

**BAL HARBOUR VILLAGE RESORT TAX COMMITTEE**  
**REGULAR MEETING MINUTES – MARCH 15, 2012**

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, March 15, 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  
Bruce Gelb1  
Michael M. Krop  
Sandra Lansing  
Richard Lodes

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:

Brian Dye

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

**2. PLEDGE OF ALLEGIANCE:** The Pledge was led by Councilman Packer.

**3. ACCEPTANCE OF APPOINTMENT AND OATH OF OFFICE – BRIAN DYE:** Mr. Dye was not in attendance.

Mr. Gelb arrived.

**4. APPROVAL OF MINUTES:**

Mayor Rosenfield spoke in favor of providing purchase orders. Mr. Wallace explained the process that would need to be followed for purchase orders and explained that it didn't work for the Village, which had mostly smaller purchases. Mr. Treppeda explained that purchase orders were used by the Village for large purchases or upon vendor request. He added that using purchase orders for everything would slow down the process and create more work. Mayor Rosenfield requested that purchase orders still be looked into. Mr. Wallace agreed to look into it further.

**A motion was offered by Dr. Krop and seconded by Ms. Lansing to approve the February 16, 2012 Regular Meeting Minutes. The motion carried (6-0).**

---

1 Mr. Gelb arrived prior to Approval of Minutes.

**5. RESORT TAX FINANCIAL UPDATE:** Mr. Wallace provided a revised version of the report and a prototype of future reports. He reviewed the change for the year-to-date number, for the Development Agreement, to match the amount on the first table. He reviewed the change in monthly totals, on the second page. Mr. Wallace reported that the revenue looked good, compared to the forecasted amount. He clarified that the revenue for the St. Regis would still be watched closely, since they opened up earlier than anticipated.

Dr. Krop reported that he met with Mr. Wallace and Mr. Treppeda to review the 2012 and 2011 figures. He thought that it was difficult to assess the revenue before, since the Development Agreement revenue had been included, but explained that the report would now show a true comparison with the removal of the Agreement money. He noted that the budget was \$253,000.00 short of the anticipated revenue. He voiced concern about watching the revenue figures from the St. Regis and to ensure that the expenditures did not exceed the revenue. He suggested that the budget be made on the basis of need, not based on the amount of anticipated revenue.

Mr. Gelb questioned if there was a mandate for the Committee to spend what was received. Ms. Travis reported that the goal was to increase the dollar amount that was received and to re-invest it.

Dr. Krop discussed spending the money for capital needs and discussed the possibility of building a park, etc.

Mr. Gelb again questioned if there was a mandate. Mr. Pearl reported that the Committee's task was to promote tourism within the Village and explained that there was a limited scope of what the money could be used for. He added that if less money was spent, then less money could be received. Ms. Travis discussed the huge increase in revenue and cautioned against taking more money from marketing efforts, which would increase the risk of not making the same revenue.

Ms. Lansing questioned the need to have an austerity mind set. Mayor Rosenfield discussed the importance of being prepared for disasters. She was not prepared to spend every dollar in the fund. She agreed to listen if there was a need for something.

Dr. Krop discussed the Tourism Maintenance line item. Councilman Packer pointed out that \$1 million was reserved for the beach. Mr. Treppeda reported that the Maintenance line item was previously in the Tourism Fund, but had been moved to the General Fund when the revenue from the Development Agreement was split (50% for the General Fund and 50% for the Tourism Fund). He clarified that when the Development Agreement ended, the Maintenance line item was moved back into the Tourism Fund, to be paid with resort tax revenue. Mr. Wallace agreed.

Dr. Krop pointed out that Miami Beach would probably use some of their resort tax funds for their convention center. He explained that the Village didn't have a lot of land and suggested that the Committee consider using money for capital projects. Dr. Krop noted that the Committee didn't know what the percent increase would be. Ms. Travis explained that the revenue was compared for the existing properties from last year to the current year and that no new entities were used for the comparison. She clarified that due to new

entities not being included, the Village was actually doing better than what the report showed. Mr. Wallace clarified that Dr. Krop wanted to divert money from marketing/advertising, to support the acquisition of parks. Ms. Travis suggested that fund balance be used for that, before money was taken from the budget proceeds.

Mr. Treppeda reported that the budget process started in April/May and questioned if resort tax funds could legally be used for a park. Mr. Pearl questioned the type of capital project that would be considered. Dr. Krop suggested a park. Mr. Pearl will provide an answer.

Mr. Gelb requested that the Committee's charge be emailed to them, prior to the next meeting.

Mr. Treppeda reported that tourism funds were used for the operation of the Village's Park in the past. Ms. Travis didn't think that promoted tourism, due to its location, etc. Mayor Rosenfield spoke in favor of finding out if the residents wanted it first, before any money was spent.

Mr. Wallace discussed the table showing five years of revenue activity. He explained that Dr. Krop had suggested that the table only reflect resort tax and not other income, in order to gauge the resort tax revenue. He reviewed a prototype report, which only showed resort tax revenue, not including the St. Regis Development Agreement or other revenue streams, etc. Ms. Travis requested that the increases be shown, based on last year's numbers compared to the current year's numbers. She didn't think that the St. Regis should be included. Ms. Lansing suggested that two tables be provided. Dr. Krop explained his concern to show that the Committee was within the budget.

Mr. Wallace reviewed the first page of the prototype. He explained that \$1 million needed to be put aside for beach renourishment. Dr. Krop discussed fund balance. He reported that \$500,000.00 was previously approved and set aside for the sand transfer station, which wasn't all used. He didn't understand why the unused portion of that amount was put back into fund balance. Mr. Wallace explained that money was appropriated for the sand transfer station and that the unused portion was placed back into fund balance, because that was where it was taken from. He clarified that the money wasn't appropriated in the current year, but would be re-appropriated when it was needed.

Mr. Treppeda reported that \$1.5 million was in beach renourishment, but it should have only been \$1 million, so the \$500,000.00 was put back into fund balance.

Mayor Rosenfield questioned the last time that the \$1 million for beach renourishment was looked at, since she thought the number may be based on outdated figures of what would be needed to renourish the beach. Mr. Treppeda clarified that the Village had never spent money for beach renourishment and was in the process of looking for grants, etc. for the sand transfer station. He reported that the only money being spent was for engineering fees. Mayor Rosenfield reported that the process had been ongoing for two years. Mr. Wallace explained that the money hadn't been appropriated again, since they didn't know how much or when. He clarified that the money spent last year was for the engineering fees. Mayor Rosenfield questioned if the grants were for matching funds. Mr. Treppeda didn't know. Mayor Rosenfield explained that was why it needed to be looked at.

Ms. Travis reported that the St. Regis room product had all been opened, as of last week. She explained that she would know how the resort tax revenue was, after March. Dr. Krop

pointed out that the money from the Development Agreement should have ended when the entire product (rooms, restaurants, etc.) was opened, not when the hotel opened. He discussed the hotel taxes year to date, for Fiscal Year 2012. He voiced concern regarding the estimated budgeted amount shown for the St. Regis, since the Committee didn't know the actual amount of that revenue yet. Ms. Travis explained that the St. Regis had provided a conservative forecast, for their resort tax revenue. She reported that the St. Regis exceeded the budget for February, with only 65% of their rooms open. She anticipated that their hotel taxes would come in high, but was ready to cut items if needed. She estimated a \$65,000.00 deficit, not a \$200,000.00 plus deficit. Mr. Wallace agreed that the St. Regis revenue needed to be watched.

## **6. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN TRAVIS:**

Ms. Travis reported that the resort tax revenue figures were not available for Miami Beach or the County yet.

Ms. Travis did not request any items for approval.

Ms. Travis reviewed the Bal Harbour Guide and reported that it was well received by press and travel agents. She noted that the Guide would be translated in Argentina, Mexico, and Brazil.

Ms. Travis discussed her trip last week in New York. She discussed the creation of a platform event by Destination Departures, which would be a weekend centered around Destination Fashion, in November.

Ms. Travis discussed the shoulder season.

Ms. Travis reported that she was working on the contracts, etc. for the Art Program, with Attorney Matthew Pearl. She also reported working on a selection committee and referrals.

Ms. Travis reported on FAM trips scheduled, with guaranteed edit. She anticipated that the 2012 press would exceed the 2011 press numbers. She reported that Brazil had the majority of the hits for the month of February.

Mayor Rosenfield questioned if the hotels kept records by the Country. Ms. Travis advised that they did and reported 80% international business at the Shops. Mr. Garcia-Tunon reported that there were a lot of international business people at the ONE, which is why a lot of the efforts were focused on that.

Dr. Krop questioned if the hotels offered specials for the residents. Mr. Garcia-Tunon advised that they did for the rooms and spa services. Ms. Travis discussed focusing on something in June for the residents.

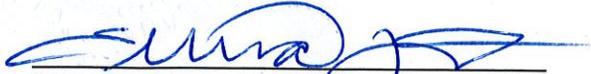
**7. OTHER BUSINESS:** Mayor Rosenfield announced that the next meeting was scheduled for April 12, 2012, at 9:00 a.m.

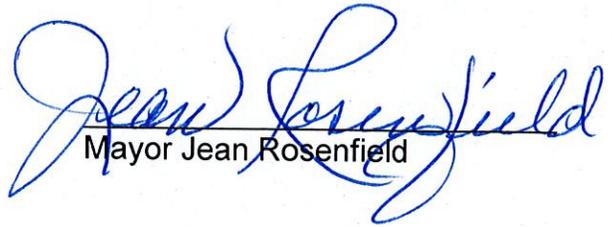
**8. ADJOURN:** There being no further business, *a motion was offered by Mr. Gelb and seconded by Mr. Lodes to adjourn. The motion carried (6-0) and the meeting was*

adjourned at 10:01 a.m.

Attest:



  
Ellisa L. Horvath, MMC, Village Clerk

  
Mayor Jean Rosenfield