

BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – DECEMBER 15, 2011

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, December 15, 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 9:00 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 Manrique¹

Others Present:

Councilman Martin Packer
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

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

2. PLEDGE OF ALLEGIANCE: The Pledge was led by Ms. Lansing.

Mayor Rosenfield discussed a complaint received by a Bay Harbor resident, regarding the bells from the Church by the Sea, which rang every hour.

3. APPROVAL OF MINUTES: *A motion was offered by Mr. Lodes and seconded by Mr. Garcia-Tunon to approve the November 10, 2011 Regular Meeting Minutes. The motion carried (6-0).*

DISCUSSION OF DIRECTOR OF TOURISM REVENUE BONUS:

Mr. Treppeda reported that at a prior meeting Brian Dye (St. Regis) had offered to meet with him to discuss a new formula, for Ms. Travis' revenue bonus. Ms. Lansing was appointed by the Committee to also meet with Mr. Dye and Mr. Treppeda, regarding the bonus formula. This item will be discussed in January.

4. RESORT TAX FINANCIAL UPDATE: Mr. Wallace reviewed the report provided in the agenda. He reported that the audit was in the process.

Dr. Krop explained that he had mentioned an end of the year error in October, which was not corrected (\$36,000.00 revenue error). Mr. Wallace explained that was a transcription

¹ Mr. Manrique arrived during the Financial Update.

error, which had been corrected for the report. He noted that the items shown were an estimate, because the audit wasn't completed yet. He explained that the estimated ended fund balance was changed and that it would also be changed again, when the audit was complete. He reported that the fund balance shown was close to what was expected, but would change. Dr. Krop will meet with Mr. Wallace. Mr. Wallace didn't think that the numbers on the current report were wrong.

Dr. Krop requested the estimated amount received from the Development Agreement for the current year. Mr. Wallace confirmed that the money from the St. Regis Development Agreement would end when the hotel opened. He explained that the estimate for the St. Regis revenue was derived from the Development Agreement money and an estimate on how much would be received in actual resort tax revenue when the hotel opened. Dr. Krop questioned what the amount was for the Development Agreement. Mr. Wallace reported it to be estimated at \$893,950.00, (a monthly amount of \$89,395.00 for the Committee and \$89,395.00 monthly to the Maintenance Department within the Tourism fund, for a total of five months). Ms. Travis explained that was based on the hotel opening in February, but if it opened sooner the amount would need to be re-assessed. Mr. Wallace agreed and noted that the Committee needed to keep an eye on that.

Mr. Manrique arrived.

Mr. Wallace explained the prior split of the Development Agreement money (resort tax) between the Tourism fund and the General fund. He will increase the monthly amount to show it more accurately on the report (total monthly amount of \$178,790.00). Ms. Travis discussed the Maintenance Department, which was also now part of the Tourism fund. She clarified that when the Village knew the opening date of the St. Regis then the budget could be adjusted. She explained that the revenue from the Development Agreement would decrease, but the actual revenue from resort tax would increase.

Dr. Krop expressed concern that the fund was over-budgeted. Ms. Travis explained that the Development Agreement revenue might be over-budgeted if the hotel opened in January instead of February, but it was under-budgeted on the resort tax revenue that would be received.

Mr. Manrique reported that January 19, 2012 was the St. Regis opening date. Dr. Krop explained that the Committee knew the amount it received from the Development Agreement, but it wouldn't know what the actual resort tax revenue would be once the hotel opened. He suggested that some of the expenditures be held off on, until they knew. Ms. Travis will request the revenue forecast from Mr. Dye (St. Regis). Mayor Rosenfield clarified that the Committee would be prudent in spending, until it knew what the numbers would be. Mr. Wallace agreed that would be monitored.

Dr. Krop discussed the fund balance and questioned where the \$500,000.00 was, which the Committee had allocated to beach renourishment, since only some of the money had been spent. He suggested that the fund balance be labeled "reserved," because it wasn't designated money. He clarified that 1/12 of the fund balance was being allocated to the budget monthly, so the fund balance was diminishing. He questioned where the money left over from the \$500,000.00 was that was allocated for the beach renourishment.

Mr. Wallace explained that the money (\$500,000.00) was allocated last year for the sand transfer station, but was not all spent. He clarified that the amount that was not spent went

back into fund balance and would need to be re-appropriated again. He explained that once the Council decided to spend money on construction etc. for the sand transfer station then the Committee would be asked to appropriate the money again.

Mayor Rosenfield discussed the number of grants that had been applied for on the sand transfer station project and the Village anticipated that it would get funding and the money may not need to be spent.

Mr. Wallace explained the difference in government accounting and noted that fund balance was similar to retained earnings. He will meet with Dr. Krop.

Dr. Krop questioned why the fund balance was diminishing. Mr. Wallace noted that the current year budget was balanced using some of the reserves.

Dr. Krop didn't understand how the \$500,000.00 was allocated and then put back into the fund balance to spend again.

Mayor Rosenfield noted that the Committee would be prudent for the next few months, since it didn't know what the resort tax revenue from the St. Regis would be.

Mayor Rosenfield discussed the Village's commitment to finish the bus shelters, but explained that the funding that the Village would be receiving would not cover all of the expenses. She clarified that the Village would be looking to the Committee for some funding for the bus shelters.

5. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

TRAVIS: Ms. Travis distributed and reviewed a revised report. She reported a 35% increase above the budgeted amount, which didn't include the Quarzo since they hadn't submitted their revenue. She noted that the Miami Beach/Miami Dade report revenue figures were not available yet, but that they would be emailed to the Committee members.

Ms. Travis requested renewal of the LDPR Contract (\$8,000.00 monthly including expenses, for 12 months). She reviewed their report. Mayor Rosenfield requested that the ads be available at the Committee meetings. Ms. Travis noted that the binder with all of the ads was available. Ms. Lansing suggested that a binder be provided at Village Hall, which included all of the articles and ads.

Dina Cellini, 211 Bal Cross Drive, requested an explanation of what was spent versus what the Village was receiving. Ms. Travis discussed advertisement and public relations value. She will provide a monthly and year to date comparison.

Mayor Rosenfield requested that the information be provided in the lobby for the public, along with a comparison between Miami Beach and the Village on the resort tax revenue collected. Ms. Lansing also suggested that the information be provided in the Village's newsletter. Mr. Treppeda offered to also place it on the Village's Information Channel. Ms. Travis reported that the big hits were placed on the tourism site.

A motion was offered by Ms. Lansing and seconded by Mr. Manrique to approve renewal of the LDPR contract for 12 months, at \$8,000.00 monthly, including expenses. The motion carried (7-0).

Ms. Travis reported on six upcoming FAM Trips, with some wanting to wait for the St. Regis to open. She discussed the positive aspect of having in-market representatives in Argentina, Brazil, and Mexico. Ms. Travis reported that LDPR had the biggest hits for 2011.

Dina Cellini, 211 Bal Cross Drive, questioned if the 35% increased revenue included the restaurants. Ms. Travis reported that the increase was for both the hotels and restaurants.

Dr. Krop questioned how the percentage increase was derived at. Mr. Wallace explained that it included new venues. Ms. Travis agreed, but explained that the Quarzo was not included, since they did not submit the revenue payment. Ms. Lansing questioned how much they owed. Mr. Wallace reported that they may have paid by now, but that they would also have to pay penalties. Mr. Treppeda explained that the issue would be referred to the Village Attorney, if it was not paid.

6. DISCUSSION OF DIRECTOR OF TOURISM REVENUE BONUS:

This item was discussed earlier in the meeting.

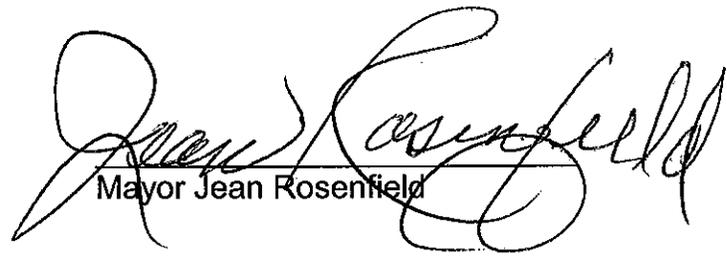
7. OTHER BUSINESS: Mrs. Horvath reported that the next meeting was scheduled for January 12, 2012, at 9:00 a.m.

8. ADJOURN: There being no further business, a motion was offered by Ms. Lansing and seconded by Mr. Gelb to adjourn. The motion carried (7-0) and the meeting was adjourned at 10:13 a.m.



Attest:


Ellisa L. Horvath, MMC, Village Clerk


Mayor Jean Rosenfield