



COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: September 11, 2024

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, THE LETTER AGREEMENT WITH THE FRIENDS OF THE BASS MUSEUM OF ART, INC., ("THE FRIENDS"), TO MEMORIALIZE THE PARTIES' RESPECTIVE OBLIGATIONS WITH REGARD TO CERTAIN MANAGEMENT AND OPERATION RESPONSIBILITIES OF THE MUSEUM THROUGH SEPTEMBER 30, 2025; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL LETTER AGREEMENT WITH THE FRIENDS.

RECOMMENDATION

The Administration recommends approving the annual Letter Agreement between the City of Miami Beach and the Friends of the Bass Museum, Inc. ("the Friends" or "the Bass Museum").

BACKGROUND/HISTORY

On March 10, 2010, the City Commission adopted Resolution No. 2010-27349 amending the 1963 agreement between the City and Dennis Alan Richard (as Successor in Interest to John and Johanna Bass). This new Agreement, among other things, replaced both the existing Bass Board of Trustees and the Friends of the Bass Museum, Inc., with the Bass Museum of Art, Inc. a 501(c)3, composed of actual stakeholders (as opposed to the then-current Board of Trustees, who maintained their seats by virtue of their contractually designated positions under the 1963 Agreement). The City Manager retained membership on the new governing board, with voting power equivalent to 20% of the membership of the Board, comparable to the City Manager's representation on the previous Board of Trustees. The day-to-day responsibility to ensure the City's contractual obligations to maintain the Collection would be handled by the new governing body through a separate management agreement with the City.

Funding for the Bass Museum has been appropriated through the annual budget process each year since 2009, and subsequently approved by resolution authorizing the City Manager to enter into a letter agreement with the Bass Museum for the amount appropriated through the budget process, noted as follows:

FY 2010 \$512,000 (Reso. No. 2009-27216)
FY 2011 \$536,495 (Reso. No. 2010-27505)
FY 2012 \$623,391 (Reso. No. 2011-27757)
FY 2013 \$585,501 (Reso. No. 2012-28027)
FY 2014 \$651,000 (Reso. No. 2013-28363)
FY 2015 \$651,000 (Reso. No. 2014-28764)
FY 2016 \$651,000 (Reso. No. 2015-29168)
FY 2017 \$1,201,000 (Reso. No. 2016-29689) **increased to assist with re-opening of Bass Museum*
FY 2018 \$651,000 (Reso. No. 2018-30172)
FY 2019 \$884,058 (Reso. No. 2018-30517)
FY 2020 \$905,000 (Reso. No. 2019-31034)
FY 2021 \$905,000 (Reso. No. 2020-31449)

FY 2022 \$905,000 (Reso. No. 2021-31831)
FY 2023 \$905,000 (Reso. No. 2022-32362)
FY 2024 \$932,150 (Reso. No. 2023-32700)

ANALYSIS

The City has a long history of supporting the Bass Museum. The City's financial support to the Bass Museum has increased over the past fifteen years, most notably in 2016 when additional funding was allocated to assist with the re-opening of the Bass Museum following a \$7 million restoration. Note that in 2018, the Bass Museum contended that the City's annual funding obligation under the agreement was significantly higher than the existing \$651,000 annual allocation. The proposed \$233,000 increase for the FY 2019 Letter Agreement was calculated as a result of compounded increases using the Cost Performance Index ("CPI") methodology for Miami-Fort Lauderdale-West Palm Beach.

On July 20, 2018, the Finance and Citywide Projects Committee recommended a retroactive \$233,000 increase for the FY 2019 Letter Agreement with the Bass Museum for a total allocation of \$884,058 appropriated through the FY 2019 budget process. During the FY 2020 budget process, the CPI increase was included and approved by the City Commission on September 25, 2019, resulting in an allocation of \$905,000.

Beginning on October 1, 2024, the Letter Agreement has been updated to include language that allows for a cap of the annual adjusted increase by CPI or 3%, whichever is lesser. With this increase, the city's contribution to the Friends of the Bass for FY 2025 is \$960,116. In addition, as proposed, the FY 2024 Letter Agreement calls for artwork on loan to the Bass from a third party to be insured by the Bass.

FISCAL IMPACT STATEMENT

N/A

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

Funding in the amount of \$960,116 is recommended as part of the City's FY 2025 budget process and with the Letter Agreement to be administered through the Tourism and Culture Department. This amount is contingent upon approval of the City's FY 2025 budget.

CONCLUSION

The Administration recommends approving the annual Letter Agreement between the City of Miami Beach and the Friends of the Bass Museum, Inc. to help ensure that Miami Beach remains a world-class arts and culture destination.

Applicable Area

South Beach

**Is this a “Residents Right to Know” item,
pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond
Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481,
includes a principal engaged in lobbying?** No

If so, specify the name of lobbyist(s) and principal(s):

Department

Tourism and Culture

Sponsor(s)

Co-sponsor(s)

Condensed Title

Approve FY 25 Letter Agreement with the Friends of the Bass Museum of Art, Inc. TC