



North Bay Village

Administrative Offices

1666 Kennedy Causeway, Suite 300, North Bay Village, FL 33141

Tel: (305) 756-7171 | Fax: (305) 756-7722 | www.nbvillage.com

ADDENDUM **OFFICIAL AGENDA** **SPECIAL VILLAGE COMMISSION MEETING**

VILLAGE HALL
1666 KENNEDY CAUSEWAY, #101
NORTH BAY VILLAGE, FL 33141

TUESDAY, FEBRUARY 5, 2019
6:30 P.M.

NOTICE IS HEREWITH GIVEN TO ALL INTERESTED PARTIES THAT IF ANY PERSON SHOULD DECIDE TO APPEAL ANY DECISION MADE AT THE FORTHCOMING MEETING OF THE VILLAGE COMMISSION, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS AND FOR SUCH PURPOSE, HE OR SHE WILL NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THIS NOTICE DOES NOT CONSTITUTE CONSENT BY THE VILLAGE FOR THE INTRODUCTION OR ADMISSION OF OTHERWISE INADMISSIBLE EVIDENCE, NOR DOES IT AUTHORIZE CHALLENGES OR APPEALS NOT OTHERWISE ALLOWED BY LAW.

TO REQUEST THIS MATERIAL IN ACCESSIBLE FORMAT, SIGN LANGUAGE INTERPRETERS, INFORMATION ON ACCESS FOR PERSON WITH DISABILITIES, AND/OR ANY ACCOMMODATION TO REVIEW ANY DOCUMENT OR PARTICIPATE IN ANY VILLAGE-SPONSORED PROCEEDING, PLEASE CONTACT (305) 756-7171 FIVE DAYS IN ADVANCE TO INITIATE YOUR REQUEST. TTY USERS MAY ALSO CALL 711 (FLORIDA RELAY SERVICE).

REVISED ITEM

- A RESOLUTION OF THE COMMISSION OF NORTH BAY VILLAGE, FLORIDA APPROVING STATEMENT OF WORK FROM ALVAREZ & MARSAL PUBLIC SECTOR SERVICES, LLC FOR PROFESSIONAL CONSULTING/ADVISORY SERVICES TO PERFORM AN INDEPENDENT EVALUATION OF THE VILLAGE FINANCE DEPARTMENT, HUMAN RESOURCES AND OPERATIONAL FUNCTIONS IN ORDER TO IMPROVE THE VILLAGE FINANCIAL AND OPERATIONAL EFFICIENCY AND PROVIDE THE VILLAGE WITH A STRATEGIC PLAN TO IMMEDIATELY ADDRESS THE VILLAGE DISTRESSED OPERATIONS AND TO PROVIDE INTERIM VILLAGE MANAGEMENT SUPPORT SERVICES; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. (INTRODUCED BY MAYOR BRENT LATHAM) *(Revised Contract Attached)***

ADD ON ITEM

- A RESOLUTION OF THE VILLAGE COMMISSION OF NORTH BAY VILLAGE, FLORIDA, CONFIRMING THE APPOINTMENT OF LIEUTENANT JAMES MCCREEDY AS ACTING POLICE CHIEF PURSUANT TO SECTION 4.01 OF THE VILLAGE CHARTER; SETTING AN EFFECTIVE DATE. (INTRODUCED BY INTERIM VILLAGE MANAGER BRIAN COLLINS)**

- Commission Action*

Addendum - Revised Agenda Item 2



Alvarez & Marsal
Public Sector Services, LLC
655 15th Street, NW
Suite 600
Washington, D.C. 20005
Phone: +1 202 729 2100
Fax: +1 202 729 2101

February 4, 2019

Mayor Brent Latham
Village of North Bay Village, Florida
1666 Kennedy Causeway, Third Floor
North Bay Village, Florida 33141

Dear Mayor Latham:

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal Public Sector Services, LLC (“A&M”) and Village of North Bay Village, Florida and its assigns and successors (the “Village”), including the scope of the services to be performed and the basis of compensation for those services. Upon execution of this letter by each of the parties below, this letter will constitute an agreement between the Village and A&M (the “Agreement”).

1. Scope of Services

Alvarez & Marsal Public Sector Services, LLC will complete an independent evaluation and assessment of the Finance and Human Resources operational functions and advisory consulting support to the Village Manager’s Office. These services will include:

Task 1: Financial Operational Assessment

A&M will complete a five-week assessment of the Village’s financial operations. The assessment will review current business processes, internal controls and reporting within the Finance Department and recommend areas for potential improvement, including:

- (a) Review of current operating policies, business procedures and practices for the collection of revenues from citizens, ratepayers and businesses.
- (b) Review of the current policies, procedures and practices for cash management to safeguard Village assets
- (c) Review of current operating, procurement/purchasing and accounts payable procedures and practices and controls to ensure Village spending follows approved policies, budget priorities and best practices
- (d) Review of budgeting and capital planning processes and planning assumptions for the current fiscal year
- (e) Validate prior accounting for debt service funded projects and any reserve requirements for principal and interest on current and future year debt service payments
- (f) Review payroll processes and controls for proper payment of employees
- (g) Review of prior year audit management letter and internal control audits to ensure any cited improvements are being addressed with detailed action plans

A&M will provide to Mayor and Village Commission our observations and recommendations for potential financial management operations improvement opportunities. This will include recommendations for potential improvements in business processes, internal controls and new and/or enhanced fiscal management policies. Our assessment will also provide potential organizational and operational improvements to address best practices and any segregation of duty needs.

www.alvarezandmarsal.com

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Due to the limited scope of this initial five-week Finance Assessment, A&M will not review the Village's information technology plans and operating systems to ensure alignment with strategic business practices. A&M would be willing to complete this added Assessment activity under an amended Agreement, if the Mayor and Village Commission requests the completion of this independent evaluation.

Task 2: Human Resource Assessment.

A&M will complete a three-week high-level review of the Village's Human Resource management processes. A&M's assessment will include a review of existing Village policies and procedures and controls to evaluate the alignment of resource management practices with best practices in personnel management. Potential areas for review would be organizational structure and processes for performance evaluation as well as creation and utilization of job descriptions.

Task 3: Village Management Advisory Support

A&M will provide management consulting and advisory support to the Village Manager's Office and the Village Commission. This support will include an assessment of the Village Manager's roles and responsibilities and areas for improvement. A&M will work with the appointed Interim Village Manager for a 90-day period to assess the day-to-day operations of the Village. Major tasks and areas of responsibility will include:

- (a) Discuss with the Mayor, the Village Commissioners, Interim Village Manager and Department Heads current priorities and upcoming challenges
- (b) Provide advisory recommendations on the delivery of Village services and guidance for Department Heads regarding service delivery based on best practices
- (c) Review the current organizational structure of selected department and program functions
- (d) Review internal employee training needs for Village employee and recommend potential improvement opportunities as needed designed to attract and maintain quality and well-trained staff
- (e) Mayor and Village Commissioners in the search of permanent Village Manager

In connection with the services to be provided hereunder, from time to time A&M may utilize the services of employees of its affiliates. Such affiliates are wholly owned by A&M's parent company and employees.

A&M personnel providing services to the Company may also work with other A&M clients in conjunction with unrelated matters.

2. Information Provided by the Village and Forward Looking Statements

The Village shall use all reasonable efforts to: (i) provide A&M with access to management and other representatives of the Village; and (ii) to furnish all data, material, and other information concerning the business, assets, liabilities, operations, cash flows, properties, financial condition and prospects of the Village that A&M reasonably request in connection with the services to be provided to the Village. A&M shall rely, without further independent verification, on the accuracy and completeness of all publicly



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available information and information that is furnished by or on behalf of the Village and otherwise reviewed by A&M in connection with the services performed for the Village. The Village acknowledges and agrees that A&M is not responsible for the accuracy or completeness of such information and shall not be responsible for any inaccuracies or omissions therein. A&M is under no obligation to update data submitted to it or to review any other areas unless specifically requested by the Village Commission to do so.

You understand that the services to be rendered by A&M may include the preparation of projections and other forward-looking statements, and numerous factors can affect the actual results of the Village's operations, which may materially and adversely differ from those projections. In addition, A&M will be relying on information provided by the Village in the preparation of those projections and other forward-looking statements.

3. Limitation of Duties

A&M makes no representation or guarantee that, inter alia, (i) an appropriate restructuring proposal or strategic alternative can be formulated for the Village (ii) any restructuring proposal or strategic alternative presented to the Village's management or the Village Commission or Responsible Officers will be more successful than all other possible restructuring proposals or strategic alternatives, (iii) restructuring is the best course of action for the Village or (iv) if formulated, that any proposed restructuring plan or strategic alternative will be accepted by any of the Village's creditors, shareholders and other constituents. Further, A&M does not assume any responsibility for the Village's decision to pursue, or not pursue any business strategy, or to effect, or not to effect any transaction. A&M shall be responsible for assistance with the implementation only of the restructuring proposal or strategic alternative approved by the Village Commission or Responsible Officers and only to the extent and in the manner authorized by and directed by the Village Commission or Responsible Officers and agreed to by A&M.

4. Compensation

The professional fees for this engagement are based on a weekly amount for each of the three major identified tasks:

<u>Task Area</u>	<u>Fees per week</u>
1. Finance Assessment	\$ 40,000 per week
2. Human Resources Assessment	\$ 40,000 per week
3. Village Management Advisory Support	\$ 20,000 per week

In addition, A&M will be reimbursed for its reasonable out-of-pocket expenses incurred in connection with this assignment, such as travel, lodging, duplicating, messenger and telephone charges. All fees and expenses will be billed and payable on a monthly basis or, at A&M's discretion, more frequently.

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5. Term

- (a) This Agreement will apply from the commencement of the services referred to in Section 1 and may be terminated with immediate effect by either party without cause by written notice to the other party.
- (b) A&M normally does not withdraw from an engagement unless the Village misrepresents or fails to disclose material facts, fails to pay fees or expenses, or makes it unethical or unreasonably difficult for A&M to continue performance of the engagement, or other just cause exists..
- (c) On termination of the Agreement, any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but are invoiced subsequent to such termination).
- (d) The provisions of this Agreement that give the parties rights or obligations beyond its termination shall survive and continue to bind the parties.

6. Relationship of the Parties

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or agents is to be considered an employee or agent of the Village and the personnel and agents of A&M are not entitled to any of the benefits that the Village provides for the Village employees. The Village acknowledges and agrees that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to the rules of the AICPA, SEC or other state or national professional or regulatory body.

7. No Third Party Beneficiary

The Village acknowledges that all advice (written or oral) provided by A&M to the Village in connection with this engagement is intended solely for the benefit and use of the Village (limited to its Village Commission and management) in considering the matters to which this engagement relates. The Village agrees that no such advice shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law.

8. Conflicts

A&M is not currently aware of any relationship that would create a conflict of interest with the Village or those parties-in-interest of which you have made us aware. Because A&M and its affiliates and subsidiaries comprise a consulting firm (the "Firm") that serves clients on a global basis in numerous cases, both in and out of court, it is possible that the Firm may have rendered or will render services to or have business associations with other entities or people which had or have or may have relationships with the Village, including creditors of the Village. The Firm will not be prevented or restricted by virtue of providing the services under this Agreement from providing services to other entities or individuals, including entities or individuals whose interests may be in competition or conflict with the Village's, provided the Firm makes appropriate arrangements to ensure that the confidentiality of information is maintained.



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9. Confidentiality / Non-Solicitation

A&M shall keep as confidential all non-public information received from the Village in conjunction with this engagement, except: (i) as requested by the Village or its legal counsel; (ii) as required by legal proceedings or (iii) as reasonably required in the performance of this engagement. All obligations as to non-disclosure shall cease as to any part of such information to the extent that such information is or becomes public other than as a result of a breach of this provision. The Village, on behalf of itself and its subsidiaries and affiliates and any person which may acquire all or substantially all of its assets agrees that, until two (2) years subsequent to the termination of this engagement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or any of its affiliates who worked on this engagement while employed by A&M or its affiliates (“Solicited Person”). Should the Village or any of its subsidiaries or affiliates or any person who acquires all or substantially all of its assets extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the party extending such offer equal to the Solicited Person’s hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior Director and 2,000 hours for any other A&M employee. The Village acknowledges and agrees that this fee fairly represents the loss that A&M will suffer if the Village breaches this provision. The fee shall be payable at the time of the Solicited Person’s acceptance of employment or engagement.

10. Limitations on Liability

A&M’s and its affiliates’ total liability relating to this Agreement or the services shall in no event exceed the fees actually paid to A&M hereunder for the portion of the services giving rise to liability, except to the extent that such liability is finally determined to have arisen from the gross negligence or willful misconduct of A&M. In no event shall the liability of A&M and its affiliates relating to this Agreement or the services include any special, consequential, incidental, punitive or exemplary damages or loss (including any lost profits, savings or business opportunity, even if A&M is advised of the likelihood of such damages). If any person or entity requests or subpoenas any information or materials related to the services, A&M will inform the Village of such request or subpoena. The Village agrees to reimburse A&M for any time and expenses related to the request or subpoena.. Termination of this engagement shall not affect these limitation on liability provisions, which shall remain in full force and effect.

11. Miscellaneous

This Agreement (together with the attached indemnity provisions), including, without limitation, the construction and interpretation of thereof and all claims, controversies and disputes arising under or relating thereto, shall be governed and construed in accordance with the laws of the State of New York, without regard to principles of conflict of law that would defer to the laws of another jurisdiction. The Village and A&M agree to waive trial by jury in any action, proceeding or counterclaim brought by or on behalf of the parties hereto with respect to any matter relating to or arising out of the engagement or the performance or non-performance of A&M hereunder. The Village and A&M agree, to the extent permitted by applicable law, that any Federal Court sitting within the Southern District of Florida shall have exclusive jurisdiction over any litigation arising out of this Agreement; to submit to the personal jurisdiction of the Courts of the United States District Court for the Southern District of Florida; and to waive any and all personal rights under the law of any jurisdiction to object on any basis (including,



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without limitation, inconvenience of forum) to jurisdiction or venue within the State of Florida for any litigation arising in connection with this Agreement.

This Agreement shall be binding upon A&M and the Village, their respective heirs, successors, and assignees, and any heir, successor, or assignee of a substantial portion of A&M's or the Village's respective businesses and/or assets, including any Chapter 11 Trustee. This Agreement incorporates the entire understanding of the parties with respect to the subject matter hereof and may not be amended or modified except in writing executed by the Village and A&M. Notwithstanding anything herein to the contrary, A&M may reference or list the Village's name and/or logo and/or a general description of the services in A&M's marketing materials, including, without limitation, on A&M's website.

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

Very truly yours,

ALVAREZ & MARSAL PUBLIC SECTOR
SERVICES, LLC

By: Thomas W. Shaffer, Managing Director

Signature _____

Date _____

Accepted and Agreed:

Village of North Bay Village, Florida

By: Mayor Brent Latham

Signature _____

Date _____



ADDENDUM - ADD ON Item 5



North Bay Village

Administrative Offices

1666 Kennedy Causeway, Suite 300, North Bay Village, FL 33141

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MEMORANDUM

North Bay Village

DATE: February 5, 2019

TO: Graciela Mariot
Interim Village Clerk

FROM: Brian Collins
Interim Village Manager

SUBJECT: Introduction of Resolution

Pursuant to Section 3.08 of the Village Charter, I hereby introduce the following Resolution:

A RESOLUTION OF THE VILLAGE COMMISSION OF NORTH BAY VILLAGE, FLORIDA, CONFIRMING THE APPOINTMENT OF LIEUTENANT JAMES MCCREADY AS ACTING POLICE CHIEF PURSUANT TO SECTION 4.01 OF THE VILLAGE CHARTER; SETTING AN EFFECTIVE DATE.

Accordingly, please place the item on the next available agenda.

BC:gm

ADDENDUM - ADD ON Item 5

RESOLUTION NO.: _____

A RESOLUTION OF THE VILLAGE COMMISSION OF NORTH BAY VILLAGE, FLORIDA, CONFIRMING THE APPOINTMENT OF LIEUTENANT JAMES MCCREADY AS ACTING POLICE CHIEF PURSUANT TO SECTION 4.01 OF THE VILLAGE CHARTER; SETTING AN EFFECTIVE DATE. (*INTRODUCED BY INTERIM VILLAGE MANAGER BRIAN COLLINS*)

WHEREAS, pursuant to Article IV, Section 4.01 of Village Charter, the Village Manager is charged with appointing Village employees; and

WHEREAS, Section 4.01 of the Village Charter requires the Village Manager to submit the appointment of new department heads to the Commission for confirmation; and

WHEREAS, the Interim Village Manager desires to appoint Lieutenant James McCready to the department head position of Acting Chief of Police, effective February 5, 2019.

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COMMISSION OF THE VILLAGE OF NORTH BAY VILLAGE, FLORIDA AS FOLLOWS:

Section 1. **Recitals.** The foregoing 'WHEREAS' clauses are ratified and confirmed as being true and correct and are made a specific part of this Resolution.

Section 2. **Appointment.** The Village Commission hereby confirms the appointment of Lieutenant James McCready to the department head position of Acting Chief of Police, effective February 5, 2019 through the first date of employment of a new Village Manager.

Section 3. **Fund Expenditure.** The Interim Village Manager is authorized to expend budgeted Funds towards the salary of the Acting Police Chief.

