

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

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

The meeting was called to order at 9:11 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

Absent: Sandra Lansing
Richard Lodes

Others Present: Councilman Martin Packer
Marco Selva, St. Regis Bal Harbour
Raj Singh, Sea View Hotel1
Ellisa L. Horvath, MMC, Village Clerk
Alfred J. Treppeda, Village Manager
Matthew Pearl, Village Attorney
Carolyn Travis, Director of Tourism Marketing
Jay Smith, Director of Community Outreach

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. Gelb to approve the November 15, 2012 Regular Meeting Minutes. The motion carried (4-0).*

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

Dr. Krop didn't understand why the figures didn't add up and requested that a notation be provided, when changes were done to the report. Mr. Garcia-Tunon agreed that a notation should be provided, to explain any discrepancies.

Dr. Krop questioned the \$80,000.00 income for the art program. Ms. Travis explained that amount was for the limited edition items, which were sold as part of the public art project. She reported that \$8,000.00 had been received thus far for the first project. She added that the idea was for the program to be self-funded.

1 Mr. Singh left the meeting after the Financial Update Report.

Dr. Krop questioned why no amount was shown for the resort tax penalties. Mr. Wallace explained that no fines had been received for the current year. He explained the process for fines/penalties. He discussed problems with the Village's Code and with the penalty being based solely on a percentage. Mr. Treppeda reported that they had spoken to the Village Attorney about implementing something else. Mr. Pearl explained that the Village Code would have to be amended, to provide a flat penalty, or anything else the Committee wanted. Mr. Wallace recommended a flat \$50.00 penalty, which would be applied to the total amount due, in addition to the 10% penalty. He explained the goal to encourage people to file on time. Mayor Rosenfield questioned the percentage of those that paid late. Mr. Wallace noted that there wasn't a pattern.

Raj Singh, Sea View Hotel, spoke against changing the Village Code. Dr. Krop agreed and spoke in favor of enforcing what the Village already had.

Mr. Wallace still recommended a \$50.00 fine, to be applied to the penalty, which would be consistent with the sales tax law.

Mr. Singh compared the November 2011 and November 2012 reports, which showed a variance of over \$700,000.00. He pointed out that every month there was a variance and adjustments were being made from the prior month and year, without any disclosures. He didn't think that the Committee could rely on any of the reports, since they changed. Mr. Wallace pointed out that the reports were not audited financial statements, but were internal figures that were correct when the reports were done. He added that bills, etc. came in after the reports were done that needed to be accounted for. He explained that if the Committee wanted an audit, then the reports would be delayed. Mr. Wallace didn't see anything wrong with the reports that were presented and noted that the year to date number was accurate. Ms. Travis explained that the discrepancies in the revenue were due to the St. Regis Development Agreement being moved.

Marco Selva, St. Regis Bal Harbour, also questioned the discrepancies in the reports. Mr. Wallace explained that transactions came in after the report date that would then get posted. Mr. Selva thought that a financial statement needed to be provided, which would account for those things. Mr. Wallace explained that the problem with that was that the reports would then be delayed a month or two.

Mayor Rosenfield and Mr. Treppeda will ask the Auditor for an opinion, or a better way to present the financial information to the Committee.

Raj Singh, Sea View Hotel, reported that the Sea View did a monthly financial statement that didn't have any discrepancies. He added that Mr. Wallace could accrue for items that hadn't come in or at least note them. He suggested that a second sheet be provided, to show where the variances were.

Mr. Wallace explained the need to follow modified accrual and government accounting standards. Mayor Rosenfield requested that a different financial presentation be provided in January.

Mr. Singh left the meeting.

5. REQUEST FOR APPROVAL OF FUNDS FOR ADDITIONAL RESORT TAX COLLECTION AUDITS:

Mr. Wallace explained the audit process for four properties, which resulted in \$20,000.00 in additional revenue. He requested approval of \$5,600.00, to audit four additional properties. He explained the goal to ensure that the properties were collecting and paying resort tax properly.

Councilman Packer suggested that the Committee approve money to conduct more than four audits.

Ms. Travis requested that the audits be done during the shoulder/summer season.

A motion was offered by Mr. Gelb and seconded by Mr. Garcia-Tunon to approve \$7,000.00 (\$1,400.00 per establishment), for five audits.

Dr. Krop questioned if every venue had been notified of the rules regarding resort tax collection for cabanas, etc. Mr. Wallace explained that they were given a copy of the Village Ordinance. Ms. Travis suggested that a summary regarding resort tax collection be sent to the properties. Mayor Rosenfield agreed that should be done, to make it easy for the properties to understand what needed to be paid for.

Ms. Travis questioned if resort tax needed to be collected on rooms that were provided free of charge. Mr. Wallace will provide a summary/bullet list for Mr. Pearl to review.

The motion carried (4-0)

6. DISCUSSION OF TAG LINE FOR ADVERTISEMENTS: Mayor Rosenfield reported that the Committee had decided on the tag line last month. Ms. Travis reported that the tag line agreed to was "Bal Harbour, Miami's most fashionable beach destination." Mayor Rosenfield explained that the discussion was that the Village was not advertising Miami Beach, but wanted people to know geographically where the Village was.

Marco Selva, St. Regis Bal Harbour, apologized for not attending the last meeting, but he didn't think that using Miami Beach would be a deterrent. He pointed out that South Beach was the third largest destination in the Country. He discussed the purpose to generate business. He noted that the Village was fifteen minutes away from South Beach and was in Miami Beach. He thought that Miami Beach would be a more prominent name than Miami. Mr. Selva didn't think that using just Bal Harbour worked any more. He noted that the St. Regis was using Miami Beach in its advertising and they would like the Village to be in line with them. Ms. Travis suggested putting in the copy that the Village was on the beach. Mr. Selva noted that he was fine with what was approved, but suggested that the tag line be moved to under Bal Harbour in the ad, to be more prominent.

Mr. Garcia-Tunon explained that the Committee chose to use Miami, because it encompassed alot more than Miami Beach.

Mr. Selva spoke in favor of playing up the Village's proximity to South Beach.

Mr. Garcia-Tunon spoke in favor of the hotels and restaurants having more of a focus than the Shops, since they were the ones that provided the resort tax revenue. Mr. Selva agreed. Mr. Gelb noted that the Village now had good hotels that it didn't have before.

The Committee discussed the current ad, which they felt would only be good for another year. Mr. Selva suggested a new image. Ms. Travis reported that the image had been running for one year. Mayor Rosenfield pointed out that the foliage from the beach was missing in the ads. Mr. Selva agreed. Ms. Travis will work on the copy.

Mr. Treppeda reported that the Council had decided to wait on paying for additional beach maintenance, due to the damage done by Hurricane Sandy, until after the beach renourishment project was done. He reported that the renourishment project was expected to start in January, would take about four months, and would start at the ONE Bal Harbour and go south.

Ms. Travis discussed the limited space for the movies on the beach, but reported that 350 people attended the last movie. *It was the consensus of the Committee to continue with the movies on the beach.* Dr. Krop requested that the residents be provided with more advanced notice of the movies.

7. DISCUSSION OF NORTH MIAMI MUSEUM OF CONTEMPORARY ART – DR. KROP: Dr. Krop suggested that, since the Village didn't have a lot of venues for entertainment, it make partnerships with venues whenever possible. He suggested free museum membership for Village residents and guests. Ms. Travis reported that Village residents currently received a 10% discount for membership and the museum would be hosting some events.

Dr. Krop discussed the Byron Theater, which could be rented for approximately \$5,000.00, to provide a free Broadway show for Village residents.

Dr. Krop also discussed the library. Mr. Treppeda reported that the Village reimbursed the residents for their library cards.

Mr. Gelb agreed that Ms. Travis should find all the partnerships that she can, for the Village residents and guests.

Mayor Rosenfield suggested a special family membership fee.

Mayor Rosenfield discussed the public art display and people not understanding the project. She requested better promotion of future projects, including a large poster for each building explaining them. She discussed the next project, which would be the barefoot mailman.

Dr. Krop questioned if the Village did anything with Art Basel. Ms. Travis reported that it didn't. Mr. Selva reported that the St. Regis had three events. He spoke in favor of the Village doing something also. Dr. Krop agreed. Mayor Rosenfield suggested that the item be discussed in March/April.

Dina Cellini, 211 BAL Cross Drive, suggested that an image of the public art project be provided on the poster, instead of just describing it.

8. DIRECTOR OF TOURISM MARKETING REPORT – CAROLYN

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

Dr. Krop left the meeting.

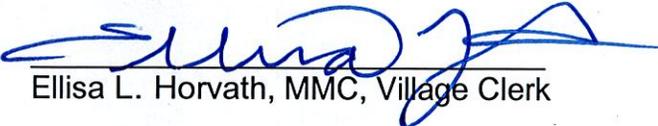
9. OTHER BUSINESS: None.

10. ADJOURN: There being no further business and due to the lack of a quorum, the meeting was adjourned at 10:20 a.m.

Attest:



Mayor Jean Rosenfield



Elisa L. Horvath, MMC, Village Clerk