

BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – NOVEMBER 4, 2010

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, November 4, 2010, in the Conference Room at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

1. CALL TO ORDER/ROLL CALL: The meeting was called to order at 9:00 a.m. by Mayor Rosenfield. The following members were present:

- Mayor Jean Rosenfield
- Florent Gateau
- Michael M. Krop
- Sandra Lansing
- Richard Lodes
- John Manrique¹

Others Present:

- Alfred J. Treppeda, Village Manager
- Ellisa L. Horvath, MMC, Village Clerk
- Andrea Greenblatt, Administrative Assistant
- Matthew Pearl, Village Attorney
- Christopher Wallace, Finance Director
- Carolyn Travis, Director of Tourism Marketing

Absent: Bruce Gelb

As a quorum was determined to be present, the meeting commenced.

2. PLEDGE OF ALLEGIANCE: The Pledge was led by the Committee.

3. APPROVAL OF MINUTES: *A motion was offered by Mr. Lodes and seconded by Ms. Lansing to approve the October 14, 2010 Regular Meeting Minutes. The motion carried (5-0).*

4. RESORT TAX FINANCIAL UPDATE: Mr. Wallace explained a change in the reporting policy and clarified that beginning in October the revenue would be posted to the period that it was received. He reported that payment was not received from one source of revenue, which resulted in an approximate \$11,000 shortage, but clarified that the money was expected. He noted that the expenditures were as expected. Mr. Wallace explained that expenditures were still expected for 2010 and the books would be held open until the first week in December.

Councilman Packer discussed Sunny Isles Beach as a growth potential for the Village.

Dr. Krop requested a firm end of the year report in December. Mr. Wallace agreed to provide one, but noted that it would be unaudited.

¹ Mr. Manrique arrived during the GMCVB discussion.

Ms. Travis reported that the revenue shortage was from a hotel. She reported a 10% increase in revenue for the month, over last year, which was expected to continue.

Mr. Lodes expected the new restaurant to be open in January, which should be a good revenue producer. He reported that a spa was being contemplated for the second floor, but explained that nothing was definite.

5. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

TRAVIS: Ms. Travis reviewed the following items:

October Actions: Ms. Travis distributed and reviewed the October actions, LDPR Status Report, Suzanne Corbo Northeast September 2010 Monthly Sales Report, LPS Collection October 2010 Monthly Sales Report, and Tour Operators & Travel Agencies Notes and the Bal Harbour 2010-2011 Season Booklet.

Contribution to the GMCVB: Ms. Travis discussed her conversation with Rolando Aedo, GMCVB, regarding the Village's annual contribution to the GMCVB. Ms. Travis felt that the GMCVB supported greater Miami, which was not the same as focusing on a target audience for the Village. She distributed an email response from Rolando Aedo, which was read by the Board. Ms. Travis reviewed the email and responded to the items discussed by Mr. Aedo. She did not suggest not participating with them. She also discussed an email received from Mr. Aedo this morning requesting the amount that the Village would be contributing.

Mr. Treppeda reported that Surfside, Miami Beach and Bal Harbour were the only communities that collected their own resort taxes. Dr. Krop clarified that the other communities, not included in the three mentioned, expected to be supported by the GMCVB, since their resort tax money went to the GMCVB. Mayor Rosenfield discussed the GMCVB mainly advertising Miami and Miami Beach.

Ms. Travis pointed out that the GMCVB did support the Village as another neighborhood in Miami. Ms. Lansing questioned the worth of that support. Ms. Travis suggested that the GMCVB could help the Village in Europe.

Mr. Gateau noted that the hotels in the Village also paid the GMCVB. Ms. Travis agreed and noted that the restaurants also paid for membership.

Ms. Travis suggested \$25,000 and another \$25,000 to be used for activities (the road shows in France, ABAV, etc.). She clarified that the emails were regarding the 2010 fiscal year contribution. Ms. Travis suggested \$50,000 going forward (\$25,000 to be used as a barter and \$25,000 as a contribution).

Dr. Krop discussed the cut in the Village's advertising funds for the year and questioned what would happen as a result of that. Ms. Travis didn't anticipate seeing a decrease in revenue, but noted that more advertising dollars would always help. She discussed the most value being from the Village's representatives. Ms. Travis spoke in favor of supporting the GMCVB in some way.

Mr. Manrique arrived.

Mayor Rosenfield clarified that the Village never gave an indication that the contribution would be \$100,000. She added that the \$75,000 prior contribution was based on a surplus last year. Ms. Travis discussed her budget cuts. Mayor Rosenfield discussed the Village needing to account for the money that was being spent. She noted that the Village would support what it considered to be value added dollars (return on investment).

Ms. Travis reported that Miami Beach paid the GMCVB. Dr. Krop requested finding out if Surfside paid the GMCVB anything. Mr. Treppeda agreed to do so, but didn't think that Surfside gave them anything. Dr. Krop spoke against any contribution over \$50,000.

Ms. Travis suggested \$50,000 for this year (\$25,000 contribution and \$25,000 value) and \$25,000 for last year.

Mr. Manrique discussed the need for return on investment and agreed with \$25,000 for last year, and the \$25,000 etc. for the current year. Mr. Gateau agreed that \$25,000 was justifiable, but not \$100,000. Mr. Lodes agreed and spoke against \$100,000. Ms. Lansing discussed \$25,000 for FY2010 and \$50,000 for FY 2011, with specific instructions that the money be split. Dr. Krop spoke in favor of \$25,000 and \$25,000.

The Board discussed the following two proposals:

- 1.) \$25,000 for last year (2009/2010) and \$25,000 for this year (2010/2011)
- 2.) \$25,000 for last year (2009/2010) and \$50,000 for this year (2010/2011 to be split in half with alot of strings attached).

A motion was offered by Ms. Lansing and seconded by Mr. Lodes to approve for FY 2010 a \$25,000 contribution and for FY 2011 one payment of \$25,000 for their general use and then \$25,000 with specific instructions from Ms. Travis to the GMCVB on what the money should be used for. The motion carried (5-1), with the roll call vote as follows: Mayor Rosenfield yes; Mr. Gateau yes; Dr. Krop no; Ms. Lansing yes; Mr. Lodes yes; Mr. Manrique yes; and Mr. Gelb absent.

Supplemental PR support: Ms. Travis distributed and requested approval of a proposal for Rua Helena – SPOKE, to provide public and media relations in Brazil for six months at \$2,000 per month (\$12,000 total).

A motion was offered by Dr. Krop and seconded by Mr. Manrique to approve \$12,000 for the proposal for Rua Helena (SPOKE) to provide public and media relations in Brazil for 6 months, at \$2,000 per month. The motion carried (6-0).

Director of Tourism Marketing Bonus: Mr. Treppeda distributed and reviewed an Update on Selection of Director of Tourism marketing memo from 2009. He discussed the second bonus formulated by Mr. Stierheim, during the negotiating process with Ms. Travis. Ms. Travis explained the discrepancy of the bonus being based on revenue amount versus budget amount. She noted that the question was if the bonus was looked at on the increase from year to year, or on the budgeted amount. Mr. Wallace explained that basing the bonus on the budget amount was inappropriate, since the Director set the budget amount. He added that if the bonus was based on the year over year figures, then the Board needed to decide what was meant by revenue (if it included late fees, the St. Regis Development Agreement, reserves, etc.). Mr. Pearl agreed that the bonus should be based

on actual to actual, to have a clear understanding for a calculation. Mr. Wallace reported that using the actual revenue amounts resulted in a difference of \$55,000, which would equal a percentage bonus of \$5,500 (10% of the \$55,000).

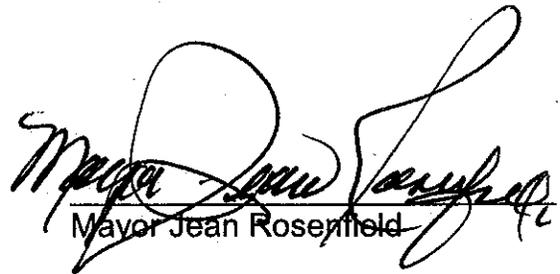
Mr. Lodes questioned what would happen when a new hotel/restaurant came on board. Ms. Travis explained that the new property wouldn't be used for comparison purposes. She explained that it would go forward, based on the existing businesses compared from year to year. Mr. Treppeda recommended for FY 2010 using the 10% formula and counting the St. Regis Development Agreement.

Mayor Rosenfield discussed the Village staff that was not receiving extra money. Ms. Travis explained that the revenue for resort tax was way up, which is what she was being evaluated on. Ms. Lansing questioned if any other employee had a bonus written in their agreement. Mr. Treppeda explained that no other employee had a bonus based on revenue. Mr. Manrique noted that the position was expected to have some type of bonus program. Dr. Krop spoke in favor of sticking with the agreement, since it was made and Council approval was given. Mr. Manrique spoke in favor of it being based on annual to annual, not the budget, since the Director set the budget. Mr. Wallace reported that there was a problem in the language regarding the use of budget amounts so that needed to be resolved and he felt that actual to actual was the only way to go. He agreed that Ms. Travis had a unique position.

A motion was offered by Mr. Gateau and seconded by Mr. Manrique to clarify the arrangement for the Director of Tourism bonus to be based on actual over actual results on the resort tax revenue, including the money from the St. Regis Development Agreement. The motion carried (6-0), with the roll call vote as follows: Mayor Rosenfield yes; Mr. Gateau yes; Dr. Krop yes; Ms. Lansing yes; Mr. Lodes yes; Mr. Manrique yes; and Mr. Gelb absent.

6. OTHER BUSINESS: Mrs. Horvath reported that the next meeting was scheduled for Thursday, December 16, 2010 at 9:00 a.m.

7. ADJOURN: There being no further business; *the meeting was adjourned by consensus of the Committee at 10:21 a.m.*



Mayor Jean Rosenfield

Attest:



Ellisa L. Horvath, MMC, Village Clerk