

## **BAL HARBOUR VILLAGE RESORT TAX COMMITTEE** **REGULAR MEETING MINUTES – JANUARY 12, 2012**

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, January 12, 2012, in the Conference Room at Bal Harbour Village Hall (655 – 96<sup>th</sup> 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  
Michael M. Krop  
Sandra Lansing  
Richard Lodes  
John Manrique<sup>1</sup>

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

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 Dr. Krop and seconded by Ms. Lansing to approve the December 15, 2011 Regular Meeting Minutes. The motion carried (5-0).*

**4. RESORT TAX FINANCIAL UPDATE:** Mr. Wallace reviewed the report provided in the agenda. He explained that the first quarter was good and revenue had noticeably increased. He reported that the audit had not been officially released, but noted that he didn't anticipate that any changes would be made to the numbers.

Mr. Wallace reported that the St. Regis had given the last date for revenue from the Development Agreement as January 18 or 19, 2012, so the contributions would end as of that date. He clarified that resort tax revenue would be collected as of that date. He reported that the St. Regis Grand Opening was scheduled for March, so the resort tax revenue numbers would be low until then. Dr. Krop questioned the amount that the Village wouldn't be getting that had been anticipated from the Development Agreement. Mr. Wallace explained that the Village had anticipated five months of revenue from the Development Agreement, so the Village would be short on that revenue 1 ½ months. Dr.

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<sup>1</sup> Mr. Manrique arrived during the Financial Update.

Krop clarified that would be approximately \$200,000.00 short. Mr. Wallace noted that the resort tax revenue would now be collected, in lieu of the Development Agreement. Dr. Krop noted that the hotel resort tax was anticipated to be double from the prior year, including the St. Regis. Ms. Travis clarified that was figured for the St. Regis as of March, so the resort tax revenue should be more, since they were opening earlier. Dr. Krop discussed the lapse of one month to receive the resort tax revenue, since the money was received after the month was completed (January revenue would be received in February, etc.). Mr. Wallace explained the process. He agreed that the resort tax revenue needed to be watched, since there would be less income from the Development Agreement, but pointed out that more revenue would be received from the actual resort taxes. He clarified that the question would be how close the actual amount would be to the forecasted amount. Ms. Travis reported that they would have the amounts on March 20<sup>th</sup> and the budget could be cut then, if necessary. Mr. Wallace agreed that adjustments could be made to the budget in the future, if necessary.

Mayor Rosenfield questioned the amount in reserves. Mr. Wallace reported that there was approximately \$2 million, not including the \$1 million for beach renourishment. Mayor Rosenfield pointed out that the Committee was fairly conservative with what it did.

Dr. Krop discussed the accuracy of some of the figures in the report. He requested that the salaries and benefits be reviewed, for the past three months, which didn't add up. Mr. Wallace explained that the payroll had to be estimated in October and November, but had now been posted accurately. He added that in December the performance bonuses were paid and a lump sum retirement contribution was made to the General Employees Pension Plan, so there were initial costs that wouldn't occur again during the year. Dr. Krop noted that the figures were wrong and pointed out that they didn't add up in the report. Mr. Wallace clarified that was because those prior months were estimates, but the current month now showed the actual expenditures. He reported that \$74,035.00 was paid for the three months (October, November, and December). Dr. Krop thinks that amount was wrong. Mr. Wallace explained that the payroll numbers for the previous reports were estimated, but the current report showed the actual amounts. He was confident that the numbers were correct.

Mr. Manrique arrived.

Dr. Krop requested that the year to date amount for the sales managers be reviewed again. Ms. Travis explained that a majority of the representatives were international, so a wire had to be sent for payment, which took longer to pay and be shown as expenditures.

Ms. Lansing suggested that an asterisk (\*) be placed to denote when an amount was an estimate along with a notation, to alleviate any confusion. Dr. Krop agreed and noted that he didn't know the prior amounts were estimated. Mr. Wallace agreed to do that.

Mr. Wallace discussed the delay of international wires. He reported that the payable amounts were up to date. He was confident that the figures were up to date.

Dr. Krop discussed an error in fund balance that he pointed out that hadn't been changed. He questioned if it was corrected. Mr. Wallace explained that had been corrected and the amount was an audited figure that wouldn't change for the remainder of the year.

**5. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN TRAVIS:**

**Resort Tax Revenue:** Ms. Travis distributed and reviewed information on the Miami Beach, Miami-Dade County, and Bal Harbour resort tax revenue. She reported that everyone had increased revenue amounts for October (Miami-Dade numbers included Bal Harbour's numbers). She noted that the Village had revenue increases that were higher than Miami Beach and Miami-Dade. Ms. Travis clarified that the forecasted numbers were conservative and those amounts had been surpassed.

Mayor Rosenfield questioned if Miami Beach or Miami/Dade used the Village's representatives. Ms. Travis reported that they did not.

**Budget Approvals:** Ms. Travis distributed, reviewed, and requested approval for the following budgeted items:

1.) Art Night Exhibition (in lieu of St. Regis lounge)	\$6,000.00
2.) MOCA (Museum of Contemporary Art) Leadership Circle Bal Harbour Membership	\$2,000.00
3.) <u>Young Arts Foundation/Young Patrons Host Committee</u>	<u>\$ 500.00</u>
<b>TOTAL:</b>	<b>\$8,500.00</b>

**A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve \$8,500.00 for the requested budgeted items. The motion carried (6-0).**

Ms. Travis reported that she was working on a more significant visual arts program. Dr. Krop questioned if there would be any benefits provided for Village residents. Ms. Travis will ask MOCA (Museum of Contemporary Art) for a Bal Harbour membership discount. Mayor Rosenfield suggested that students from the Bay Harbor K-8 School be used as part of the programs, as ushers, etc.

**Report:** Ms. Travis reviewed the report provided in the agenda. She reported that upcoming press trips would result in two to three pages of edits, trade in market representatives had databases for all of the representatives now, the public relations ad value was times three, Argentina and Brazil would provide their year-end reports next month, the 24-page Bal Harbour guide would be finished next week, Miami-Dade/Broward/Palm Beach were added to the guide distribution list to help the restaurants, the guide distribution would be in late February, and the guide would be printed in English, Spanish, and Portuguese.

**Tourism Shuttle:** Ms. Travis reported that ridership had increased to 614, for the month of December. She noted that the ridership of the tourism shuttle would never equal the community shuttle. Mayor Rosenfield suggested that signs be provided for the shuttle to take people to the Village's large events, which may increase participation at the events. Mr. Garcia-Tunon discussed the importance of the tourism shuttle. He suggested that the hotel concierges and all of the properties promote the shuttle more.

Mr. Treppeda reported that Councilman Packer had requested that discussion of the tourism shuttle be placed on the Council Agenda. Councilman Packer explained that

Village residents had commented that the tourism shuttle had not been used enough and was not increasing revenue enough for the properties. Mayor Rosenfield requested that the residents present statistics at the meeting to back that up. Councilman Packer didn't have any figures. Ms. Travis explained that the success of the shuttle was not based on just the ridership, but was also based on the ad value that it provided. She reported that all of the Village properties had requested that the tourism shuttle be kept.

Dr. Krop reported that he had also received feedback regarding the tourism shuttle. He suggested that they do a better job getting Village residents to ride it.

Ms. Travis reported that Councilwoman Cohen had suggested that signs be provided where the tourism shuttle stopped.

***It was the consensus of the Committee that the tourism shuttle was an asset and a usable amenity that needed to be kept.***

Mr. Treppeda clarified that no signs were provided for the community shuttle stop locations.

Ms. Travis left the meeting.

## **6. DISCUSSION OF DIRECTOR OF TOURISM MARKETING**

**REVENUE BONUS:** Mr. Treppeda reported that he met with Ms. Lansing, Brian Dye (St. Regis), and Mr. Wallace regarding the revenue bonus. He reported that after discussion the group felt that the current formula should be kept, with a \$15,000.00 cap. The group acknowledged that it was difficult for the Committee to make a decision beyond the cap, so they suggested that Ms. Travis make a presentation, to justify any bonus over the \$15,000.00 cap. Mr. Treppeda added that the group also suggested that Ms. Travis provide a report at the end of each fiscal year explaining everything that she had done during the year. Ms. Lansing agreed that was the consensus of the group.

Mr. Lodes agreed with the cap incentive, but spoke against it being tied to performance, since there were other variables involved. He spoke in favor of increasing the cap amount.

Mr. Treppeda reported that a property would need a year history, to be included in the formula.

Mr. Garcia-Tunon agreed with the suggestions.

Mr. Treppeda noted that the Committee would be provided with numbers for the first quarter bonus, at the February meeting.

Dr. Krop questioned if Miami Beach or the County was providing a bonus for their people. Mr. Treppeda didn't know if they were, or if they had a similar position.

Dr. Krop explained that the Committee had less money in the budget this year than the prior year. Mayor Rosenfield pointed out that there was a period of time that the Village didn't have a Tourism Director, so no money was spent and was carried over. Dr. Krop thought that what the Committee was doing was good, but noted that the budget was decreased over \$500,000.00 in the current budget, before it started the system to incentivize someone.

Mr. Wallace explained the renourishment, etc. and clarified that Ms. Travis' bonus was based on revenue. Dr. Krop spoke against the bonus being based on just revenue and in favor of it being based on revenue/expenditures. Mr. Lodes pointed out that the revenue had increased. Dr. Krop clarified that the expenses had increased also. Mr. Lodes discussed the start-up costs when Ms. Travis started that needed to be spent as well as money that was given to the Village.

Mr. Treppeda reported that the Committee was in charge of expenditures, so it could reduce any expenditures that it wanted to. Dr. Krop spoke in favor of what the Village was doing, because it also benefitted the residents, but thought that there should be a connection between the bonus and what the Committee was bringing in.

Since no change was made to the bonus formula, no motion was made.

## **7. OTHER BUSINESS:**

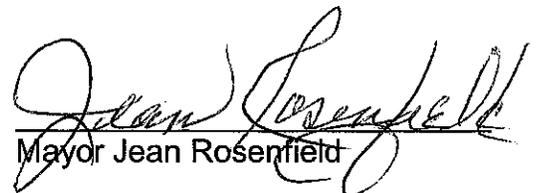
Mrs. Horvath invited the Committee members to attend the January Council Meeting, since the Council would be considering their re-appointments to the Committee. She reported that this was Mr. Manrique's last meeting.

Mrs. Horvath discussed the Village's green initiative and questioned if the Committee still needed the entire backup materials provided in the agendas or if they would prefer Ms. Travis to provide a summary instead. *It was the consensus of the Committee that a synopsis be provided for each representative, in lieu of the backup, with the backup representative reports being emailed to the members that requested them.* Mr. Garcia-Tunon requested that the backup reports be emailed to him.

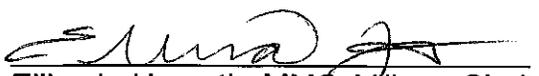
Mr. Manrique reported that the St. Regis would officially cut the opening ribbon on January 19, 2012, with the Grand Opening in March (unofficially the weekend of the 16<sup>th</sup>). He will make sure that the Committee members received invitations. Dr. Krop questioned when the condos would be open. Mr. Manrique reported that closings started in November and that residents for approximately 40 to 50 units to date had moved in. Mr. Wallace reported that the hotels and finished condominiums should be on the tax rolls for FY 2013.

Mrs. Horvath reported that the next meeting was scheduled for February 9, 2012.

**8. ADJOURN:** There being no further business, *the meeting was adjourned by consensus of the Committee at 10:05 a.m.*

  
Mayor Jean Rosenfield

Attest:

  
Ellisa L. Horvath, MMC, Village Clerk