

BAL HARBOUR VILLAGE RESORT TAX COMMITTEE **REGULAR MEETING MINUTES – OCTOBER 11, 2012**

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, October 11, 2012, in the Conference Room at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

The meeting was called to order at 9:02 a.m. by Mayor Rosenfield.

1. CALL TO ORDER/ROLL CALL: The following members were present:

Mayor Jean Rosenfield
Gilberto Garcia-Tunon¹
Bruce Gelb
Michael M. Krop
Richard Lodes

Others Present: Andrea Greenblatt, Executive Assistant
Alfred J. Treppeda, Village Manager
Matthew Pearl, Village Attorney
Carolyn Travis, Director of Tourism Marketing
Rikki Boparai, ONE Bal Harbour
Marco Selva, St. Regis Bal Harbour
Raj Singh, Sea View Hotel

Absent: Sandra Lansing

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 Mr. Lodes to approve the September 13, 2012 Regular Meeting Minutes. The motion carried (4-0).*

4. FINANCIAL UPDATE REPORT – CHRISTOPHER WALLACE:

The Financial Report was provided in the agenda (Mr. Wallace was not in attendance). Dr. Krop questioned why there would be one more month of resort taxes from the St. Regis. Ms. Travis thought that it was due to the month that the St. Regis had opened. Mr. Treppeda will find out and email the explanation.

Dr. Krop noted that more money was budgeted than spent, in the landscaping/maintenance line item, which could have been transferred for other items in the budget. Ms. Travis discussed the cuts that were done, in preparation for the shortage in funds. Dr. Krop pointed out that more was spent this year than was received, which he didn't want to do again the following year. He would rather give the Village residents more relief (in the general budget) and pay for more items in the resort tax budget, if possible.

¹ Mr. Garcia-Tunon arrived during the Financial Update Report.

Mr. Gelb agreed that should be done, if possible. Dr. Krop questioned if there was any additional landscaping in the general fund that could be paid for with resort tax funds. Mr. Treppeda noted that all of the major landscaping areas were already paid with resort tax funds.

Dr. Krop discussed the money (\$500,000.00) that was put into a fund to improve the beach. Mr. Treppeda reported that project was still being worked on. Dr. Krop noted that money was used to help fund the current budget and questioned where the money would now come from for that project. Mr. Treppeda reported that there was \$1.6 million in the resort tax fund balance that could be used for the sand transfer station project. He explained that the engineers (Coastal Systems International) were looking for funding sources. He explained that the project would provide a continuous source of sand for the Village. He reported that the next major renourishment project was scheduled for January 2013.

Mayor Rosenfield discussed the meeting with all of the oceanfront building managers, to explain the major renourishment project (January through March 2013).

Mr. Gelb discussed concern with the project being done during the tourist season. Mayor Rosenfield explained that the Federal government made the schedule and were working with the oceanfront buildings, if they had concerns for specific dates. Mr. Gelb questioned why the project wasn't postponed. Mayor Rosenfield explained that the Village had to go by their schedule. She added that they were aware that it was tourism season and they would try to accommodate certain things due to that. Mr. Treppeda explained that it also involved coordination of Federal, State, and local funds and the time frames related to that. Mayor Rosenfield added that the money had to be used by a certain time, or the Village would lose it.

Raj Singh, Sea View Hotel, reported that they had said there would be a funding problem, if anything was delayed (the project is being completely funded with Federal, State, and County funds).

Dr. Krop discussed the restaurant and beverage taxes and pointed out that less money was received than budgeted last year. He questioned why the same amount was budgeted for the 2012/2013 year. Ms. Travis explained that restaurant revenue increased almost 17% last year, but that wasn't shown, since the report didn't show receipts from a couple of restaurants. She explained that for the 2012/2013 budget they forecasted flat, instead of budgeting an increase.

5. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

TRAVIS: Ms. Travis reviewed her report provided in the agenda.

Miami Beach, Miami Dade, Bal Harbour Numbers/Overview: Ms. Travis was still waiting for the revenue figures from Miami Beach and Miami.

Ms. Travis reviewed upcoming activities and programs.

Bal Harbour Global Retreat: Ms. Travis discussed the global retreats and provided the PR clip books (with all of the press clippings), which would be kept in her office. She reported that the public relations agencies generated over \$3.3 million in ad value in edit,

which would be almost \$10 million in public relations value. She noted that the Village paid \$250,000.00 for all of the representatives (that amount included some representatives that also provided sales efforts).

Ms. Travis reported that the FAM Trips for the year provided a total of 167 people visiting the Village, including media and trade.

Bal Harbour Russia and Ukraine Sales Trip: Ms. Travis discussed the trip to Russia (including sales calls to top travel agencies, dinner with clients, the Russian Service Bureau anniversary celebration, and press appointments).

ILTM Trade Show – Cannes: Ms. Travis discussed the upcoming ILTM Trade Show, in Cannes (December), which was an appointment show.

Unscripted – Bal Harbour Public Art Project Launch: Ms. Travis reported that the Unscripted Public Art Project would be launched next week. She discussed the press that had already been interested in the project, even before installation. She reported that eight journalists would be coming in through the week, to be in the Village for the installation. She noted that part of the commission was for the artist to create limited edition items to sell and help the Village subsidize the project. Ms. Travis reported that the Village would partner with Grey Area Market, which was an online art channel, to sell the pieces. She added that Grey Area Market would also host an event, on election night, at the gallery space in SoHo (New York). Ms. Travis reported that the artist would be creating four items for sale. She reviewed the artist's vision in the American Dream (stainless steel Americana sign at the former Americana site and a replica of a Levittown house at Founders' Circle). She explained that some of the pieces would be ready to sell by the launch. She noted that she and the Curator were working on presales (the pieces ranged from \$750.00-\$1250.00). Mayor Rosenfield questioned if some items could be priced less. Ms. Travis discussed ideas to create a print of the pieces, which could be considered after the piece was up. Mr. Gelb clarified that the Village paid the artist and would sell the pieces to recoup some of the money. He questioned what happened if nothing was sold. Ms. Travis explained that the commission was for \$40,000.00 and the Village paid \$10,000.00 for each installation. She was confident that the items would sell. Mr. Gelb agreed that for \$10,000.00 it was worth all of the press, etc. Ms. Travis explained that the Village wanted to recoup \$40,000.00 and anything above that amount would go to the artist. Mr. Gelb questioned why the Village wouldn't get that extra money. Ms. Travis explained that would motivate the artist to create a great product. She noted that the artist would own the installation, but if the artist sold it and the Village hadn't recouped its money through the limited edition items, then the Village would get the money. Ms. Travis discussed the history of Levittown, which was a famous community, for its post-war architecture. She explained that the correlation to the Village was that the Village was incorporated just a year prior to that and was also created as a result of the post-war housing needs. She reported that the Shops was originally army barracks, which was converted into housing.

Ms. Travis discussed the next artist, whose project would be done in the Spring. Dr. Krop thought that the venues for the projects needed to be expanded next year. Ms. Travis discussed the process and the four sites that were available for the artists. She would love to give the artists more site options.

Marco Selva, St. Regis Bal Harbour, questioned if the concepts for next year would be discussed now.

Ms. Travis discussed the selection process and the concept proposals.

Mr. Selva suggested that someone from the Committee have veto power. He discussed the difficulty in explaining the project to some people. Ms. Travis agreed a Committee member should have veto power for the concept proposals. She noted that signage would be available at the project, to explain it.

Mayor Rosenfield discussed the next project, which was the barefoot mailman. Ms. Travis explained that it was based on folklore of the area.

Ms. Travis explained that the art projects would be building equity in the Village brand and getting journalists here that hadn't been to the Village. Mr. Selva agreed, but discussed the importance of delivering a consistent message of what the Village was as a destination, instead of allowing for other perceptions or having to explain what it was. He thought that there were other art concepts that played better to what the Village was.

Ms. Travis explained the importance of an educational component, which was why the programming was scheduled around it. She discussed the mailing and emails that would be sent out.

Use of Miami Beach Name in Ads: Mr. Selva discussed the money that the St. Regis spent on advertising the hotel and would like the Village to have a unified aligned message. He noted that a lot of people around the world still didn't know where Bal Harbour was.

Dr. Krop questioned if the St. Regis had an ad that referred to them being listed in Miami Beach. Ms. Travis advised that was the St. Regis ad, not a Village ad. Mr. Selva discussed its effectiveness for certain ads and the hotel's proximity to Miami Beach. He discussed plans to use both the Bal Harbour and Miami Beach names. He reported that Miami Beach was one of the top three destinations in the country right now, which the St. Regis was taking advantage of.

Mr. Gelb agreed that a cohesive message should be used and thought that they should come up with an ad line for all of the properties to use for the advertising.

Unscripted – Bal Harbour Public Art Project Launch: Mayor Rosenfield thought that the current art project would be a hard sell. A video explained the project was reviewed later in the meeting.

Destination Departures: Ms. Travis discussed Destination Departures. She reported that the second free ad ran and an additional ad would be in the November/December book, promoting the weekend. Mr. Gelb questioned if the hotels saw an increase due to the ads. Mr. Selva reported that it was hard to measure, because there wasn't a code or call to action. Mr. Garcia-Tunon agreed. Ms. Travis explained that magazines were tougher than newspaper to track returns.

Overview of In-Market Reports/Activities: Ms. Travis reported that the In-Market representation information was provided in the agenda.

Financial Reports: Mr. Singh did not think that the Financial Reports were acceptable, since they were not timely. He discussed the importance for the Committee to have

financial oversight.

FAM Trips: Mr. Singh discussed FAM trips and the need for profit and loss reports, with a breakdown showing everything.

Mayor Rosenfield discussed the difficulty in determining return on investment on some of the FAM trips, etc. Mr. Singh would like to see the costs of the FAM Trips. Ms. Travis agreed to do so. Mr. Singh explained that would help the hotel managers to make decisions.

Mr. Selva suggested that a quarterly report be provided that would be more intensive to present strategies, market plans, media specials, etc. Ms. Travis agreed to do so and was open to suggestions for getting the hotels more information.

Sales Managers: Mr. Singh discussed sales representatives in other countries and if they could be misconstrued as employees of the Village. He suggested getting an opinion on that. He also questioned if there could be a problem if one of the representatives was hurt or in an incident that may be bad exposure for the Village. Ms. Travis clarified that they weren't employees of the Village and were hired as consultants, per an agreement. Mr. Singh suggested that the term Sales Managers be changed on the budget line item. Mr. Pearl clarified that it was made very clear that they were not employees of the Village, were under a contract, and were not covered by any Village insurance. Mr. Singh voiced concern if the representatives filed an action against the Village. He requested that an opinion be received. Ms. Travis reported that the overseas representatives received payment, via a wire transfer. She will change Sales Managers to In-Market Representation for the budget line item. Mr. Pearl will look into any legal issues.

Unscripted Art Project: Ms. Travis displayed a video explaining the art project. She discussed the use of the video for online social media and prior to the movies on the beach. Mr. Singh suggested that the video be dubbed in different languages. Ms. Travis will look into that. Ms. Travis discussed the vision to have an entire film, with a retrospective of the artist, etc. Mr. Singh offered to provide the video link in the Sea View emails and promotions, for travel agents and customers.

Use of Miami Beach Name in Ads: Mr. Gelb agreed with the concept to have a comprehensive message and suggested that everyone agree on the language to be used. Ms. Travis suggested that everyone send her suggestions on how the ads should read for the Committee to consider next month. Mr. Selva explained that the St. Regis had conducted a lot of research on the issue and the need to use Miami Beach, so people knew where they were. Ms. Travis will also contact some agents. Mr. Singh reported that the GMCVB had also done a lot of research on it.

GMCVB: Ms. Travis reported that in return for a \$50,000.00 donation in 2012, she had requested that the GMCVB match the \$50,000.00 for a joint marketing effort (investment in Russia or investment in specific tactical campaigns with a travel and leisure or marketing partners for shoulder season next year). She reported that the \$50,000.00 had been cut from the Village's budget, due to anticipated shortfalls. She explained that the GMCVB had advised that they had the \$50,000.00 matched funds. She suggested that the joint marketing effort be done for 2013, but questioned if it should be done for 2012.

Mr. Singh spoke in favor of the resources that the GMCVB had and their efforts helping the
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Sea View and the Village.

Ms. Travis anticipated a \$50,000.00 deficit, after September revenues were received.

Mr. Singh and Mr. Selva spoke in favor of matching the \$50,000.00. Dr. Krop agreed. Ms. Travis discussed the GMCVB efforts for the Village.

Mr. Gelb spoke in favor of using \$50,000.00 from another line item, depending on what the project would be. Ms. Travis explained that the Village would approve the opportunities that would be presented.

Sister City: Mayor Rosenfield requested that Ms. Travis research the concept of a sister city. Ms. Travis will look into it, but didn't know how beneficial it would be for tourism. Mr. Selva didn't think it was necessary.

A motion was offered by Mr. Lodes and seconded by Mr. Garcia-Tunon to approve \$50,000.00 for the GMCVB, from the 2012 budget. The motion carried (5-0)

6. DISCUSSION OF BEACH MAINTENANCE: Mr. Treppeda reviewed the proposal received from Beach Raker, for additional beach cleaning.

Mr. Garcia-Tunon reported that the ONE Bal Harbour and the St. Regis Bal Harbour both used the company. He discussed the complaints received from the guests that the beach was dirty, due to the amount of seaweed. He explained that Beach Raker was the only company, other than the State, that was licensed and permitted to maintain the seaweed. He suggested that the company be used to clean the rest of the Bal Harbour beach. The cost would be \$5,000.00 per month, for cleaning seven days a week.

Mr. Gelb spoke in favor of the cleaning, but questioned how the larger anticipated beach would be affected (possibly more money). He questioned if the St. Regis and ONE would contribute towards the \$5,000.00, or if the Committee would pay for the full amount. Mr. Selva and Mr. Garcia-Tunon reported that they would not contribute to the amount. Mayor Rosenfield suggested negotiating with the company and a three-month trial period. Mr. Treppeda will look into it and report at the next meeting.

Mr. Selva and Mr. Garcia-Tunon were both happy with the service.

7. OTHER BUSINESS: Mr. Selva reported that the St. Regis was the only five-diamond hotel in Miami Beach now.

8. ADJOURN: There being no further business, *a motion was offered by Mr. Gelb and seconded by Mr. Garcia-Tunon. The motion carried (5-0) and the meeting was adjourned at 10:34 a.m.*

Attest:


Ellisa L. Horvath, MMC, Village Clerk


Mayor Jean Rosenfield