



## BROWARD OFFICE OF THE INSPECTOR GENERAL

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November 7, 2012

Renee Crichton, City Manager  
400 South Federal Highway  
Hallandale Beach, FL 33009

**By Hand Delivery**

Re: Agenda Item 14C: Resolution Authorizing the Exploration of Revenue Bonds to Finance Phase One of the Parks Master Plan

Dear Ms. Crichton:

The OIG is in receipt of your letter dated November 6, 2012. As this office strives to prevent mismanagement whenever possible, we are encouraged that the City has now reconsidered its original course with respect to the repayment of the 2007A Bonds. After reviewing the City's revised approach, as outlined in your letter, we agree with Marcum that—should the city begin paying a pro-rata portion of the 2007A Bonds in 2015—the City would correct its initial misappropriation of the CRA-funded bond.

We would, however, like to clarify a few points from your letter. You indicated that Item 14C was not related to CRA funds and that there was no need for the City to consult Dr. Jackson in the appropriation of the 2007A bonds for Scavo and South Beach Parks. With regards to Item 14C, the item explicitly regards *additional* funding for Phase One of the Comprehensive Parks Plan. It plainly informs the Commission that the City *also* planned to rely on 2007A Bond funds to partially fund Phase One.

Under your new plan it appears the City may pay its portion of the 2007A funds used for City purposes. Nonetheless, both the City's Finance Director and Dr. Jackson have recently admitted to OIG Special Agents that the CRA was intended to pay 100% of the bond, despite the fact that the bond was in the City's name and several hundred thousand dollars had already been spent outside of the CRA district. This fact was corroborated by various documents obtained by the OIG. Under the circumstances—if the City had continued with its stated course and allowed the CRA to pay off 100% of the bond—at a minimum we would have expected Dr. Jackson, the current CRA Director, to be consulted as those funds were spent.

More importantly, even though the City administration and the CRA were made aware of our concerns during the interviews, the OIG could not permit the Commission to blindly move forward with an effort to obtain \$12.7 million in additional debt, with the mistaken impression

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John W. Scott, *Inspector General*

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that this amount would complete the total amount needed to fully fund Phase One of the Comprehensive Parks Plan. As a watchdog for the taxpayers of your municipality, we believe it is our duty to inform the Commission of concerns which might jeopardize the funding of the overall project.

Indeed, we are pleased that your administration has ultimately acted to address the issue identified by the investigation as it related to Item 14C. Clearly, we remain concerned with the circumstances that allowed such an immense oversight to occur in the first place. Our final investigative report will detail those circumstances and contain recommendations which we hope will, if enacted, create institutional controls that will prevent such misappropriation from occurring in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'John W. Scott', with a large, stylized loop at the end.

John W. Scott  
Inspector General

JWS:wvd

cc: Honorable Joy Cooper, Mayor, City of Hallandale Beach  
and Members, Hallandale Beach City Commission  
Alvin Jackson, Jr., Executive Director, Hallandale Community Redevelopment Agency