BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – MAY 17, 2011

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Tuesday, May 17, 2011, 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 9:05 a.m. by Mayor Rosenfield. The following members were present:

Mayor Jean Rosenfield
Gilberto Garcia-Tunon
Bruce Gelb
Michael M. Krop
Sandra Lansing
Richard Lodes
John Manrique[1]

Others Present:

Alfred J. Treppeda, Village Manager
Ellisa L. Horvath, MMC, Village Clerk
Andrea Greenblatt, Administrative Assistant
Jay Smith, Director of Human Resources and Community Outreach
Matthew Pearl, Village Attorney
Christopher Wallace, Finance Director
Carolyn Travis, Director of Tourism Marketing
Councilman Martin Packer

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

2. PLEDGE OF ALLEGIANCE: The Pledge was led by Dr. Krop.

3. ACCEPTANCE OF APPOINTMENT AND OATH OF OFFICE: Mrs. Horvath administered the oath of office to Committee member Gilberto Garcia-Tunon.

4. APPROVAL OF MINUTES:

Mr. Manrique arrived.

Dr. Krop questioned if the new restaurant at the ONE had opened. Mr. Garcia-Tunon reported Mister Collins would be open soon.

A motion was offered by Mr. Lodes and seconded by Mr. Gelb to approve the March 10, 2011 Regular Meeting Minutes. The motion carried (7-0).

5. RESORT TAX FINANCIAL UPDATE: Mr. Wallace reviewed his report.

1 Mr. Manrique arrived during approval of the minutes.

Mr. Wallace requested to conduct a pilot project of up to four sources of revenue, at a cost of $1400 each, to gauge compliance and proper submittal of the resort tax revenue.

Mayor Rosenfield noted that the same restaurant was listed twice on the revenue table. Mr. Wallace will update the name and look into that, but explained that the Village was receiving two different returns from that property.

Mr. Wallace requested the Board's input on the suggestion of allowing small remitters, under $5,000 annually, to submit their reports/revenue annually or semi-annually, instead of monthly. Mr. Manrique spoke in favor of semi-annual returns. Dr. Krop spoke in favor of the revenue being paid at the end of the fiscal year. Ms. Travis voiced concern regarding the affect of a change on the quarterly figures. As such, she suggested that the revenue/reports be submitted/paid by all entities quarterly. Mr. Lodes spoke against deferring the collections. Ms. Lansing suggested that the same schedule be kept, since no complaints were received. Mr. Wallace explained that he came across the suggestion, while reviewing Miami Beach's returns.

A motion was offered by Dr. Krop and seconded by Ms. Lansing to approve leaving the collection of all resort tax revenue monthly. The motion carried (7-0).

Mr. Wallace requested approval of $5,600, for up to four audits. Mr. Lodes thought that the amount was high and should cost half of that. Mr. Wallace explained that he used the price that Miami Beach had. Mr. Manrique questioned what the benefits were to conduct the audits now. Mr. Wallace explained that an audit had never been done and he suggested that it be done on a recurring basis, to eventually cover all of the entities that submitted revenue.

A motion was offered by Mr. Gelb and seconded by Mr. Manrique to approve an audit, of up to four entities, at $1400 each. The motion carried (7-0).

Mayor Rosenfield questioned if there was an increase from last year due to increased prices or number of tourists. Ms. Travis explained that restaurant pricing remained static, but the hotels changed their rates daily, depending on demand. She clarified that it was both an increase of rate and an increase of revenue. Mayor Rosenfield questioned if there was an increase in tourism particularly the hotels. Ms. Travis explained that it could be the same business, with higher rates, or more business, at a lower rate. She noted that what was relevant was the increase in revenue. She reported that both hotels were showing an increase in rate and occupancy. Mr. Garcia-Tunon reported that the ONE had a 32% increase in rate and occupancy, above last year. He will provide documentation.

Mayor Rosenfield would like to know if there was an increase in tourism to gauge if what the Committee was spending was working. She clarified that the goal was to increase the amount of tourists. Ms. Travis thought that the goal was both an increase in tourists, as well as revenue. Ms. Lansing agreed with Mayor Rosenfield that it would be interesting to know if there were more heads in beds. Mayor Rosenfield discussed the goal to increase knowledge of the Village as a destination. Ms. Travis agreed and added that it was also to increase the revenue, which would be an indication of increased business. She explained that if there was a higher demand, then the rate would increase. Dr. Krop also thinks that the prices at Carpaccio had increased.

Mr. Garcia-Tunon reported that the hotels would rather have a higher rate and lower

occupancy, because the higher rate would generate more money out of the occupants. Ms. Travis will try to get the occupancy rates from the hotels. Mr. Manrique noted that as a premium destination the most important question to answer was what was the most premium that people were willing to pay.

Ms. Travis distributed revenue information from the GMCVB, compared to the Village. She noted that revenue for everyone had increased, but noted that the Village was about double of what the GMCVB was. She added that the Village's figures did not include the Quarzo since it was a new entity, but reported that the GMCVB did include new entities throughout Miami-Dade County. Ms. Travis discussed the Quarzo property plans.

Dr. Krop would like to see the revenue for Miami Beach at the next meeting.

7. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN TRAVIS:

Mr. Treppeda distributed and reviewed a memorandum requesting approval of $1,517.92, which exceeded the total $15,000 approved bonus amount for Ms. Travis. He explained that the bonus system required approval by the Committee and the Council, once the bonus amount exceeded $15,000 in a year.

A motion was offered by Mr. Manrique and seconded by Mr. Garcia-Tunon to approve $1,517.92 in bonus payment for Ms. Travis, since it exceeded the $15,000 bonus mark. The motion carried (7-0).

Month Recap/Status/Actions: Ms. Travis distributed the Overview: May Meeting and reviewed the following: In Bal Harbour, Domestic PR, US Sales Action, Brazil, Argentina/Chile, and Europe.

Ms. Travis reported close to 1,000 people attended Art nights.

Ms. Travis will look at revamping the performances on the Green over the summer, since three of the six events had to be canceled. Mr. Gelb questioned if the Village would have use of the Green area (at ONE Bal Harbour) for the next season. Ms. Travis didn't know yet. Mr. Garcia-Tunon suggested that Councilwoman Cohen assist the Village, since she was now President of the Harbour House Board.

Ms. Travis reported that the Kids camp would run during the holidays when requested and the summer programming would start in June.

Dr. Krop suggested using the bus for the movies, since parking was difficult. Ms. Travis will look at doing that next year.

Ms. Travis discussed hiring Paola Larrea as the new events coordinator and reviewed her experience in branding/marketing.

A motion was offered by Mr. Gelb and seconded by Dr. Krop to change the contract for Heidi Barfels to Paola at $35,000 a year, as an hourly employee at 30-35 hours per week, without benefits. The motion carried (7-0).

Dr. Krop questioned if business people were induced to come to the Village. Ms. Travis reported that the hotels worked closely with the Village on sponsoring FAM trips, etc. to bring businesses to the Village. Mr. Garcia-Tunon reported that the ONE normally offered complimentary rooms for the FAM trips. Ms. Travis reported that Latin America and direct travel agents had produced the most business.

Ms. Travis discussed her recent travel to South America and the seven events held there. She reported the trips to be a huge success and expressed confidence in the Village's representation there.

Ms. Travis will be meeting with the GMCVB to come up with a solution for the Village's contribution money. She explained that the GMCVB felt that it was a conflict of interest for their representatives in Europe to work for the Village, since they represented the whole Greater Miami area.

Internal Report: The following items were included in the agenda: Bal Harbour Tourism Shuttle, Email Campaign, and Social Media – update and plan of action.

Overview of Reports: Reports for the following were included in the agenda: LDPR – National Public Relations, Suzanne Corbo – NE US, Laura Schmidt – European, DLX Argentina, and On Request – Brazil.

8. OTHER BUSINESS:

Mayor Rosenfield requested an update on the St. Regis project. Mr. Treppeda reported that it should be open in April 2012. Mr. Manrique reported that they were targeting the residential closings in mid-November. He will introduce the General Manager at the next meeting. He explained that the hotel sales would start booking online in October and begin soft opening activities in mid-January. He reported that the official grand opening was expected in March. Ms. Travis reported that the Village was already promoting the St. Regis. Mr. Manrique reported that the restaurant deal was official and a release should be provided next week. He clarified that the seating capacity for the restaurant would be 200-300, including exterior seating.

Dr. Krop requested information on the tax situation. Mr. Treppeda explained that the St. Regis would not be included in the upcoming tax roll, but would be shown on the year after that. He explained that they needed to be substantially completed by January to be included. He reported that when the hotel opened, the resort tax revenue from the Development Agreement would stop.

Mr. Gelb requested an update on expansion of the Shops. Mayor Rosenfield reported that the Council was not taking action on anything until the Shops came to the Village with something. She discussed petitions that were being distributed. Ms. Travis discussed the positive effect an expansion would have on tourism. Dr. Krop noted that the majority of the petition was dealing with the catering facility and the movie theatres, not the Shops, due to the concern of traffic created from those facilities. He didn't think anybody was against the expansion of the Shops.

It was the consensus of the Committee to change the next Resort Tax Committee meeting to Thursday, June 16, 2011.

9. ADJOURN: There being no further business, ***the meeting was adjourned by consensus of the Committee at 10:11 a.m.***

Mayor Jean Rosenfield

Attest:

Ellisa L. Horvath, MMC, Village Clerk