BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – JUNE 16, 2011

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Tuesday, June 16, 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 9:02 a.m. by Mayor Rosenfield. The following members were present:

Mayor Jean Rosenfield
Michael M. Krop
Richard Lodes
John Manrique

Others Present:
Alfred J. Treppeda, Village Manager
Ellisa L. Horvath, MMC, Village Clerk
Matthew Pearl, Village Attorney
Christopher Wallace, Finance Director
Carolyn Travis, Director of Tourism Marketing

Absent:
Gilberto Garcia-Tunon
Bruce Gelb
Sandra Lansing

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

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

3. APPROVAL OF MINUTES: ***A motion was offered by Mr. Lodes and seconded by Dr. Krop to approve the May 17, 2011 Regular Meeting Minutes. The motion carried (4-0).***

4. RESORT TAX FINANCIAL UPDATE: Mr. Wallace reviewed his report and reported that the tourism budget was doing very well.

Ms. Travis distributed and reviewed a graph showing the revenue from the Miami Beach Resort Tax. She reported that their numbers had increased, but noted that the Village's numbers had increased more (percentage wise). Ms. Travis discussed the increase at all of the properties in the Village. Mr. Lodes discussed the increase at the Shops and restaurants.

Dr. Krop requested the financial information from last year from Mr. Wallace to use as a frame of reference.

Brian Dye, St. Regis Hotel Director of Sales & Marketing and ***Elizabeth "Beth" Varona, St. Regis Hotel Sales Manager***, introduced themselves.

Mr. Treppeda reported that the hotel had estimated a March/April 2012 opening. He

clarified that the St. Regis would be on the tax rolls for the following year (2012/2013) not the upcoming year (2011/2012). He explained that the Village only had a guarantee for six months of resort tax revenue through the St. Regis Development Agreement (for Fiscal Year 2011/2012) and the other six months would be an estimate of the expected resort tax revenue at the St. Regis. Mr. Dye will provide Ms. Travis with projections and figures for the St. Regis resort tax revenue. Mayor Rosenfield questioned the number of units that had been sold at the St. Regis. Mr. Manrique reported that over half had been sold. Mr. Treppeda clarified that the resort tax revenue payments from the St. Regis Development Agreement would end when the hotel opened. He noted that at that time actual resort tax revenue collected would then be submitted. Mr. Manrique estimated the hotel to be opened in March 2012.

5. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN TRAVIS:

Month Recap/Status/Actions: Ms. Travis distributed the Overview: May Meeting and reviewed the following: In Bal Harbour, Domestic PR, US Sales Actions, Brazil, Argentina/Chile, Europe, and Russia. The following were also discussed: local activities, global sales/PR efforts by market, projection comparison, and Bal Harbour Tourism Shuttle.

In Bal Harbour: Ms. Travis reported that the Sea View may not want to continue the Kids Club past the summer. Mr. Treppeda explained that the Sea View had indicated that they may want to use that space for something else. Ms. Travis reported that the St. Regis and ONE both wanted to partner with Miami Children's' Museum for their Kids Clubs. She distributed and reviewed collateral that was mailed to residents.

Mayor Rosenfield invited Ms. Travis to attend the Aventura Marketing Council next week, since a lot of leaders from Brazil would be in attendance.

Ms. Travis requested approval to reallocate $4,000.00 for a Bal Harbour Village local food and beverage ad in PLUM Magazine (money is to be reallocated from PLUM Television to PLUM Magazine).

A motion was offered by Mr. Lodes and seconded by Dr. Krop to approve the reallocation of $4,000.00 to PLUM Magazine. The motion carried (4-0).

Domestic PR: Ms. Travis distributed press clippings (LDPR) and reviewed the May LDPR report. She reported that they were working on a six month action plan.

US Sales Actions: Ms. Travis reviewed the monthly sales report from Suzanne Corbo. She reported that all travel agent business had increased, in response to Ms. Corbo's efforts.

Brazil: Ms. Travis received positive feedback from the Brazil trip and reported an increase in bookings from that market for the hotels. She distributed and reviewed Flavia's (Brazil) revenue results and ad value (over 1/2 million in ad value over the last five months). Ms. Travis reported that the On Request contract was expiring and requested that it be extended for 15 months, to coincide with the end of the fiscal year (September 2012), at $2,000 monthly. Dr. Krop questioned the ability to judge the effectiveness of the ads. Ms.

Travis explained that it was considered public relations and noted that there had been an increase in Brazilian traffic at the hotels and the Shops. Mr. Dye explained that public relation was difficult to track, but an ad wouldn't be difficult to track. He discussed tracking through the 1-800 numbers. Ms. Travis noted that would be difficult for international calls, but could be used for the ads in the US. She agreed that should be used in the ads.

Dr. Krop questioned the effects of the ads on housing purchases in the Village. He noted the influence for people to buy in the Village, due to the ads. Ms. Travis agreed and noted that was a key message that LDPR pitched. She did not know how the effects would be gauged for that.

Ms. Travis requested approval of Flavia's contract for 15 months, for a total of $30,000.00 ($2,000.00 per month), to be taken from the advertising budget since it was cut back due to the numerous amounts of hits from Brazil.

A motion was offered by Mr. Lodes and seconded by Mr. Manrique to approve extending the contract with Flavia (On Request) for $30,000.00, for 15 months, from the ad budget. The motion carried (4-0).

Argentina/Chile: Ms. Travis distributed clippings and reviewed Argentina/Chile (DLX). She reported that the DLX contract (Carmen - for sales and pr) was expiring and requested that it be extended for 15 months, to coincide with the end of the fiscal year (September 2012), at $2,500 monthly (money is already allocated for sales managers).

A motion was offered by Mr. Manrique and seconded by Mr. Lodes to approve extending the contract with Carmen (DLX) for $37,500.00 ($2,500.00 monthly). The motion carried (4-0).

Europe: Ms. Travis reported that the return from LPS (Laura) was not large enough to warrant her retainer.

Ms. Travis discussed the GMCVB and reported that $25,000 of the $50,000 money contributed by the Village would be used for the Village to work with the GMCVB reps in Europe (UK, Germany and Switzerland). Mayor Rosenfield discussed the importance of seeing the return on investment from the GMCVB. Ms. Travis agreed and noted that the Village needed to use the GMCVB resources to the Village's benefits. She explained that the plan would be when the GMCVB had a rep in a certain country the Village would participate in those missions. She explained that the Interlocal Partners and the members could not hire them directly because the GMCVB felt it would cannibalize their efforts. Mr. Manrique clarified that the GMCVB reps were bound by an exclusivity agreement. Ms. Travis agreed. She explained that the Village would use the GMCVB reps in the UK and Germany/Switzerland in an ad hoc basis.

Ms. Travis distributed and reviewed the GMCVB UK, Germany & Switzerland Sales Missions Itinerary. She requested to participate and to invite the hotels to attend. She explained that a total of $7,000.00 would be taken out of the $25,000.00 already given to the GMCVB. She requested approval of $6,000.00 for her travel expenses for the European Sales Mission in July 2011.

Jason Stine, Harbour House resident and Realty Group of Miami Investment Specialist (estate agent specializing in European investors for the area), and ***Alain***

Jean-Jacques, Realty Group of Miami Investment Specialist, introduced themselves and explained that they catered to European clients.

Mr. Manrique clarified that the $6,000.00 was not part of the $25,000.00 (to be allocated to the UK and Germany/Switzerland Sales Missions). He added that the Village paid the GMCVB $50,000.00 and was now telling them what to use the $25,000.00 for. Mr. Dye explained that if he wanted to go for the St. Regis then he had to pay for his own travel. Ms. Travis clarified that the Village paid the GMCVB to set up functions, their services, etc. Mr. Manrique clarified that the $6,000.00 was for Ms. Travis to represent the Village and the hotels would pay their own way if they went. Mayor Rosenfield wanted it made clear that the Village would not pay for the hotels to participate.

A motion was offered by Mr. Lodes and seconded by Dr. Krop to approve $6,000.00 for Ms. Travis to participate in the GMCVB European Sales Mission. The motion carried (4-0).

The Committee discussed the possibility of meeting on July 7, 2011, due to Ms. Travis' travel schedule, or cancelling the meetings in July and August.

Europe Status: The following items were included in the agenda: July UK Trip – GMCVB and GMCVB/BH partnership.

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

6. OTHER BUSINESS:

Dr. Krop requested clarification of Fund Balance Appropriated ($582,484.00) on the current year's budget and questioned if it was to be spent this year. Mr. Wallace clarified that $1,517,431 was the unreserved and undesignated fund balance. Dr. Krop didn't understand how the Council voted to remove $500,000, but it was still shown in the budget. Mr. Treppeda explained that it had been put aside, but not spent yet. Dr. Krop clarified that it was not available for the Committee to use. Mr. Treppeda agreed.

Mr. Wallace reported that the last page showed the actual budget figures. Dr. Krop questioned the amount in the current beach renourishment fund. Mr. Wallace explained that there was currently $1 million (there was $1.2 million and $500,000 was used, which was brought back up to $1 million, per Village Code). Dr. Krop questioned the amount of money the Committee had in the budget. Mr. Wallace reported the amount to be $1.5 million (unreserved and undesignated fund balance). Mayor Rosenfield clarified that the Council had the right to use the money, since resort tax money could be used for the beautification of the Village. Dr. Krop agreed. Mr. Treppeda explained that the $500,000.00 was used for studies regarding the sand transfer station.

Mr. Manrique introduced ***Marco Selva, St. Regis Bal Harbour Resort General Manager***. Mr. Selva addressed the Committee and discussed the St. Regis project.

Mr. Manrique questioned the Village's beach program. Mr. Treppeda reported that the County handled maintenance of the beach (sand), the Village maintained the landscaping, Resort Tax paid for the landscaping, and the State, Federal and County paid for beach

renourishment. Mr. Treppeda will find out how often the beach was maintained by the County. Mayor Rosenfield suggested that if the County cut back on the number of days the beach was maintained, then the Village could possibly pay for that. Mr. Treppeda discussed some of the properties that had helped to keep their portion of the beach maintained. He discussed the Engineering studies that were being conducted for a sand transfer station, to ascertain the best method to use for renourishment. Mayor Rosenfield noted that the Council would review the studies and determine how to proceed. Mr. Treppeda will find out dates for scheduled beach renourishment.

7. ADJOURN: There being no further business, ***the meeting was adjourned by consensus of the Committee at 10:17 a.m.***

Mayor Jean Rosenfield

Attest:

Ellisa L. Horvath, MMC, Village Clerk