	\$ 19,970	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	BEEP-USA WIRELESS FEIN #650935040	\$ 17,657	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	INSPIRATIONAL CREATION FEIN # 429264545	\$ 11,252	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	WJ REDMOND CHRISTIAN ACA FEIN #650856142	\$ 49,870	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	BEN'S AUTO REPAIR SSN #266923747	\$ 14,526	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	COMM. TRAFFIC CONSULTANT FEIN 56141539	\$ 27,995	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	COSSINI CORP. INC. FEIN # 650980319	\$ 26,527	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	CAROL CITY PRODUCE FEIN #592583605	\$ 25,636	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	SHEYES OF MIAMI, INC. FEIN #592438665	\$ 3,240	COMPANY ACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	SOUTHERN SECRETS SSN#265815068	\$ 31,850	COMPANY INACTIVE	WRITE OFF IN PROCESS
URBAN ECONOMIC REVITALIZATION TASK FORCE (UERTF) Stability Loans	COMPUNET, INC FEIN #650033731	\$ 34,982	COMPANY INACTIVE	WRITE OFF IN PROCESS
		\$ 516,380	Urban Economic Revitalization Trust Fund Total	
SECTION 108	BARGAIN TOWN, INC. PHASE I	\$ 2,373,754		CURRENT
SECTION 108	BARGAIN TOWN, INC. PHASE II	\$ 1,192,324		CURRENT
SECTION 108	PENINSULA EDISON PLAZA	\$ 187,370	PROPERTY SOLD	WRITE OFF IN PROCESS
SECTION 108	LEASA NEW MARKETS	\$ 626,104		CURRENT
SECTION 108	TOWN CENTER LLC	\$ 2,200,000	JUDGMENT	DELINQUENT
SECTION 108	CARIBBEAN EQUIPMENT LIMITED, INC.	\$ 6,820	SETTLEMENT AGREEMENT	WRITE OFF IN PROCESS
SECTION 108	FLOSSY DEVELOPMENT - KARMA WASH	\$ 108,536		CURRENT
SECTION 108	HISPAVISION INC.	\$ 72,286	COMPANY INACTIVE	DELINQUENT
SECTION 108	SMARTHOUSE SALON, INC.	\$ 6,968	PRIVATE ATTORNEY	DELINQUENT
SECTION 108	TITIS DRINK LLC	\$ 75,848	COMPANY INACTIVE	WRITE OFF IN PROCESS
SECTION 108	TITIS DRINK LLC	\$ 27,500	COMPANY INACTIVE	WRITE OFF IN PROCESS
SECTION 108	TITIS DRINK LLC	\$ 70,500	COMPANY INACTIVE	WRITE OFF IN PROCESS
SECTION 108	WORK AMERICA, INC.	\$ 4,522	SETTLEMENT AGREEMENT	WRITE OFF IN PROCESS
SECTION 108	WRP TRANSPORTATION	\$ 1,331	SETTLEMENT AGREEMENT	WRITE OFF IN PROCESS
		\$ 6,953,864	Section 108 Total	
EMPOWERMENT	ISLAND BEVERAGE INC.	\$ 16,020	PRIVATE ATTORNEY	DELINQUENT
EMPOWERMENT	BANNERMAN LANDSCAPING	\$ 41,107	PRIVATE ATTORNEY	DELINQUENT
EMPOWERMENT	THE PRODUCE CONNECTION	\$ 33,983	PRIVATE ATTORNEY	DELINQUENT
EMPOWERMENT	CONTRACTORS RESOURCE CENTER	\$ 18,742	COMPANY INACTIVE	WRITE OFF IN PROCESS
EMPOWERMENT	PATTY KING, INC.	\$ 200,000		DELINQUENT
EMPOWERMENT	BERRONTAJ, INC.	\$ 203,424		CURRENT
EMPOWERMENT	PALMETTO HOMES INC.	\$ 229,205		CURRENT

MIAMI-DADE COUNTY, FLORIDA
 ALL COMMERCIAL LOANS AS OF JUNE 30, 2015

SOURCE OF FUNDS	Business Name	Net Balance Amt	Comments	STATUS
EMPOWERMENT	WORLDWIDE CONCESSIONS BAY	\$ 114,712	COMPANY INACTIVE	WRITE OFF IN PROCESS
EMPOWERMENT	BATO PRODUCTION INC.	\$ 126,524		DELINQUENT
EMPOWERMENT	LA VICTORIA DISTRIBUTOR	\$ 213,563		CURRENT
EMPOWERMENT	LEASA NEW MARKETS	\$ 997,385		CURRENT
EMPOWERMENT	ACCESS TOOLS INC.	\$ 19,196	COMPANY INACTIVE	WRITE OFF IN PROCESS
		\$ 2,213,861	Empowerment Zone 1 Total	
COMMUNITY DEVELOPMENT BLOCK GRANT	ABLENT II INC. - SUPERTRASSMISSION	\$ 18,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	EXCLUSIVE MOTORS	\$ 12,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	BUSINESS MACHINES	\$ 15,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	CRISCAR CORP.	\$ 10,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	CRUZ FLOWERS	\$ 17,800	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	AJAM ENTERPRISE	\$ 10,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	BRALEX COMMUNICATIONS	\$ 12,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	VIVIENS OPTICAL	\$ 12,900	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	C&G SERVICES	\$ 12,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	FANTASY FASHION	\$ 14,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	A PROFESSIONAL INS.	\$ 6,800	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	VEGA NURSERY	\$ 20,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	EL SUBMARINO SEAFOOD	\$ 8,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
COMMUNITY DEVELOPMENT BLOCK GRANT	HAVANA SUPER DISCOUNT	\$ 16,000	COMPANY INACTIVE	WRITE OFF IN PROCESS
		\$ 184,500	Community Development Block Grant Total	
		\$ 69,022,088	Grand Total	

TOTAL LOANS \$ 69,022,088 Grand Total



ORIGINAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA

DEPARTMENT OF FINANCIAL SERVICES

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

July 29, 2003

Marsha Pascual, Director
Miami-Dade County, Florida
General Services Administration
Risk Management Division
111 NW 1st Street
Suite 2340
Miami, Florida 33128-1987

RECEIVED
JULY 29 2003
RISK MANAGEMENT
DIVISION

Re: NPET

Dear Ms. Pascual:

Attached is a fully executed, original copy of the Employee Claims Funding Agreement for Miami-Dade County.

If you have any questions, please do not hesitate to call.

Sincerely,

David W. Nam
David W. Nam

DWN:lj

Enclosure

Miami-Dade County Employee Claims Funding Agreement

This Agreement is intended to memorialize the understanding of the undersigned parties regarding the use and disposition of certain funds to be made available from Miami-Dade County, a political subdivision of the State of Florida (hereinafter "County"), to the State of Florida, Department of Financial Services as Receiver of Nationwide Public Employees Trust (hereinafter "Receiver"). This Agreement is intended to carry out the actions authorized by the Miami-Dade County Commission in Resolution No. R-809-03, a copy of which is attached hereto and incorporated herein by reference. The County, and the Receiver as parties hereto agree as follows:

1. The County agrees to provide funds to the Receiver in the amount of five million, two hundred thousand dollars (\$5,200,000.00) (hereinafter "the funds"). The funds will be considered received when deposited into an account designated by the Receiver and subject to confirmation of the funds availability by the Receiver. Failure of the County to provide these funds within (5) business days after the issuance of the order approving this Agreement by the Receivership Court shall render this Agreement void at the option of the Receiver.
2. Nationwide Public Employees Trust (hereinafter "NPET") reported three groups of participants that did not include an identification of the associated employer. In the event that the Receiver determines that any participants in these groups are Miami-Dade County employees or former employees covered under Resolution No. R-809-03, then the County agrees to contribute up to an additional three hundred thousand dollars (\$300,000.00) to cover unpaid claims of such employees payable under the terms of their NPET policies.
3. The Receiver and the County agree that the ultimate amount of funds necessary to pay the claims is not known at this time, and that additional funds may be required for the payment of additional claims. Should additional funds be required, the Receiver will promptly notify the County and allow County an opportunity to determine whether it will provide such funds.
4. The funds will be used exclusively for the payment of NPET claims attributable to insureds under NPET policies issued to County active or retired employees (hereafter "claims").
5. Subject to applicable law regarding confidentiality of claims and other related information, prior to Receiver applying any funds provided hereunder by the County to pay any claims, the Receiver will verify with the County that such claims arise from policies issued to enrollees (Miami-Dade County employees/retirees) during their enrollment period and shall provide the County with summary data regarding providers associated with such claims and allow the County a reasonable time, as determined by the Receiver, to determine if additional discounts can be applied to reduce the amount of such claim.
6. The Receiver will inform the County of the amount to be paid on claims prior to the disbursement of funds by the Receiver in a manner acceptable to both parties.

7. The County has voluntarily contributed the above referenced funds to allow for the payment of claims as provided herein. If the liquidation of NPET is subsequently ordered by the Receivership Court, the County, by virtue of executing this agreement will be deemed to have filed a claim in the NPET estate. The Receiver shall obtain a release and assignment of claim to the benefit of the County for each claim paid utilizing these funds. The County shall have a claim in the estate for the total amount of the assigned claims paid with these funds. In the event that the Receivership Court does not order liquidation, the County may void this agreement.
8. If liquidation of NPET is subsequently ordered by the Receivership Court, the priority of the County's claim in the estate shall be governed by Section 631.271, Florida Statutes and shall be of the same priority as the underlying assigned claims. Pursuant to Section 631.271(1)(b), Florida Statutes, all claims under policies for losses incurred, including third party claims, are assigned Class 2 priority.
9. The County may file an additional claim in the NPET estate in the event that it has other claims not contemplated by this Agreement;
10. Any funds remaining upon payment, or other final disposition, of all claims will be returned to the County;
11. In the event that the Receivership Court orders the liquidation of NPET, funds provided by the County pursuant to this Agreement shall not become a general asset of the estate. The payment of the funds designated above is being made without admission of any liability therefore and this agreement shall not be interpreted as the admission of any such liability. The County has agreed to fund these payments only because the employees and retirees involved were employed by the County and the County has voluntarily chosen to assist these employees and retirees to avoid imposition of any liability on such persons. This agreement is not intended to create any third party beneficiary rights.
12. The parties agree that this Agreement will not affect the legal rights of the Receiver to pursue any cause of action for damages or other lawful recovery of amounts that any person or entity other than the County, may now or hereafter become liable to the NPET Receivership Estate. Receiver agrees not to pursue any claim against the County or any County agent or employee for actions taken under this agreement. The receiver further agrees to coordinate with the County in the defense of claims brought by other parties against the County in connection with the liquidation of NPET and ensuing litigation by making data, records, and testimony available as necessary for the County to obtain information related to the receivership process.
13. The current estimate of the deficit in this estate exceeds \$7,000,000.00. As part of its statutory duties in administering this estate, the Receiver will marshal assets and pursue recovery on behalf of all claimants of the estate, including the County (in relation to the funds provided by this agreement), to the extent economically feasible from parties owing any legal obligation to the estate of NPET. Any funds recovered will be distributed to the claimants, in accord with the provisions of Chapter 631, Florida Statutes.

14. NPET is currently in receivership for purposes of rehabilitation. Due to the nature of this Agreement the Receiver believes that approval of this Agreement by the Receivership Court is required. The Receiver will proceed to obtain such approval.



R.J. Castellanos
Director, of the Division of Rehabilitation
and Liquidation

7/28/03
Date



George M. Burgess
Miami-Dade County Manager

7/24/03
Date

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
ATE-7/28/03
Assistant County Attorney

Approved  Mayor
Veto _____
Override _____

Not On _____
Agenda Item No. 11(A)(5)
7-10-03

**OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA**

RESOLUTION NO. R-809-03

RESOLUTION AUTHORIZING PAYMENT OF UP TO \$5,500,000 TO THE STATE OF FLORIDA, DEPARTMENT OF FINANCIAL SERVICES, AS RECEIVER FOR NATIONWIDE PUBLIC EMPLOYEES TRUST (NPET), IN ORDER TO RESOLVE THE OUTSTANDING CLAIMS OF MIAMI-DADE COUNTY EMPLOYEES, OFFICERS AND RETIREES

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, this Board desires to expeditiously resolve the outstanding insurance claims of its employees, officers and retirees formerly insured by NPET,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby authorizes the expenditure of up to \$5,500,000 to resolve outstanding medical claims against Miami-Dade County Officers and Retirees insured by the Nationwide Public Employees Trust and authorizes the County Manager to execute the necessary agreement with the State of Florida on behalf of the County after approval for legal sufficiency by the County Attorney's office.

The foregoing resolution was offered by Commissioner **Sally A. Heyman**, who moved its adoption. The motion was seconded by Commissioner **Katy Sorenson** and upon being put to a vote, the vote was as follows:



MEMORANDUM
(Revised)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: July 10, 2003

FROM: Robert A. Ginsburg
County Attorney

Not On

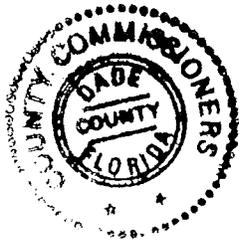
SUBJECT: Agenda Item No. 11(A)(5)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Dr. Barbara Carey-Shuler, Chairperson	aye		
Katy Sorenson, Vice-Chairperson	aye		
Bruno A. Barreiro	aye	Jose "Pepe" Diaz	absent
Betty T. Ferguson	absent	Sally A. Heyman	aye
Joe A. Martinez	absent	Jimmy L. Morales	absent
Dennis C. Moss	aye	Dorrin D. Rolle	aye
Natacha Seijas	aye	Rebeca Sosa	absent
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of July, 2003. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.



MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **KAY SULLIVAN**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Lee Kraftchick

MEMORANDUM

Not On
Agenda Item No. 11(A)(5)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: July 10, 2003

FROM: George M. Burgess
County Manager



SUBJECT: NPET/PBA Health Plan
Update

Recommendation: It is recommended that the Board of County Commissioners authorize payment to the State of Florida, Department of Financial Services, as receiver for Nationwide Public Employees Trust (NPET), in an amount necessary to resolve the outstanding claims of Miami-Dade County officers and retirees. This amount is currently estimated to be in the range of \$5,200,000 to \$5,500,000. The County would subsequently file a claim against the estate and be identified as a creditor.

Background: Agenda Item 11(B) 2 and its supplement on today's agenda reports to you on the options available to the County regarding the resolution of claims on behalf of Miami-Dade officers and retirees. In earlier discussions, the PBA had indicated a preference for Option 2, which may have allowed claims to be resolved at an amount less than face value, but would not have provided resolution of the claims as promptly as Option 1. However, after meeting with PBA again on Wednesday, July 9th, we have been advised that their preference is to have the County extend the full value of claims to the State with a commitment on the part of PBA to repay \$2,500,000 (of the estimated 5,500,000 total) over a period of twenty five years, interest free. This is a modified version of the Option 1 presented to you in the supplement, with far less than the expected reimbursement being committed by PBA.

As the plan sponsor, the PBA must assume substantial responsibility for the plan's obligations. Since the PBA is limiting their responsibility to an amount I deem less than acceptable, I believe it is in the County's best interest to attempt to recover as much of our money as possible through the liquidation process by taking our place as a creditor with a claim against the estate. This recommendation mirrors Option 3 in the supplemental memorandum provided to you on Tuesday. Providing the money to the State will insure that the claims are paid expeditiously and that our employees/retirees will no longer be faced with unpaid and past due bills. If money is not provided to the State in the full amount to resolve the claims, the claims will be handled through the liquidation process. Providers may choose not to participate in the liquidation process and continue to pursue the insured (our officers/retirees) for the balance due. Although there is no guarantee as to when or how much the County will recover as a creditor, the State will aggressively pursue recoveries and it is likely we will get reimbursed some portion of our money much quicker than the twenty five years that the PBA wishes to commit.

Given the time value of money, this may, in the long run, prove more financially advantageous to the County.

The Board should not lose sight of the fact that in addition to the financial contribution being offered here, the County has assumed a significant financial commitment through our efforts to enroll the officers and retirees in County health programs. Our consultants have estimated the County will absorb \$1.5 to \$2.0 million in claims this year due to the addition of these members mid-year.

Again, I would reiterate that we do not believe the County is responsible for the debts of this plan, as this was not a plan sponsored by the County. Our recommendation is based on a moral commitment to assist the retirees and employees of Miami-Dade County. This recommendation will provide quick action in that regard along with an opportunity to recover some of our investment from the parties the State and the Court hold to be legally and financially responsible.

Once the State has recovered from the parties financially responsible, the County would be entitled to a share of the proceeds. It is unknown how much we are likely to recover or how long that may take. It is important to note, however, that the County would be considered a Class 2 creditor in accordance with Florida Statute 631.271. Only the State itself is considered a Class 1 creditor.

It should also be noted that there is an ongoing investigation regarding the activities of this fund, which may result in civil or criminal actions.