

BAL HARBOUR VILLAGE RESORT TAX COMMITTEE
REGULAR MEETING MINUTES – SEPTEMBER 13, 2012

A Regular Meeting of the Bal Harbour Village Resort Tax Committee was held on Thursday, September 13, 2012, in the Conference Room at Bal Harbour Village Hall (655 – 96th Street, Bal Harbour, Florida).

The meeting was called to order at 9:01 a.m. by Mayor Rosenfield.

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

Mayor Jean Rosenfield
Gilberto Garcia-Tunon
Bruce Gelb
Michael M. Krop
Sandra Lansing
Richard Lodes

Others Present:

Councilman Martin Packer
Ellisa L. Horvath, MMC, Village Clerk
Alfred J. Treppeda, Village Manager
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 Mr. Pearl.

3. APPROVAL OF MINUTES:

Dr. Krop suggested that the art project be provided at additional locations. Ms. Travis reported that five locations were available to the artists and additional locations could be considered next time. Dr. Krop thought that the Balmoral and Kenilworth buildings would be interested in offering their locations.

A motion was offered by Mr. Gelb and seconded by Ms. Lansing to approve the June 14, 2012 Regular Meeting Minutes. The motion carried (6-0).

Ms. Travis distributed and reviewed the 12 month resort tax report for Miami Beach and reported that resort taxes had increased 17.5% (year to date) for Bal Harbour. Dr. Krop suggested that the two graphs be coordinated, to represent the same time. Ms. Travis explained that the graphs were provided by the GMCVB. Dr. Krop would like to see how it compared monthly. Ms. Lansing and Mr. Gelb agreed.

4. FINANCIAL UPDATE REPORT – CHRISTOPHER WALLACE: Mr. Wallace reviewed the update provided in the agenda.

Mr. Wallace noted that less revenue was received than anticipated, due to the St. Regis

Development Agreement ending earlier than expected. He noted that Ms. Travis was decreasing expenditures, in response to that.

Dr. Krop requested that the monthly figures be checked, since they didn't add up to the year-to-date amount. Mr. Wallace will do so, but explained that the monthly figures wouldn't always add up to the year-to-date figures, since adjustments were made after the reporting periods to the Committee for bills that came in late (those wouldn't be shown in the monthly figures but would be shown in the year-to-date figures). He clarified that the Committee should use the year to date figures for an accurate total amount and not add prior monthly report figures up (which would not include any late bills/revenues that were posted).

Mayor Rosenfield questioned if 89.5% of the budget had been spent. Mr. Wallace advised that it had been. Ms. Travis reported that the anticipated revenue would be close, but noted that a lot of expenditures were being cut.

Dr. Krop discussed the anticipated deficit. Mr. Wallace explained that the budget was an estimate and they wouldn't know the figures until the actual amounts were received. He reported that there were substantial reserves in the fund.

Dan Hirsch, St. Regis Bal Harbour, reported that September was not a great month, since the St. Regis would be installing privacy screens on the balconies and half the hotel would not be available for guests. He added that October through December were great months.

Mr. Wallace reported that the audits for three venues were completed and money for penalties was expected. He noted that the audits for three additional properties had started.

5. DISCUSSION OF PROPOSED BUDGET FOR FISCAL YEAR 2012/2013:

Ms. Travis distributed the revised budget. Dr. Krop questioned why the spreadsheet only showed a YTD (year-to-date) of June. Mr. Wallace reported that was the month that was used by the Village departments to prepare their budgets.

Ms. Travis reviewed the proposed budget and explained that the actual revenue for 2012 was used to prepare the budget, so the numbers were conservative.

Ms. Travis distributed and reviewed the Advertising schedule and budget. She discussed the importance of the travel trade, investing in travel publications, St. Regis as a flagship hotel, investing money in public relation firms globally to create more ad value instead of just advertising, continuing public relation efforts, branding and tactical advertising, Destination Fashion, and "by invitation only" events.

Ms. Travis discussed the addition of advertising in Aventura Magazine. Mayor Rosenfield spoke in favor of also advertising the hotels, not just the restaurants in that publication.

A motion was offered by Mr. Gelb and seconded by Ms. Lansing to approve \$607,776.00 for the Advertising Schedule and Budget. The motion carried (6-0).

Ms. Travis distributed and reviewed information for the Representatives. She discussed the \$2.3 million ad value, which was specifically attributed to the PR companies and 167 top media and travel agents that the Representatives were responsible for bringing to Bal Harbour. She reported that the only increases were for social media (\$36,000.00) and the Unscripted Curator (\$28,500.00), since none of the representatives had increased their prices. She requested approval of \$450,900.00. Dr. Krop requested that a cushion be provided somewhere in the budget. Ms. Travis reported that was provided in Contingency.

A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve \$450,900.00 for the Representatives and Curator. The motion carried (6-0).

Mr. Gelb left the meeting.

Ms. Travis distributed and reviewed the Market/Action plan.

Mayor Rosenfield requested that Ms. Travis meet the owner of the property at 10201 Collins Avenue on the possibility of a co-op ad in Argentina for Bal Harbour.

Ms. Lansing noted that the totals for Mexico didn't add up correctly. Ms. Travis clarified that the Sales Calls/Actions for Mexico should be \$14,470.00.

Ms. Travis requested approval of \$223,499.00 for the Market/Action plan for sales calls, Fams, trade shows, etc. for the Representatives as indicated.

A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve \$223,499.00 for the Market/Action Plan as provided. The motion carried (5-0).

Ms. Travis distributed and reviewed information for movies on the beach (events budget). Ms. Lansing suggested providing some music events in collaboration with FIU. Mayor Rosenfield suggested that the Committee provide money to FIU for their cultural programs and to show the community that tourism money was also being used for the benefit of the residents. Ms. Travis reported that \$5,000.00 was provided in the budget for that. Mayor Rosenfield reported that the Village was working with the FIU graphic art and architecture schools to design new entrance signs for the Village. She requested input on a good stipend amount for the student whose design was chosen. Ms. Travis will ask the Curator, but noted that money was provided in the budget that could cover that. Mayor Rosenfield suggested \$500.00.

Ms. Travis requested approval of \$80,000.00 for the Bal Harbour Cultural Calendar for movies on the beach.

A motion was offered by Mr. Garcia-Tunon and seconded by Ms. Lansing to approve \$80,000.00 for the Cultural Beach Movie Budget as provided. The motion carried (5-0).

Ms. Travis distributed and reviewed information for Destination Fashion (November 10, 2012) at the Bal Harbour Shops. She requested approval of \$20,000.00 for three tables at the event.

A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve \$20,000.00 for three tables at the Destination Fashion event. The motion carried (5-0).

Ms. Travis distributed and reviewed the Bal Harbour Shuttle Report. Mr. Garcia-Tunon noted that guests at the ONE Bal Harbour had requested that the bus service be increased. Ms. Travis requested approval of \$72,000.00 for the Tourism Shuttle.

A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve \$72,000.00 for the Tourism shuttle. The motion carried (5-0).

Dr. Krop noted that he received a lot of criticism on the bus, since it was barely used and residents were not happy that the Village was paying for it (through resort tax funds). Ms. Travis will ensure that residents are more aware of the tourism shuttle. Ms. Lansing suggested that the bus be used for Art Basel. Dr. Krop added that it should also be used for the movies on the beach. Mayor Rosenfield explained the difference between the Bal Harbour Village bus and the Tourism bus, which the residents need to be aware of.

Dr. Krop noted that the Beautification/Maintenance showed a YTD (year to date) month of June 4th, which he didn't think was informative (since the budget was discussed for approval in September). He pointed out that the budget had been overspent in salaries. Mr. Wallace explained that was due to the reorganization and layoffs in the Public Works Department, which he offered to separate out. Dr. Krop reviewed the 2012/2013 budget for Beautification/Maintenance. Mr. Wallace reported that any money left over from that budget would stay in the tourism fund. Dr. Krop would like the Village's General Fund to pay for more of the items in Beautification/Maintenance. Mr. Treppeda thought that the Council would have a problem with that, since the tourism funds were traditionally used for beautification, beach maintenance, and tourism promotion.

Ms. Travis requested approval for the total budget.

A motion was offered by Ms. Lansing and seconded by Mr. Garcia-Tunon to approve the proposed budget. The motion carried (4-1), with Dr. Krop voting no.

6. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

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

7. OTHER BUSINESS:

Mr. Treppeda reported that the hotel managers met with Ms. Travis and requested additional future meetings with her to discuss their concerns. He noted that they were told to bring any issues to the Resort Tax Committee. Mayor Rosenfield agreed that the managers needed to come to the Committee meetings, to get anything done. She noted that they could meet individually with Ms. Travis, but not as a group. She pointed out that two of the hotels were represented on the Committee.

Mr. Pearl explained that if the managers formed their own committee, or started collectively commenting on the budget, etc., then there may be a sunshine issue. Mr. Lodes noted that the Resort Tax Committee didn't want a sub-committee.

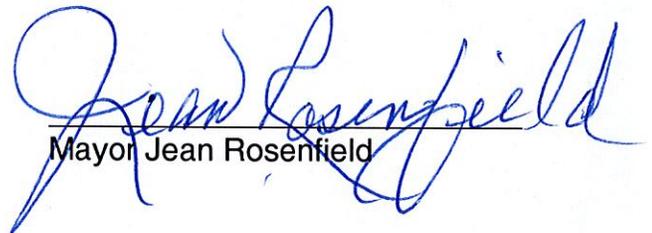
Mr. Treppeda reported that the managers would like the Village to use Miami Beach (as a location proximity) in more presentations/ads and they would also like for resort tax funds to pay for additional beach cleaning. Mayor Rosenfield noted that a meeting was held with all of the oceanfront properties and the beach cleanup process was explained to them. Mr.

Garcia-Tunon reported that the ONE Bal Harbour paid a company for additional cleaning on the beach. Dan Hirsch added that the St. Regis also paid a company for additional cleaning. Mr. Garcia-Tunon will provide information on the cost to the ONE for additional beach cleaning. Mayor Rosenfield didn't understand why the managers didn't attend the Resort Tax Committee meeting, to discuss those items. Dr. Krop suggested that the beach cleanup be placed on the next agenda for discussion.

Councilman Packer noted that the Committee was promoting Bal Harbour as a destination. Ms. Travis explained that the feeling was that the managers wanted to benefit from the Village being close to South Beach. Mr. Garcia-Tunon agreed that Miami Beach was recognized on a global scale. Mr. Lodes agreed with Mayor Rosenfield and pointed out that the Committee had spent 50 years branding the Village. Ms. Travis requested direction from the Committee. Mayor Rosenfield spoke against using Miami Beach and clarified that Bal Harbour was not Miami Beach. Ms. Travis clarified that she shouldn't run an ad if a hotel in Bal Harbour noted that it was Miami Beach. *It was the consensus of the Committee that shouldn't be done.* Ms. Travis will speak with the managers individually for input.

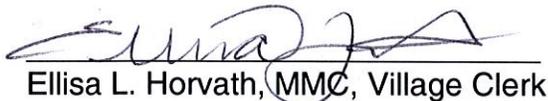
Dr. Krop requested that the Council be provided with more up to date figures, to make a decision on the budget (the current information only showed the year-to-date figures through June).

8. ADJOURN: There being no further business, *a motion was offered by Dr. Krop and seconded by Ms. Lansing. The motion carried (5-0) and the meeting was adjourned at 11:25 a.m.*



Mayor Jean Rosenfield

Attest:



Ellisa L. Horvath, MMC, Village Clerk